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If you have sold or otherwise transferred all of your Abbey Protection Shares, please send this document together with the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Recommended Cash Acquisition of

Abbey Protection plc

by

Markel Capital Holdings Limited

by means of a scheme of arrangement of Abbey Protection plc

under Part 26 of the Companies Act 2006

This document should be read as a whole. Your attention is drawn to the Letter from the Chairman of Abbey Protection in Part I of this document, which contains the unanimous recommendation of the Abbey Protection Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting of Abbey Protection. A letter from PwC explaining the Scheme appears in Part II of this document.

Notices convening the Court Meeting and the General Meeting, both of which will be held at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS on 2 December 2013, are set out at the end of this document. The Court Meeting will start at 11.00 a.m. on 2 December 2013 and the General Meeting will start at 11.15 a.m. on 2 December 2013 (or, if later, as soon as the Court Meeting has been concluded or adjourned). The action to be taken in respect of the Meetings is set out on page 6 of this document. Shareholders will find enclosed with this document a blue Form of Proxy for use in connection with the Court Meeting and a white Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend both or either of the Meetings in person, please complete and sign both the enclosed Forms of Proxy and return them in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by post or, during normal business hours only, by hand to Abbey Protection's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY at least 48 hours before the time appointed for the relevant Meeting. The Forms of Proxy have a pre-paid address for your convenience for use in the UK only. If the blue Form of Proxy for use at the Court Meeting is not lodged by the above time, it may be handed to the Chairman of the Court Meeting before the taking of the poll at that Meeting. However, in the case of the General Meeting, unless the white Form of Proxy is lodged so as to be received by 11.15 a.m. on 28 November 2013, it will be invalid. If you hold your Abbey Protection Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST ID 3RA50) must be received by Abbey Protection's Registrars not later than 11.00 a.m. (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting) on 28 November 2013, in the case of the Court Meeting, and by 11.15 a.m. on 28 November 2013, in the case of the General Meeting.

The completion and return of a Form of Proxy will not prevent you from attending either the Court Meeting or the General Meeting (or any adjournment thereof) and voting in person should you so wish and are so entitled.

If you have any questions relating to the completion and return of your Forms of Proxy, please call Abbey Protection's Registrars, Computershare, on 0870 707 1682 or +44 870 707 1682 (if calling from outside the UK) between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding bank or public holidays). Please note that calls to this number may be monitored or recorded and no advice on the Proposals can be given.

PwC, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Abbey Protection and no one else in connection with the Acquisition and, accordingly, will not be responsible to anyone other than Abbey Protection for providing the protections afforded to clients of PwC or for providing advice in relation to the Acquisition.

Shore Capital and Corporate, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Abbey Protection and no one else in connection with the Acquisition and, accordingly, will not be responsible to anyone other than Abbey Protection for providing the protections afforded to clients of Shore Capital and Corporate or for providing advice in relation to the Acquisition.

Shore Capital Stockbrokers, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Abbey Protection and no one else in connection with the Acquisition and, accordingly, will not be responsible to anyone other than Abbey Protection for providing the protections afforded to clients of Shore Capital Stockbrokers or for providing advice in relation to the Acquisition.

Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Markel and no one else in connection with the Acquisition and, accordingly, will not be responsible to anyone other than Markel for providing the protections afforded to clients of Peel Hunt or for providing advice in relation to the Acquisition.

PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT. THIS DOCUMENT RELATES TO A SCHEME OF ARRANGEMENT WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF ADMISSION TO TRADING OF THE ABBEY PROTECTION SHARES ON AIM.

IMPORTANT NOTICE

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. This document does not constitute an offer or invitation to purchase, sell, issue or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document has been prepared for the purposes of complying with English law, the Code and the AIM Rules, insofar as these are relevant, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England and Wales.

The Acquisition relates to shares in a UK company and is proposed to be made by means of a scheme of arrangement under English company law. US holders of Abbey Protection Shares should note that the Scheme relates to the shares of a UK company that is a "foreign private issuer" as defined under Rule 3b-4 of the Exchange Act and will be governed by English law. Accordingly, neither the proxy solicitation rules nor the tender offer rules under the Exchange Act will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in this document has been prepared in accordance with accounting standards applicable in the UK that may not be comparable to financial statements of US companies. If Markel exercises its right to implement the

Acquisition of the Abbey Protection Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US securities laws and regulations.

Abbey Protection and Markel are organised under the laws of England and Wales. Some or all of the officers and directors of Abbey Protection and Markel are residents of countries other than the United States. It may not be possible to sue Abbey Protection, Markel or their respective officers and directors in a non-US court for violations of US securities laws. It may be difficult to compel Abbey Protection, Markel and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Abbey Protection or the Abbey Protection Group or Markel or the Markel Group except where otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document includes ‘forward-looking statements’, including statements about the expected timing of the Scheme, the expected effects on Abbey Protection of the Scheme, potential strategic options, plans following, and anticipated benefits of, the Acquisition and estimated future growth and all other statements in this document other than statements of historical fact.

Forward-looking statements include, without limitation, statements that typically contain words such as ‘will’, ‘may’, ‘should’, ‘continues’, ‘aims’, ‘believes’, ‘expects’, ‘estimates’, ‘intends’, ‘anticipates’, ‘projects’, ‘plans’ or similar expressions. By their nature, forward-looking statements involve known or unknown risks and uncertainties because they relate to events and depend on circumstances that all occur in the future. Actual results may differ materially from those expressed in the forward-looking statements depending on a number of factors, including, but not limited to, the enactment of legislation or regulation that may impose costs or restrict activities, the satisfaction of the Conditions, future market conditions, the behaviour of other market participants, an adverse change in the economic climate, a fluctuation in the level of clients’ and customers’ commercial activity and the extent to which the Abbey Protection Group and Markel Group businesses are successfully combined. Many of these risks and uncertainties relate to factors that are beyond the companies’ abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants. The forward-looking statements contained in this document are made as of the date hereof. None of Abbey Protection or Markel assumes any obligation or intends publicly to update or revise these forward-looking statements, whether as a result of future events, new information or otherwise except as required pursuant to applicable law.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an “Opening Position Disclosure” following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An “Opening Position Disclosure” must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeror company and (ii) any securities exchange offeror(s). An “Opening Position Disclosure” by a person to whom Rule 8.3(a) applies must be made by no later than 3:30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an “Opening Position Disclosure” must instead make a “Dealing Disclosure”.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a “Dealing Disclosure” if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A “Dealing Disclosure” must contain details of the dealing concerned and of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A “Dealing Disclosure” by a person to whom Rule 8.3(b) applies must be made by no later than 3:30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

“Opening Position Disclosures” must also be made by the offeree company and by any offeror and “Dealing Disclosures” must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities “Opening Position Disclosures” and “Dealing Disclosures” must be made can be found in the Disclosure Table on the Takeover Panel’s website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel’s Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an “Opening Position Disclosure” or a “Dealing Disclosure”.

PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES

A copy of this document is and will be available on the following websites, free of charge, subject to certain restrictions relating to Restricted Persons, during the course of the Acquisition:

- <http://www.abbeyprotectionplc.com>
- <http://www.markelinternational.com>

Save where expressly stated in this document, neither the contents of Markel International’s website, nor those of Abbey Protection’s website, nor those of any other website accessible from hyperlinks on either Markel International’s or Abbey Protection’s website are incorporated into or form part of this document.

You may request a hard copy of this document (and any information expressly incorporated by reference in this document) by contacting Computershare between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding public holidays) on 0870 707 1682 (or, if calling from outside the UK, on +44 870 707 1682) or by submitting a request in writing to Abbey Protection’s Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

Calls to the 0870 707 1682 number cost 10 pence per minute (including VAT) plus your service provider’s network extras. Calls to the helpline from outside the UK will be charged at applicable international rates.

Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that calls to 0870 707 1682 or +44 870 707 1682 may be monitored or recorded and no advice on the Proposals or their merits, nor any legal, taxation or financial advice, can be given. It is important that you note that unless you make such a request, a hard copy of this document and any such information incorporated by reference in it will not be sent to you. You may also request that all future documents, announcements and information be sent to you in relation to the Acquisition should be in hard copy form.

GENERAL

Electronic Communications

Addresses, electronic addresses and certain other information provided by Abbey Protection Shareholders, persons with information rights and other relevant persons for the receipt of communications from Abbey Protection will be provided to Markel during the Offer Period as

required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.12(c) of the Takeover Code.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

This document is dated 4 November 2013.

TO VOTE IN FAVOUR OF THE PROPOSALS

Whether or not you plan to attend the Meetings:

- 1. Complete and return the BLUE Form of Proxy, to be received by no later than 11.00 a.m. on 28 November 2013.**
- 2. Complete and return the WHITE Form of Proxy, to be received by no later than 11.15 a.m. on 28 November 2013.**

**If you require assistance relating to the completion and return of the Forms of Proxy,
please telephone Computershare**

on 0870 707 1682 (from within the UK)*

or +44 870 707 1682 (from outside the UK)**

The completion and return of the Forms of Proxy will not prevent you from attending and voting at the Court Meeting or the General Meeting, or any adjournment thereof, in person should you wish to do so.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF ABBEY PROTECTION SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE.

THE ABBEY PROTECTION DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE RESOLUTIONS TO BE PROPOSED AT THE COURT MEETING AND THE GENERAL MEETING.

This page should be read in conjunction with the ACTION TO BE TAKEN section on page 6 of this document and the rest of this document.

* Calls to this number cost 10 pence per minute from a BT landline. Other service providers' costs may vary.

** Calls to this number from outside the UK are charged at applicable international rates.

ACTION TO BE TAKEN

The Scheme requires approval at a meeting of the Scheme Shareholders convened by order of the Court to be held at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS at 11.00 a.m. on 2 December 2013. Implementation of the Scheme also requires the passing of the Special Resolution by the Abbey Protection Shareholders at the General Meeting to be held immediately thereafter.

Please check you have received the following with this document:

- a blue Form of Proxy for use in respect of the Court Meeting;
- a white Form of Proxy for use in respect of the General Meeting; and
- a reply paid envelope for use in the UK in connection with the Forms of Proxy.

If you have not received these documents please contact Abbey Protection's Registrars on the telephone number(s) set out on page 5 of this document.

To vote on the resolutions to be proposed at the Court Meeting and General Meeting:

Whether or not you plan to attend the Meetings, PLEASE COMPLETE AND SIGN BOTH the blue and white Forms of Proxy and return them to Abbey Protection's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible but, in any event, so as to be received by no later than 11.00 a.m. on 28 November 2013 in the case of the Court Meeting (blue form) and by no later than 11.15 a.m. on 28 November 2013 in the case of the General Meeting (white form). This will enable your votes to be counted at the Meetings in the event of your absence. The Forms of Proxy have a pre-paid address for your convenience for use in the UK only. If the blue Form of Proxy for use at the Court Meeting is not lodged by 11.00 a.m. on 28 November 2013, it may be handed to the Chairman at the Court Meeting before the taking of the poll and will still be valid. White Forms of Proxy may NOT be handed to the Chairman of the General Meeting or Abbey Protection's Registrars at the General Meeting. The completion and return of the Forms of Proxy will not prevent you from attending and voting at the Court Meeting or the General Meeting, or any adjournment thereof, in person should you wish to do so.

If you hold your Abbey Protection Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes in the Notice of the General Meeting set out at the end of this document).

Proxies submitted via CREST (under CREST ID 3RA50) must be received by Abbey Protection's Registrars, Computershare, not later than 11.00 a.m. on 28 November 2013 in the case of the Court Meeting and by 11.15 a.m. on 28 November 2013 in the case of the General Meeting.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF ABBEY PROTECTION SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE.

THE ABBEY PROTECTION DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE RESOLUTIONS TO BE PROPOSED AT THE COURT MEETING AND THE GENERAL MEETING.

Abbey Protection Share Incentive Schemes

Appropriate proposals will be made to Abbey Protection Share Incentive Scheme Participants and such persons will be sent separate letters in due course explaining the effect of the Acquisition on the options and/or awards they hold under the Abbey Protection Share Incentive Schemes and setting out details of the actions they can take in respect of their outstanding options and/or awards, where applicable.

Helpline

If you have any questions relating to the completion and return of the Forms of Proxy, please call Abbey Protection's Registrars, Computershare, on 0870 707 1682 or +44 870 707 1682 (if calling from outside the UK) between 8.30 a.m. and 5.30 p.m., Monday to Friday (excluding bank or public holidays). Please note that, for legal reasons, Computershare cannot give you any advice on the

merits of the Proposals or provide any personal financial, legal or taxation advice in connection with the Proposals. Calls to the 0870 707 1682 number are charged at 10 pence per minute from a BT landline. Other service providers' costs may vary. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be monitored and recorded for security and training purposes.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates given are based on Abbey Protection's current expectations and may be subject to change. If the expected date of the Court Hearing is changed, Abbey Protection will give notice of such change by issuing an announcement through a Regulatory Information Service and posting notice of the change to Abbey Protection Shareholders. All Abbey Protection Shareholders have the right to attend the Court Hearing.

All times shown in this document are London times unless otherwise stated.

<i>Event</i>	<i>Time and/or date</i>
Latest time for lodging Forms of Proxy for the:	
Court Meeting (blue form)	11.00 a.m. on 28 November 2013⁽¹⁾
General Meeting (white form)	11.15 a.m. on 28 November 2013⁽²⁾
Voting Record Time	6.00 p.m. on 28 November 2013 ⁽³⁾
Court Meeting	11.00 a.m. on 2 December 2013
General Meeting	11.15 a.m. on 2 December 2013⁽⁴⁾
Scheme Court Hearing (to sanction the Scheme)	14 January 2014
Last day of dealings in, and for registration of transfers and disablement in CREST of, Abbey Protection Shares	16 January 2014
Dealings in Abbey Protection Shares on AIM suspended	5.00 p.m. on 16 January 2014
Scheme Record Time	6.00 p.m. on 16 January 2014
Reduction Court Hearing (to confirm Capital Reduction)	17 January 2014
Effective Date of the Scheme	17 January 2014
Cancellation of admission to trading on AIM of, and cessation of dealings in, Abbey Protection Shares	7.00 a.m. on 20 January 2014
Dispatch of cheques and crediting of CREST accounts for cash consideration due under the Scheme	by 31 January 2014
Long Stop Date	30 April 2014

Notes:

- (1) It is requested that blue Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting. Blue Forms of Proxy not so lodged may be handed to the Chairman of the Court Meeting at the Court Meeting.
- (2) White Forms of Proxy for the General Meeting must be lodged not later than 48 hours prior to the time appointed for the General Meeting. If not lodged by that time they will be invalid.
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day which is two days' prior to the date of the adjourned meeting.
- (4) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) The above times and dates are indicative only and will depend, among other things, on the date upon which (i) the Court sanctions the Scheme; (ii) the Court confirms the associated Capital Reduction; and (iii) the Court Orders and the Statement of Capital are delivered to the Registrar of Companies and, if the Court so orders, when the Reduction Court Order and the Statement of Capital are registered by him.
- (6) The Long Stop Date is the latest date by which the Scheme may become Effective unless Abbey Protection and Markel agree, with the consent of the Panel and if the Court permits, a later date.

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PART I

LETTER FROM THE CHAIRMAN OF ABBEY PROTECTION PLC



Abbey Protection plc

(incorporated in England and Wales with registered number 06352358)

Directors:

Tony Shearer (Non-executive Chairman)
Colin Davison (Group Chief Executive)
Chris Ward (Group Managing Director)
Adrian Green (Group Finance Director)
Paul Wilson (Non-executive Director)

4 November 2013

To Abbey Protection Shareholders and, for information only, to Abbey Protection Share Incentive Scheme Participants and persons with information rights

Dear Abbey Protection Shareholder

RECOMMENDED CASH ACQUISITION OF ABBEY PROTECTION BY MARKEL

1. Introduction

On 9 October 2013, the boards of Abbey Protection and Markel, a wholly-owned subsidiary of Markel Corporation, announced that they had agreed the terms of a recommended cash acquisition of the entire issued and to be issued share capital of Abbey Protection by Markel.

I am writing to you today to set out the background to the Acquisition and the reasons why your directors consider the terms of the Acquisition to be fair and reasonable and are unanimously recommending that you vote in favour of the Acquisition. I draw your attention to the letter from PwC set out in Part II (*Explanatory Statement*) of this document which gives details about the Acquisition and to the additional information set out in Part VII (*Additional Information on Abbey Protection, Markel Corporation and Markel*) of this document.

In order to approve the terms of the Acquisition, Abbey Protection Shareholders will need to vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting, to be held on 2 December 2013 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS. Details of the actions you should take are set out in paragraph 14 of Part II (*Explanatory Statement*) of this document. The recommendation of the Abbey Protection Directors is set out in paragraph 14 of this letter.

2. Summary of the terms of the Acquisition

The Acquisition will be implemented by the acquisition of the entire issued and to be issued ordinary share capital of Abbey Protection by Markel pursuant to a scheme of arrangement between Abbey Protection and the Scheme Shareholders under Part 26 of the Companies Act 2006.

Under the terms of the Acquisition, which will be subject to the terms and conditions set out in Part III (*Conditions to the Implementation of the Scheme and the Acquisition*) of this document, Abbey Protection Shareholders on the register at the Scheme Record Time will receive:

for each Abbey Protection Share 115 pence in cash

On 4 September 2013, the Abbey Protection Directors announced their intention to pay an interim dividend of 2.4 pence per Abbey Protection Share for the six month period ended 30 June 2013. Abbey Protection Shareholders who were on Abbey Protection's register of members as at close of business on 13 September 2013 received the Abbey Protection Interim Dividend on 10 October 2013. In the event that the Acquisition becomes Effective, no final dividend will be paid in respect of the Abbey Protection financial year ending 31 December 2013.

The Acquisition Price values Abbey Protection's entire issued and to be issued share capital at approximately £116.5 million and, on this basis, represents the following multiples:

- 9.3 times Abbey Protection's reported EBITDA of £10.9 million for the financial year ended 31 December 2012; and
- 14.5 times Abbey Protection's reported earnings per Abbey Protection Share of 7.93 pence for the financial year ended 31 December 2012.

In addition, the Acquisition represents:

- a premium of approximately 43.8 per cent. to the average Closing Price of 80.0 pence per Abbey Protection Share between the date of admission of the Abbey Protection Shares to trading on AIM ("Admission") on 29 November 2007 and 8 October 2013 (being the last practicable day prior to the commencement of the Offer Period);
- a discount of approximately 4.0 per cent. to the Closing Price of 119.75 pence per Abbey Protection Share on 8 October 2013 (being the last practicable day prior to the commencement of the Offer Period);
- a premium of approximately 0.9 per cent. to the Closing Price of 114.0 pence per Abbey Protection Share on 1 November 2013 (being the last practicable day prior to the date of this document); and
- a premium of approximately 0.4 per cent. to the Closing Price of 114.5 pence per Abbey Protection Share on 20 May 2013 (being the business day before Abbey Protection announced its special dividend of 5 pence per Abbey Protection Share).

3. Background to, and reasons for, the Acquisition

The Board of Markel believes that Abbey Protection will be a significant addition to Markel International's UK retail business. Abbey Protection is specialised, well-known and experienced in its target legal and taxation related professional fees insurance market, and the Board of Markel believes that Abbey Protection is a high quality business in terms of service and knowledge. Abbey Protection is also an attractive business for Markel International due to its high quality brand, consistent profitability, solid balance sheet, specialist product and service offering and its network of customers.

The Board of Markel believes that the Markel Group can provide the level of capital and risk tolerance to enable Abbey Protection to retain more underwriting risk and explore growth initiatives which the Abbey Protection business would not presently target given the scale of its current balance sheet.

4. Background to, and reasons for, the recommendation

Background to the approach

Since its initial public offering ("IPO") in 2007, the Company has consistently delivered strong, sustainable earnings and a progressive dividend yield for investors through a strategy of driving organic growth, developing opportunities for its consulting divisions and making selective and complementary acquisitions. This most recently included the acquisition in February 2013 of the law firm, Lewis Hymanson Small Solicitors LLP, a significant step in the Company's plans to expand in the legal services market.

The Abbey Protection Senior Executive Team has been in place throughout the period from the IPO to date and, in the majority of cases, for some considerable time prior to the IPO and has overseen the Company's growth during that time. Together, the Abbey Protection Senior Executive Team (and/or their Connected Persons, as the case may be) hold interests in Abbey Protection Shares representing approximately 56.9 per cent. of the issued share capital of the Company.

Abbey Protection's share price has performed strongly, with total shareholder return at the Acquisition Price of 159.6 per cent. from the date of Admission. This compares to a total shareholder return of negative 20.2 per cent. for the FTSE AIM All Share index and of positive 31.0 per cent. for

the FTSE All Share index over the period from the date of Admission to 7 October 2013, being the last practicable day prior to the date of the Announcement.

The Abbey Protection Senior Executive Team have for some time discussed with the Board that whilst Abbey Protection's relatively small size and independence have complemented its strategy to date, these factors also make it difficult for Abbey Protection to take advantage of certain growth opportunities, particularly those which are higher risk. Furthermore, after a significant period successfully running Abbey Protection, the Abbey Protection Senior Executive Team are keen to reduce their day-to-day involvement in the business and realise their investment in the business in a timely and appropriate manner, without compromising its long-term future and in a way that preserves value for all Abbey Protection Shareholders.

As a result, the Board of Abbey Protection has been conscious of the need to put in place an appropriate succession plan. However, the Board has experienced some real difficulties in recruiting and incentivising a new team to drive the business forward in the same way that the Abbey Protection Senior Executive Team has done, particularly in light of the existing team's very significant shareholdings and length of service. It has also taken account of the high risks and additional costs of doing so.

Strategic options

Over recent years, the Board of Abbey Protection has considered a number of strategic options for the business. The Board of Abbey Protection took the decision in early 2012 to initiate a formal review, and consequently appointed PwC to advise the Board of Abbey Protection. A range of strategies was considered for the business as well as various options for realising the Abbey Protection Senior Executive Team's holdings in the medium term. Having completed this review, the Board of Abbey Protection decided that achieving value for all Abbey Protection Shareholders whilst securing the long-term future of the Company and the interests of all stakeholders were most likely to be served through a sale of the Company and, in Autumn 2012, commenced a sale process.

PwC approached a number of potential interested parties to assess their appetite for acquisitions in the sector and identified a number of highly credible, strategically aligned, potential bidders for targeted discussions. Throughout this process, the Board of Abbey Protection was conscious of the potential disruption to the business and, accordingly, took the decision not to announce a formal sale process. Markel International was one of the parties approached in this process.

Throughout the last six months of 2012, the Abbey Protection Share price increased considerably, rising by approximately 32.4 per cent. compared to the FTSE AIM All-Share index, which rose approximately 4.1 per cent., and the FTSE All Share index, which rose approximately 5.7 per cent. At the end of December 2012, the share price reached a then all-time high, closing at 107.25 pence on 27 December 2012, and as this price risked forcing the Board of Abbey Protection to make an announcement at a premature stage, the Board of Abbey Protection took the decision to put the sale process on hold in early January 2013. At that point, Markel International had emerged as the most credible potential bidder.

In July 2013, the Board of Abbey Protection received a further approach from Markel International in relation to a possible offer for the Company. In light of this approach, the Board of Abbey Protection reconsidered its strategic options and concluded that the best option for all stakeholders remained a sale of the Company. The Board of Abbey Protection then engaged in further negotiations with Markel International, resulting in the Announcement of the recommended Acquisition on 9 October 2013.

Background to the recommendation

In reaching its unanimous decision to recommend that Abbey Protection Shareholders vote in favour of the Scheme to effect the Acquisition, the Board of Abbey Protection has taken into account the following factors:

- the consideration payable under the Acquisition is cash and, as such, represents a good opportunity for all Abbey Protection Shareholders to realise their investments in Abbey Protection, particularly given the limited liquidity in Abbey Protection Shares and the limited ability of Abbey Protection Shareholders otherwise to realise their investments in significant size at the market price;
- the Acquisition Price represents the following multiples:

- 9.3 times Abbey Protection's reported EBITDA of £10.9 million for the financial year ended 31 December 2012; and
- 14.5 times Abbey Protection's reported earnings per Abbey Protection Share of 7.93 pence for the financial year ended 31 December 2012;
- the Board of Abbey Protection has conducted a thorough review of alternative strategic options over an extended period of time and has held discussions with a number of potential bidders;
- the unique position of the Abbey Protection Senior Executive Team and the very real difficulties in replicating the incentive and drive of the team to continue to grow the business sustainably;
- the Board has considered the possibility of a placing of the shareholdings of the Abbey Protection Senior Executive Team, either as a block or over a period of time, in combination with a management succession plan, in light of the Abbey Protection Senior Executive Team's stated desire to reduce their involvement in the leadership and management of the business. The Board has concluded that this would be very difficult to achieve, would be high risk and would not deliver as much value to, or be the best option for, Abbey Protection Shareholders as a whole;
- the Board considers that the current management team has been integral to the success of Abbey Protection, but that the team has to be refreshed in order for the business to grow further and, in the absence of the Acquisition, these changes to the team are likely to be disruptive in both the short and medium term with a consequential impact on profit;
- the Abbey Protection Senior Executive Team has decided that now is an appropriate time to sell their Abbey Protection Shares and, although they intend to remain involved in the business, some of them plan to take a less active role in its day-to-day operations after an appropriate handover and integration period. Members of the Abbey Protection Senior Executive Team have provided Markel with irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting in respect of their shareholdings, and/or the shareholdings of their Connected Persons (as the case may be), representing, in aggregate, approximately 56.5 per cent. of the issued share capital of Abbey Protection;
- Markel has received a letter of intent from an additional member of the Abbey Protection Senior Executive Team to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting in respect of additional Abbey Protection Shares representing, in aggregate, approximately 0.4 per cent. of the issued share capital of Abbey Protection;
- in total, Markel has received irrevocable undertakings and a letter of intent from the Abbey Protection Senior Executive Team to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting in respect of Abbey Protection Shares representing, in aggregate, approximately 56.9 per cent. of the issued share capital of Abbey Protection;
- Markel has also received a letter of intent from Mawer Investment Management Limited to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting, or to accept a Takeover Offer, as the case may be, in respect of additional Abbey Protection Shares representing approximately 10.0 per cent. of the issued share capital of Abbey Protection;
- the Abbey Protection Share price has risen considerably over the period since the Board of Abbey Protection took the decision in early 2012 to initiate the formal review of strategic options, with an average Closing Price of 78.6 pence for the first six months of 2012 rising to an average Closing Price of 115.4 pence for the six month period ending on 8 October 2013, being the last practicable day prior to the date of the Announcement;
- Markel has made it clear to the Board of Abbey Protection that it will not increase the Acquisition Price above 115 pence per Abbey Protection Share and the Board of Abbey Protection has not received any offer from any other party;
- the Board of Abbey Protection believes that Markel represents an attractive acquirer of Abbey Protection taking into account the following factors:

- the culture and management styles of the two businesses are highly compatible and form the backbone of both operations. Markel shares the values that are core to Abbey Protection: strong supplier relationships; quality products and customer service; honesty and integrity; and a workplace which enables all management and employees to reach their personal potential;
- the benefits to Abbey Protection employees of being part of a larger group and Markel's stated intention to retain the Abbey Protection brand, to continue with the operational integrity of Abbey Protection as a separate business unit and to continue with its existing portfolio and strategy in all material respects;
- as a larger group, Markel should be able to run the Abbey Protection business more efficiently, due to the benefits of its larger scale and underwriting expertise and capacity;
- as part of the Markel Group, Abbey Protection should be better placed to take advantage of future growth opportunities and should benefit from the enhanced profile of being part of a large international insurance group;
- the existing Abbey Protection Senior Executive Team will be strengthened and supported by the Markel Group. Abbey Protection will also benefit from better succession planning as part of a much larger group; and
- the Board understands the wish of the Senior Executive Team to sell their Abbey Protection Shares and reduce their commitment to leading and managing the business, and, in the context of the significant risks to the business and the potential sale of substantial shareholdings, the Board believes that the Acquisition provides the best option to maximise value for Abbey Protection Shareholders as a whole.

The Board of Abbey Protection has considered a number of strategic options and believes that the Acquisition at the Acquisition Price of 115 pence is in the best interests of all Abbey Protection Shareholders.

5. Irrevocable undertakings and letters of intent

Colin Davison, Chris Ward, Adrian Green and Tony Shearer, being the Abbey Protection Directors who together (either individually or with their Connected Persons, where applicable) hold beneficial interests in Abbey Protection Shares, have irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in respect of a total of 33,351,973 Abbey Protection Shares, representing, in aggregate, approximately 33.4 per cent. of Abbey Protection's issued share capital.

Markel has also received irrevocable undertakings to vote, or procure the vote, in favour of (or to return, or procure the return of, Forms of Proxy voting in favour of) the Acquisition at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) from Elizabeth Grace, Murray Fairclough, Richard Candy, Toby Clarke and Simon Howes, being additional members of the Abbey Protection Senior Executive Team, in respect of a total of 23,254,991 Abbey Protection Shares, representing, in aggregate, approximately 23.3 per cent. of Abbey Protection's issued share capital.

Markel has also received a letter of intent to vote, or procure the vote, in favour of (or to return, or procure the return of, Forms of Proxy voting in favour of) the Acquisition at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) from a further member of the Abbey Protection Senior Executive Team, David Hartley, in respect of a total of 398,754 Abbey Protection Shares, representing, in aggregate, approximately 0.4 per cent. of Abbey Protection's issued share capital.

In addition, Markel has received a letter of intent from Mawer Investment Management Limited confirming its intention to vote in favour of the Scheme or to accept the Takeover Offer, as the case may be, in respect of 9,988,000 Abbey Protection Shares, representing, in aggregate, approximately 10.0 per cent. of Abbey Protection's issued share capital.

Markel has therefore received irrevocable undertakings in respect of a total of 56,606,964 Abbey Protection Shares, representing, in aggregate, approximately 56.6 per cent. of Abbey Protection's

issued share capital and letters of intent in respect of a total of 10,386,754 Abbey Protection Shares representing, in aggregate, approximately 10.4 per cent. of Abbey Protection's issued share capital. In total, therefore, Markel has received irrevocable undertakings and letters of intent in respect of 66,993,718 Abbey Protection Shares representing, in aggregate, approximately 67.0 per cent. of Abbey Protection's issued share capital.

Further details of these irrevocable undertakings and letters of intent are set out in paragraph 7 of Part II (*Explanatory Statement*) and paragraph 11 of Part VII (*Additional Information on Abbey Protection, Markel Corporation and Markel*) of this document.

6. Information relating to Abbey Protection and the Abbey Protection Group

Abbey Protection is an integrated specialist insurance and consultancy group focused on the underwriting and sale of insurance products to UK SMEs and affinity groups providing protection against legal expenses and professional fees incurred as a result of legal actions and HMRC investigations.

The Abbey Protection Group was founded in 1992 and has developed a range of complementary legal, professional and reinsurance services. It floated on AIM in November 2007. It has over 250 employees operating from five locations and distributes its services via a wide network of insurance brokers, insurance companies, accountants, solicitors and affinity groups.

For the six months ended 30 June 2013, pre-tax profits were stable at £5.2 million and total revenues grew 8 per cent. to £20.7 million. The Interim Dividend increased by 14 per cent. to 2.4 pence per Abbey Protection Share, whilst also paying a special dividend of £5 million (5 pence per Abbey Protection Share) in June 2013.

As the Abbey Protection Group now operates through four companies and a limited liability partnership, each with their own distinct trading brands:

Abbey Protection Group Limited

Abbey Legal Protection ("ALP")

ALP, based in the City of London, sells and arranges the underwriting of commercial legal expenses insurance ("CLEI") that reimburses legal fees incurred by businesses, typically SMEs, in the event of legal actions, such as employment and contract disputes. ALP is a market leader in the provision of CLEI to SMEs and affinity groups and has built up an extensive and diverse distribution network of over 1,000 insurance brokers, five insurance companies, and over 200 affinity groups.

Abbey Legal Services ("ALS")

ALS, based in Croydon, provides legal advice and related employment services to ALP clients. ALS services approximately 275,000 calls a year.

After the Event Services ("ATES")

ATES, based in Croydon, provides commercial "after the event" ("ATE") insurance and manages the Law Society's only personal injury compensation scheme, Accident Line, and its ATE insurance policies, supporting solicitors who undertake an injury claim on a conditional fee agreement.

Abbey HR ("AHR")

AHR, based in Rugby, provides human resources consultancy services direct to businesses. AHR was established to leverage off the Abbey Protection Group's existing specialist skills in employment law and to penetrate further the independent compliance consultancy market.

Abbey Tax & Consultancy Services Limited

Abbey Tax Protection ("ATP")

ATP, based in Rugby, sells and underwrites professional fees insurance which reimburses fees incurred by taxpayers when HMRC undertakes an investigation into a taxpayer's tax, VAT or PAYE return. It also undertakes specialist consultancy services on behalf of its network of accountancy clients.

Accountax ("ACX")

ACX, based in Milton Keynes, supplies advice and consultancy services to businesses involved in IR35 and tax status disputes with HMRC, particularly specialising in personal service companies. It also markets for new audit clients for its accounting franchisees.

Abbey Property Facilities Limited (“APF”)

APF, based in Chester, markets and administers services to assist owners of vacant commercial property to mitigate their commercial rates liabilities. APF is majority-owned by the Abbey Protection Group.

Lewis Hymanson Small LLP (“LHS”)

LHS, a solicitors practice based in Manchester, provides a comprehensive range of legal services to SMEs and private clients. LHS is a leading player in the regulatory sector, representing professionals in disciplinary and criminal proceedings. LHS was acquired by Abbey Protection in February 2013.

Ibex Reinsurance Company Limited (“Ibex”)

Ibex, based in Guernsey, is the Abbey Protection Group’s captive reinsurer. In order to provide a rated insurance counter party, the Abbey Protection Group places its insurance policies through its insurance partner, Brit Insurance. With the exception of the ATEs division and certain specialist risks, Ibex reinsures Brit on a straight quota share basis and benefits from the majority of the underwriting profits.

For the six month period ended 30 June 2013, Abbey Protection reported total revenues of £20.7 million (HY 2012: £19.2 million) and profit after tax of £4.2 million (HY 2012: £3.9 million). At 30 June 2013, Abbey Protection had shareholders’ funds of £28.4 million (HY 2012: £30.4 million).

Further information on Abbey Protection is available on its website at www.abbeyprotectionplc.com.

7. Information relating to Markel Corporation and Markel International

Markel Corporation

Markel is a wholly-owned subsidiary of Markel Corporation. Markel Corporation is a diverse financial holding company serving a variety of niche markets. Markel Corporation’s principal business markets and underwrites specialty insurance products. In each of Markel Corporation’s businesses, it seeks to provide quality products and excellent customer service so that it can be a market leader. The financial goals of Markel Corporation are to earn consistent underwriting and operating profits and superior investment returns to build shareholder value.

For the six month period ended 30 June 2013, Markel Corporation reported total operating revenues of \$1,852 million (HY 2012: \$1,426 million), gross written premiums of \$1,844 million (HY 2012: \$1,296 million) and net income to shareholders of \$117 million (HY 2012: \$147 million). At 30 June 2013, Markel Corporation had shareholders’ equity of \$6,321 million (HY 2012: \$3,889 million).

Markel Corporation is listed on the New York Stock Exchange and had a market capitalisation of approximately \$7.3 billion, as at 1 November 2013, being the last practicable date before the date of this document.

Further information on Markel Corporation is available on its website at www.markelcorp.com.

Markel International

Markel International is headquartered in London and writes UK and international business. It operates through eight divisions and 18 overseas offices. It employs some 700 people.

For the six month period ended 30 June 2013, Markel International reported gross written premiums of \$526 million (HY 2012:\$514 million).

Further information on Markel International is available on its website at www.markelinternational.com.

8. Current trading and prospects of the Abbey Protection Group

As set out in Abbey Protection’s interim results for the six months ended 30 June 2013 announced on 4 September 2013, financial highlights to 30 June 2013 include:

- pre-tax profits stable at £5.2 million;
- six per cent. growth in profit after tax to £4.2 million;
- total revenues up eight per cent. to £20.7 million;
- claims ratio at 73 per cent. (2012: 69.7 per cent.);
- earnings per share up four per cent. to 4.11p;

- shareholders' funds at £28.4 million (after payment of special dividend of 5p per share);
- interim dividend increased by 14 per cent. to 2.4p per share; and
- outlook positive, with significant opportunities for specialist legal and tax services.

The following is an extract from the Chief Executive's statement:

"We approached 2013 with a degree of cautious optimism, and although profit after tax for the period increased 6% to £4.2m (30 June 2012: £3.9m), pre-tax profits remained stable at £5.2m (2012: £5.2m).

Group revenue was up 8% at £20.7m for the period (2012: £19.2m), but the results were impacted by a 9% reduction in pre-tax profits from Ibex, the Group's captive insurance company, which contributed £1.8m (2012: £2m).

Interim result – Principal trading divisions

Although revenue increased by nearly 3% to £5.1m for Abbey Protection Legal, comprising Abbey Protection Legal Protection ("ALP") and Abbey Protection Legal Services ("ALS"), profits were flat for the period at £1.2m. Our investment in the opportunities afforded by the granting of our alternative business structure licence to provide legal services ("ABS Licence") at the start of 2013 is yet to bear fruit. However, renewal rates for our existing scheme and affinity clients remain strong and £0.9m of annualised new business in the first half of the year has demonstrated that the core insurance business remains healthy.

To fall in line with the regulatory requirements of our ABS Licence, from 1 January 2013 the Abbey Protection Tax and Accountax divisions ("ATP") were transferred into a newly formed subsidiary, Abbey Protection Tax and Consultancy Services Ltd, where they are now managed together. The profit contribution from these businesses fell back to £1.5m for the period (2012: £1.8m), largely as a result of reduced revenues at the Accountax consulting division. Our core business at Abbey Protection Tax remains healthy with our fee protection product remaining resilient and strong sales of our specialist consultancy and tax planning insurance products.

An increase in the aggregate claims ratio to 73.0% (2012: 69.7%) at Ibex, our reinsurance subsidiary for ALP and ATP insurance businesses, coupled with a two-thirds reduction in investment income to £0.1m (2012: £0.3m), meant that the overall profit contribution from Ibex for the first six months of 2013 reduced to £1.8m. There was an unexpected deterioration in the results for an earlier underwriting year and our investment income was hit by a combination of lower yields and a reduction in unrealised profits on the portfolio of certificates of deposits. We remain happy with the overall profit contribution of Ibex and are confident of the stability of the underwriting results across the various underwriting years.

Interim result – Other trading divisions

The After the Event ("ATE") division more than doubled its profit contribution to £0.5m with a sales "boom" in March as the Jackson reforms were finally implemented. The historic Accident Line scheme is now in "run-off", but we remain active in the ATE market place.

Abbey Protection HR ("AHR"), the business to business human resources consultancy, continued its improvement with a pleasing increase in profit contribution.

Our new venture, Abbey Protection Property Facilities Ltd ("APF") which is 60% owned by the Group, made a profit contribution for the first time of £0.1m.

We acquired the law firm, Lewis Hymanson Small Solicitors LLP ("LHS"), on 28 February 2013 and I would like to take the opportunity to welcome the partners and staff into the Group. Trading in this initial period has, as expected, been tough as we have been undertaking the necessary re-structuring to ensure that LHS is well positioned to take advantage of the opportunities in front of us. I am pleased to say that the signs are encouraging.

Cash flow and Investment income

Cash flow for the period was very strong with net cash flow from operating activities up to £4.5m (2012: £2.6m). Tax payments were lower due to an adjustment to prior years resulting in the due dates for certain tax payments moving into the second half of 2013 and the first half of 2014.

We remain committed to paying trade suppliers within contractual terms whilst providing flexible terms for our customers where possible and appropriate.

Whilst we expect investment returns to remain low, we continue to follow our low risk investment strategy of investing in cash, short term deposits and certificates of deposit.

Dividend

The board is delighted to approve an increase in the interim dividend to 2.4 pence per share (2012: 2.1 pence per share), which will be payable on 10 October 2013 to all shareholders on the register at 13 September 2013.

Outlook

We remain cautious for the remainder of 2013, with the opportunities afforded by the potential development of our legal and tax services products off-setting the expected headwinds in the restructuring of certain divisions, the reduction in ATE revenues and Ibex results.

Overall, we look to the future with optimism, in the knowledge that our core insurance and services business remains secure and supported by an excellent team of dedicated professionals.”

9. Management, employees and locations

Markel International recognises the quality of the Abbey Protection management team and Abbey Protection's employees generally, and their importance to the future success of Abbey Protection. Following the Acquisition becoming Effective, it is Markel International's intention that Chris Ward, Abbey Protection Group Managing Director, and Colin Davison, Abbey Protection Group Chief Executive, will continue to lead the Abbey Protection management team. It is intended that Tony Shearer and Paul Wilson will resign as non-executive Abbey Protection Directors with effect from the Acquisition becoming Effective.

Markel has confirmed that, following the Acquisition, the existing employment rights, including in relation to pension contributions, of all Abbey Protection employees will be honoured and that no material changes to the terms and conditions of Abbey Protection employees are envisaged. Markel has no current intention to change the location of Abbey Protection's places of business or to redeploy its fixed assets. It is likely that surplus capital in the combined UK regulated entities could be managed by Markel Corporation.

Following the Effective Date, the intention is that members of the Abbey Protection senior management team will be eligible to participate in, and be incentivised by, standard Markel incentive arrangements, which include a modifier which increases and decreases performance-based pay depending on the performance of Markel International and Markel Corporation. Markel have confirmed that the package that members of the Abbey Protection senior management team will receive (should the Acquisition be successful) will be broadly in line with their existing arrangements. However, discussions to date on employment terms have been limited. PwC has confirmed its opinion as adviser to Abbey Protection that the proposed arrangements, in respect of which there are no further details, are fair and reasonable.

Markel has also confirmed its intention to retain the Abbey Protection brand, to continue with the operational integrity of Abbey Protection as a separate business unit and to continue with its existing portfolio and strategy in all material respects.

In accordance with Rule 2.12 of the Code, Abbey Protection has made a copy of the Announcement available to Abbey Protection Group employees and has informed them of their right under Rule 25.9 of the Code, as Abbey Protection Group employees, to require that a separate opinion of the employees on the effects of the Acquisition on employment be appended to this document. As at 1 November 2013, being the last practicable day prior to the publication of this document, no such opinion has been provided. If and to the extent that Abbey Protection is provided with such an opinion, Abbey Protection will publish that opinion in accordance with the requirements of Rule 25.9 of the Code.

10. Abbey Protection Share Incentive Schemes

Appropriate proposals will be made to Abbey Protection Share Incentive Scheme Participants and separate letters shall be dispatched as soon as reasonably practicable following the publication of this document explaining the effect of the Acquisition, respectively, on their options/awards and setting out the proposals being made respectively in respect of their outstanding options/awards in connection with the Scheme.

The options and awards granted pursuant to the Abbey Protection Share Incentive Schemes which are subsisting at the date the Scheme is sanctioned by the Court will become capable of exercise for a period of six months upon the Scheme being sanctioned by the Court. To the extent that the options

and awards are not exercised by the end of the six month period, they will lapse and cease to be exercisable.

Options granted pursuant to the SAYE Scheme will be capable of exercise over such number of Abbey Protection Shares as can be acquired using the aggregate savings held in the linked savings account as at the date of exercise of the option.

Options and awards granted pursuant to the CSOP and LTIP will be capable of exercise to the extent permitted by the rules of the CSOP and the LTIP.

If Abbey Protection Shareholders approve the relevant amendments to the articles of association of Abbey Protection to be proposed at the General Meeting, then any Abbey Protection Shares issued under the Abbey Protection Share Incentive Schemes at or prior to the Scheme Record Time will be subject to the Scheme and any Abbey Protection Shares issued under the Abbey Protection Share Incentive Schemes after the Scheme Record Time will be transferred to Markel on the same terms as under the Scheme.

The effect of the Scheme on the interests of the Abbey Protection Directors does not differ from its effect on the like interests of any other Abbey Protection Shareholder or other Abbey Protection Share Incentive Scheme Participants.

11. Action to be taken by Abbey Protection Shareholders

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Abbey Protection Shareholders in respect of the Acquisition are set out in paragraph 14 of Part II (*Explanatory Statement*) of this document.

Details relating to the cancellation of the admission to trading on AIM of the Abbey Protection Shares and settlement of the cash consideration offered by Markel are included in paragraph 8 of Part II (*Explanatory Statement*) of this document.

Overseas Shareholders should refer to paragraph 13 of Part II (*Explanatory Statement*) of this document. Notices convening the Court Meeting and General Meeting are set out in Part IX (*Notice of Court Meeting*) and Part X (*Notice of General Meeting*), respectively, of this document.

If you have any questions relating to this document or the completion and return of the Forms of Proxy, helplines are available. Please see pages 5 and 6 for details. Please note that calls to the helpline numbers may be monitored or recorded and that, for legal reasons, the helplines cannot provide advice on the Acquisition or the Scheme or their merits or give any personal, legal, financial or tax advice.

12. The Scheme and the Meetings

The Acquisition is being implemented by way of a Court-approved scheme of arrangement between Abbey Protection and the Scheme Shareholders under Part 26 of the Companies Act 2006 involving a reduction of capital, although Markel reserves the right to elect to implement the Acquisition by way of a Takeover Offer (subject to Panel consent, where necessary). The procedure involves an application by Abbey Protection to the Court to sanction the Scheme and to confirm the cancellation of the Scheme Shares, in consideration for which Scheme Shareholders will receive cash (as described above).

To become Effective, the Scheme requires, amongst other things, the approval of a majority in number of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders present and voting and the passing of the Special Resolution necessary to implement the Scheme at the General Meeting. Abbey Protection holds 15,466 Abbey Protection Shares in treasury which it is not entitled to vote at the Court Meeting or the General Meeting. Following the Court Meeting and the General Meeting and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court and the Capital Reduction confirmed by the Court. All Abbey Protection Shareholders may, if they wish, attend the Court Hearings. The Scheme will only become Effective upon office copies of the Court Orders and the Statement of Capital being delivered to the Registrar of Companies and, if the Court so orders, the Reduction Court Order and the Statement of Capital being registered by the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all Abbey Protection Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

In the event that the Scheme is sanctioned by the Court, it is intended that the 15,466 Abbey Protection Shares held in treasury by Abbey Protection will be cancelled prior to the Reduction Court Hearing.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of opinion of Scheme Shareholders. You are, therefore, strongly urged to complete, sign and return your Forms of Proxy, or, alternatively, submit your proxy by electronic means, for both the Court Meeting and the General Meeting, as soon as possible.

Further details of the Scheme and the Meetings are set out in paragraphs 2 and 5 of Part II (*Explanatory Statement*) of this document.

13. United Kingdom taxation

Your attention is drawn to paragraph 10 of Part II (*Explanatory Statement*) of this document headed "United Kingdom taxation". Although this document contains certain tax-related information, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate independent professional adviser immediately.

14. Recommendation

Taking into account all of the factors set out in section 4 above, the Abbey Protection Directors, who have been so advised by PwC, consider the terms of the Acquisition (including the Scheme) to be fair and reasonable and in the best interests of Abbey Protection Shareholders, as a whole. In providing its advice, PwC has taken into account the commercial assessments of the Abbey Protection Directors.

Accordingly, the Abbey Protection Directors unanimously recommend that Abbey Protection Shareholders vote in favour of the resolution to be proposed at the Court Meeting and the Special Resolution to be proposed at the General Meeting, as the Abbey Protection Directors have irrevocably undertaken to do, or procure to be done, in respect of 33,351,973 Abbey Protection Shares representing, in aggregate, approximately 33.4 per cent. of Abbey Protection's issued share capital.

15. Further information

Your attention is drawn to further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*), Part IV (*Scheme of Arrangement*) and Part VI (*Additional Information on Abbey Protection, Markel Corporation and Markel*) of this document which provide further details concerning the Scheme.

You are advised to read the whole of this document and not just rely on the summary information contained in this letter.

Yours faithfully,

Tony Shearer
Chairman
Abbey Protection plc

PART II
EXPLANATORY STATEMENT

(In compliance with section 897 of the Companies Act 2006)



PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT
4 November 2013

To Abbey Protection Shareholders and, for information only, to Abbey Protection Share Incentive Scheme Participants and persons with information rights

Dear Abbey Protection Shareholder

RECOMMENDED CASH ACQUISITION OF ABBEY PROTECTION BY MARKEL

1. Introduction and background to, and reasons for, the Acquisition and the Abbey Protection Directors' recommendation

On 9 October 2013, the Boards of Abbey Protection and Markel announced that they had agreed the terms of a recommended cash acquisition of the entire issued, and to be issued, share capital of Abbey Protection by Markel.

The Abbey Protection Directors have been advised by PwC in connection with the Acquisition and the Scheme. We have been authorised by the Abbey Protection Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

Your attention is drawn to the Letter from the Chairman of Abbey Protection set out in Part I of this document, which forms part of this Explanatory Statement. The letter contains, among other things: (a) information on the reasons for and benefits of the Acquisition; and (b) the unanimous recommendation by the Abbey Protection Directors to Abbey Protection Shareholders to vote in favour of the resolution to be proposed at the Court Meeting and the Special Resolution to be proposed at the General Meeting.

The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this document. For Overseas Shareholders, your attention is drawn to Part VI (*Additional Information for Overseas Shareholders*), which forms part of this Explanatory Statement.

Background to, and reasons for, the Acquisition

Information relating to the background to, and reasons for, the Acquisition is set out in paragraph 3 of Part I of this document (*Letter from the Chairman of Abbey Protection*).

Background to, and reasons for, the Abbey Protection Directors' recommendation

Information relating to the background to, and reasons for, the Abbey Protection Directors' recommendation of the Acquisition is set out in paragraph 4 of Part I of this document (*Letter from the Chairman of Abbey Protection*).

2. Summary of the terms of the Acquisition and the Scheme

The Acquisition

The Acquisition is to be effected by means of a scheme of arrangement between Abbey Protection and the Scheme Shareholders under Part 26 of the Companies Act involving a reduction of capital. Following the Scheme becoming Effective, the entire issued share capital of Abbey Protection will be held by Markel.

Under the terms of the Acquisition, which will be subject to the terms and conditions set out in Part III (*Conditions to the Implementation of the Scheme and the Acquisition*) of this document, Abbey Protection Shareholders on the register at the Scheme Record Time will receive:

for each Abbey Protection Share 115 pence in cash

On 4 September 2013, the Abbey Protection Directors announced their intention to pay an interim dividend of 2.4 pence per Abbey Protection Share for the six month period ended 30 June 2013. Abbey Protection Shareholders who were on Abbey Protection's register of members as at close of business on 13 September 2013 received the Abbey Protection Interim Dividend on 10 October 2013. In the event that the Acquisition becomes Effective, no final dividend will be paid in respect of the Abbey Protection financial year ending 31 December 2013.

The Acquisition Price values Abbey Protection's entire issued and to be issued share capital at approximately £116.5 million and, on this basis, represents the following multiples:

- 9.3 times Abbey Protection's reported EBITDA of £10.9 million for the financial year ended 31 December 2012; and
- 14.5 times Abbey Protection's reported earnings per Abbey Protection Share of 7.93 pence for the financial year ended 31 December 2012.

In addition, the Acquisition represents:

- a premium of approximately 43.8 per cent. to the average Closing Price of 80.0 pence per Abbey Protection Share between the date of admission of the Abbey Protection Shares to trading on AIM ("Admission") on 29 November 2007 and 8 October 2013 (being the last practicable day prior to the commencement of the Offer Period);
- a discount of approximately 4.0 per cent. to the Closing Price of 119.75 pence per Abbey Protection Share on 8 October 2013 (being the last practicable day prior to the commencement of the Offer Period);
- a premium of approximately 0.9 per cent. to the Closing Price of 114.0 pence per Abbey Protection Share on 1 November 2013 (being the last practicable day prior to the date of this document); and
- a premium of approximately 0.4 per cent. to the Closing Price of 114.5 pence per Abbey Protection Share on 20 May 2013 (being the business day before Abbey Protection announced its special dividend of 5 pence per Abbey Protection Share).

Conditions

The Acquisition and, accordingly, the Scheme are subject to a number of Conditions set out in full in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document, including:

- the approval by Scheme Shareholders of the Scheme at the Court Meeting and the Special Resolution at the General Meeting by the requisite majorities;
- the sanction of the Scheme and the confirmation of the Capital Reduction by the Court and the delivery of the office copies of the Court Orders and the Statement of Capital to the Registrar of Companies and, if so ordered by the Court, registration of the Reduction Court Order and the Statement of Capital by him;
- the FCA having notified Markel and/or Abbey Protection of its approval of the change of control of any UK authorised persons within the Abbey Protection Group as a result of the Acquisition (or the requisite waiting period for such approval to be provided having elapsed without the FCA having objected to the Acquisition);
- the GFSC having notified Markel and/or Abbey Protection that there has been no actual or deemed objection to the change of control of Ibex Reinsurance Company Limited, the Abbey Protection Group's captive Guernsey-incorporated insurance company, as a result of the Acquisition; and
- the SRA having notified Markel that it does not object to the change of control of Lewis Hymanson Small LLP, the Abbey Protection Group's firm of solicitors, and Abbey Protection Group Limited (in respect of its legal services activities) as a result of the Acquisition.

The Scheme will require approval by Scheme Shareholders at the Court Meeting and the General Meeting and the sanction of the Court at the Court Hearings. The Meetings and the nature of the

approvals required to be given at them are described in more detail in paragraph 5 below. All Scheme Shareholders are entitled to attend the Court Hearings in person or through representation to support or oppose the sanctioning of the Scheme should they so wish.

The Scheme can only become Effective if all of the Conditions to the Scheme, including the required Abbey Protection Shareholder approvals and the sanction of the Court, have been satisfied (or, where applicable, waived). Upon the Scheme becoming Effective, it will be binding on all Abbey Protection Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting. The Scheme is subject to the sanction of the Scheme by the Court, which is expected to occur on 14 January 2014. If the Scheme does not become Effective by 30 April 2014, or such later date as Abbey Protection and Markel may agree and the Court may allow, the Scheme will not become Effective and the Acquisition will not proceed.

The Scheme

The Acquisition is to be effected by means of a scheme of arrangement between Abbey Protection and the Scheme Shareholders under Part 26 of the Companies Act. The purpose of the Scheme is to enable Markel to become the owner of the entire issued, and to be issued, share capital of Abbey Protection.

It is proposed that, under the Scheme, the Scheme Shares will be cancelled by way of a reduction of the share capital of Abbey Protection. New Abbey Protection Shares, with an aggregate nominal value equal to the aggregate nominal value of the Abbey Protection Shares cancelled, will be issued by Abbey Protection to Markel (or its nominee(s)) by capitalisation of the reserves arising from such cancellation so that the entire issued share capital of Abbey Protection is held by Markel (or its nominee(s)).

Scheme Shareholders on Abbey Protection's shareholder register at the Scheme Record Time will receive cash consideration from Markel for their Scheme Shares, on the following basis:

for each Abbey Protection Share 115 pence in cash

Abbey Protection Shares issued after the Scheme Record Time will not be subject to the Scheme. Accordingly, it is proposed that the articles of association of Abbey Protection be amended so that Abbey Protection Shares issued after the Scheme Record Time other than to Markel or its nominee(s) will be automatically acquired by Markel on the same terms as under the Scheme.

The New Abbey Protection Shares will be issued free from all liens, equitable interests, charges, encumbrance, rights of pre-emption and other rights and interests of any nature whatsoever and together with all rights attaching to them (if any) including voting rights and the right to receive and retain in full all dividends and other distributions.

On the Effective Date, share certificates in respect of Scheme Shares will cease to be valid and each holder of such Scheme Shares shall be bound to destroy such share certificates. In addition, entitlements to Abbey Protection Shares held within CREST will be cancelled on the Effective Date.

In the event that the Scheme is sanctioned by the Court, it is intended that the 15,466 Abbey Protection Shares held in treasury by Abbey Protection will be cancelled prior to the Reduction Court Hearing.

Prior to the date of the Announcement, neither Markel nor any other member of the Markel Group, held any Abbey Protection Shares. Neither Markel nor any other member of the Markel Group has acquired any Abbey Protection Shares since the date of the Announcement. Markel has agreed, following the General Meeting but prior to the Scheme Record Time, to subscribe for an Abbey Protection Share in cash at par and to become the registered holder thereof and to continue to hold it until after the Effective Date or, if earlier, the date on which the Scheme lapses or is withdrawn. This will mean that Markel will be a member of Abbey Protection on the Effective Date and, accordingly, there will be no requirement under section 593 of the Companies Act for an independent valuation of the Abbey Protection Shares. The Abbey Protection Share to be subscribed for by Markel in advance of the Scheme Record Time will not be a Scheme Share and will not be subject to the Scheme.

Amendments to Abbey Protection's articles of association

It is proposed, as part of the Special Resolution to be proposed at the General Meeting relating to the Scheme, to amend Abbey Protection's articles of association to ensure that:

- (i) any Abbey Protection Shares issued pursuant to the Abbey Protection Share Incentive Schemes or otherwise on or after the date of adoption of the new article and at or prior to the Scheme Record Time will be subject to the Scheme;
- (ii) any Abbey Protection Shares issued to any person (other than to Markel (or its nominee(s)) or to the trustee of the EBT) after the Scheme Record Time will be automatically acquired by Markel on the same terms as under the Scheme;
- (iii) the trustee of the EBT may transfer any Abbey Protection Shares that have been issued to it after the Scheme Record Time to any Abbey Protection Share Incentive Scheme Participant who, after the Scheme Record Time, has exercised an option or award granted pursuant to any of the Abbey Protection Share Incentive Schemes; and
- (iv) any Abbey Protection Shares transferred by the trustee of the EBT after the Scheme Record Time to an Abbey Protection Share Incentive Scheme Participant on the exercise of an option or award granted to them pursuant to any of the Abbey Protection Share Incentive Schemes will be automatically acquired by Markel on the same terms as under the Scheme.

Part (B) of the Special Resolution set out in the notice of General Meeting on pages 73 to 76 of this document seeks the approval of Abbey Protection Shareholders for such amendment.

3. Modifications to the Scheme

The Scheme contains a provision for Abbey Protection and Markel jointly to consent on behalf of all concerned to any modifications, additions or conditions to the Scheme which the Court may think fit to approve or impose. The Court would be unlikely to approve of, or impose, any modifications, additions or conditions to the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Abbey Protection Directors, is of such a nature or importance as to require the consent of Scheme Shareholders at a further meeting, the Abbey Protection Directors will not take the necessary steps to make the Scheme Effective unless and until such consent is obtained.

4. Alternative means of implementing the Acquisition

Markel reserves the right to elect, as it may determine in its absolute discretion (as further described in paragraph 8 of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document) for the Acquisition to be implemented by way of a Takeover Offer with (where necessary) the consent of the Panel. In this event, a new circular would be sent to Abbey Protection Shareholders and the Takeover Offer would be implemented on the same terms, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as Markel may decide and/or the Panel may require). If Markel does elect to implement the Acquisition by way of a Takeover Offer, and if sufficient acceptances of such Takeover Offer are received and/or sufficient Abbey Protection Shares are otherwise acquired, it is the intention of Markel to apply the provisions of sections 979 to 982 (inclusive) of the Companies Act to acquire compulsorily any outstanding Abbey Protection Shares to which such Acquisition relates. If the Acquisition is implemented by way of a Takeover Offer, any cancellation of admission to trading on AIM of Abbey Protection Shares will be effected in accordance with the AIM Rules.

5. The Meetings

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and at the separate General Meeting, both of which will be held on 2 December 2013 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS. The Court Meeting is being convened with the permission of the Court to seek the approval of the Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of the Scheme Shareholders to enable the Abbey Protection Directors to implement the Scheme and to amend the articles of association of Abbey Protection as described in paragraph 2 above.

Abbey Protection holds 15,466 Abbey Protection Shares in treasury which it is not entitled to vote at the Court Meeting or the General Meeting. In the event that the Scheme is sanctioned by the Court, it is intended that the 15,466 Abbey Protection Shares held in treasury by Abbey Protection will be cancelled prior to the Reduction Court Hearing.

Notices of both the Court Meeting and the General Meeting are set out at the end of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Abbey Protection at the Voting Record Time.

If the Scheme becomes Effective, it will be binding on all Abbey Protection Shareholders, irrespective of whether or not they attended and/or voted at the Court Meeting or the General Meeting.

Any Abbey Protection Shares which Markel may have acquired prior to the Court Meeting or the General Meeting will not be Scheme Shares and Markel, and any persons acting in concert with it, will not be entitled to vote at the Court Meeting in respect of any Abbey Protection Shares held or acquired by them and will not be entitled to exercise the voting rights attaching to any such Abbey Protection Shares at the General Meeting.

Court Meeting

The Court Meeting has been convened for 11.00 a.m. on 2 December 2013 to enable the Scheme Shareholders who are registered as members of Abbey Protection at the Voting Record Time to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each member present in person or by proxy will be entitled to one vote for each Abbey Protection Share held at the Voting Record Time. The approval required at the Court Meeting is a simple majority in number representing not less than 75 per cent. in value of the Abbey Protection Shares held by those Scheme Shareholders present and voting in person or by proxy.

As referred to above, Markel and any persons acting in concert with it will not be entitled to vote at the Court Meeting in respect of any Abbey Protection Shares held or acquired by them and will not be entitled to exercise the voting rights attaching to any such Abbey Protection Shares at the General Meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of opinion of Scheme Shareholders. You are, therefore, strongly urged to complete, sign and return your Forms of Proxy, or, alternatively, to submit your proxy by electronic means, for both the Court Meeting and the General Meeting, as soon as possible.

General Meeting

In addition, the General Meeting has been convened for the same date (to be held immediately after the Court Meeting) to consider and, if thought fit, pass the Special Resolution (which requires a vote in favour of not less than 75 per cent. of the votes cast in person or by proxy) to:

- (A) approve the Scheme;
- (B) amend the articles of association of Abbey Protection in the manner described in paragraph 2 of this Part II above; and
- (C) approve the cancellation of the Scheme Shares and subsequent issue of the New Abbey Protection Shares to Markel (or its nominee(s)) in accordance with the Scheme.

At the General Meeting, voting will be by way of a show of hands and each member present in person or by proxy will be entitled to one vote. All Abbey Protection Shareholders will be entitled to vote at the General Meeting. However, as referred to above, Markel and any persons acting in concert with it will not be entitled to vote at the General Meeting in respect of any Abbey Protection Shares held or acquired by them.

6. The Abbey Protection Directors and their interests in the Scheme

The names of the Abbey Protection Directors and details of their interests are set out in Part VII (*Additional Information on Abbey Protection, Markel Corporation and Markel*) of this document. Abbey Protection Shares held by the Abbey Protection Directors will be subject to the Scheme.

Each Abbey Protection Director who owns Abbey Protection Shares has undertaken to vote such Abbey Protection Shares in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting. Further details of these irrevocable undertakings are set out in paragraph 7 of

this Part II and paragraph 11 of Part VII (*Additional Information on Abbey Protection, Markel Corporation and Markel*) of this document.

Particulars of the service contracts and letters of appointment of the Abbey Protection Directors are set out in paragraph 7 of Part VII (*Additional Information on Abbey Protection, Markel Corporation and Markel*) of this document. No amendments to such service contracts or letters of appointment have been agreed in connection with the Acquisition.

On, or immediately prior to, the Effective Date, it is expected that some or all of the non-executive Abbey Protection Directors will resign from the Abbey Protection Board.

Brief information relating to the effect of the Scheme on the interests of the Abbey Protection Directors pursuant to the Abbey Protection Share Incentive Schemes is described in paragraph 10 of the Letter from the Chairman of Abbey Protection in Part I of this document.

Save as set out above, the effect of the Scheme on the interests of the Abbey Protection Directors does not differ from its effect on the like interest of any other Scheme Shareholder or other Abbey Protection Share Incentive Scheme Participants.

7. Irrevocable undertakings and letters of intent

Markel has received irrevocable undertakings in respect of a total of 56,606,964 Abbey Protection Shares, representing, in aggregate, approximately 56.6 per cent. of Abbey Protection's issued share capital and letters of intent in respect of a total of 10,386,754 Abbey Protection Shares representing, in aggregate, approximately 10.4 per cent. of Abbey Protection's issued share capital. In total, therefore, Markel has received irrevocable undertakings and letters of intent in respect of 66,993,718 Abbey Protection Shares representing, in aggregate, approximately 67.0 per cent. of Abbey Protection's issued share capital. Further details of these irrevocable undertakings and letters of intent are set out below.

Abbey Protection Directors' Irrevocable Undertakings

Colin Davison, Chris Ward, Adrian Green and Tony Shearer, being the Abbey Protection Directors who together (either individually or with their Connected Persons, where applicable) hold beneficial interests in Abbey Protection Shares, have irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in respect of a total of 33,351,973 Abbey Protection Shares, representing, in aggregate, approximately 33.4 per cent. of Abbey Protection's issued share capital.

Irrevocable Undertakings from other members of the Abbey Protection Senior Executive Team

Markel has also received irrevocable undertakings to vote, or procure the vote, in favour of (or to return, or procure the return of, Forms of Proxy voting in favour of) the Acquisition at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) from Elizabeth Grace, Murray Fairclough, Richard Candy, Toby Clarke and Simon Howes, being additional members of the Abbey Protection Senior Executive Team, in respect of a total of 23,254,991 Abbey Protection Shares, representing, in aggregate, approximately 23.3 per cent. of Abbey Protection's issued share capital.

The irrevocable undertakings entered into by the Abbey Protection Directors and the other members of the Abbey Protection Senior Executive Team described above will remain binding in the event of a competing offer being made for Abbey Protection.

These irrevocable undertakings will immediately lapse and cease to have effect immediately upon the earliest to occur of the following:

- (a) the Panel consenting to Markel not proceeding with the Acquisition;
- (b) an event occurring or circumstances arising as a result of which Markel is no longer required by the City Code to proceed with the Acquisition; or
- (c) the Acquisition lapsing or otherwise being withdrawn.

The above irrevocable undertakings also contain undertakings from those persons giving them, among other things, not, except pursuant to the Acquisition, to sell, transfer or otherwise dispose of, charge, encumber or grant any option or other right over any of their Abbey Protection Shares or any

interest in them nor to accept or give any undertaking or letter of intent or otherwise support any other proposal in respect of all or any of their Abbey Protection Shares nor enter into any agreement or arrangement (whether conditionally or unconditionally) with any person to do any such acts.

In addition, the irrevocable undertakings contain a further undertaking from those persons giving them to exercise, or to procure the exercise of, all voting rights attaching to their Abbey Protection Shares in such manner as to enable the Acquisition to be made and the Conditions to be satisfied and to oppose (and not to take) any action which would or might reasonably be prejudicial to the successful outcome of the Acquisition or result in any of the Conditions not being satisfied at the earliest practicable time.

Letter of Intent from an additional member of the Abbey Protection Senior Executive Team

Markel has also received a letter of intent to vote, or procure the vote, in favour of (or to return, or procure the return of, Forms of Proxy voting in favour of) the Acquisition at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) from a further member of the Abbey Protection Senior Executive Team (David Hartley) in respect of a total of 398,754 Abbey Protection Shares, representing, in aggregate, approximately 0.4 per cent. of Abbey Protection's issued share capital.

Letters of Intent from other Abbey Protection Shareholders

In addition, Markel has received a letter of intent from Mawer Investment Management Limited confirming its intention to vote in favour of the Scheme or to accept a Takeover Offer, as the case may be, in respect of 9,988,000 Abbey Protection Shares, representing, in aggregate, approximately 10.0 per cent. of Abbey Protection's issued share capital.

Both of the above letters of intent specify that the donor will vote (or procure the vote) in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (if the Acquisition is implemented by way of a Scheme) or to accept (or to procure the acceptance of) a Takeover Offer (if the Acquisition is implemented by way of a Takeover Offer), provided that, in each case, the Acquisition Price is not less than 115 pence per Abbey Protection Share.

In addition, the letter of intent entered into by Mawer Investment Management Limited states that, if any competing offer is made by a third party that is in excess of 115 pence per Abbey Protection Share, it is the intention of Mawer Investment Management Limited to accept that competing offer.

8. Cancellation of admission to trading on AIM of Abbey Protection Shares and settlement of cash consideration

Cancellation of admission to trading on AIM of Abbey Protection Shares

Prior to the Scheme becoming Effective, an application will be made to the London Stock Exchange for admission of the Abbey Protection Shares to trading on AIM, a market of the London Stock Exchange, to be cancelled. The last day of dealings in, and for registration of transfers of, Abbey Protection Shares is expected to be the day before the Reduction Court Hearing and, at 5.00 p.m. on the day prior to the date of the Reduction Court Hearing, the trading of Abbey Protection Shares on AIM will be suspended. No transfers of Abbey Protection Shares will be registered after this date other than the registration of Abbey Protection Shares transferred or issued to satisfy awards or options granted under the Abbey Protection Share Incentive Schemes.

It is intended that the cancellation of admission of the Abbey Protection Shares to trading on AIM will take effect at 7.00 a.m. on 17 January 2014. In addition, on 17 January 2014, entitlements to Abbey Protection Shares held within CREST will be cancelled and share certificates in respect of Scheme Shares will cease to be valid and should, if so requested by Abbey Protection, be sent to Abbey Protection for cancellation.

Upon the Scheme becoming Effective, Markel (and/or its nominee(s)) will acquire New Abbey Protection Shares fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this document.

Settlement

Subject to the Scheme and the Acquisition becoming Effective, settlement of the consideration to which any Abbey Protection Shareholder is entitled under the Scheme will be effected in the following manner:

(A) *Abbey Protection Shares in uncertificated form (that is, in CREST)*

Where, at the Scheme Record Time, a Scheme Shareholder holds Abbey Protection Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Markel procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Abbey Protection Shares in respect of the cash consideration due to that Abbey Protection Shareholder.

As from the Effective Date, each holding of Abbey Protection Shares credited to any stock account in CREST will be disabled and all Abbey Protection Shares will be removed from CREST in due course.

Markel reserves the right to pay all, or any part of, the cash consideration referred to above to all or any Scheme Shareholder(s) who holds Abbey Protection Shares in uncertificated form in the manner referred to in paragraph 8(B), below, if, for any reason, it wishes to do so.

(B) *Abbey Protection Shares in certificated form*

Where, at the Scheme Record Time, a Scheme Shareholder holds Abbey Protection Shares in certificated form, settlement of the cash consideration due under the Scheme in respect of the Scheme Shares will be dispatched:

- (i) by first class post, by cheque drawn on a branch of a UK clearing bank; or
- (ii) by such other method as may be approved by the Panel.

All such cash payments will be made in pounds sterling. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned. Cheques will be dispatched not later than the fourteenth day following the Effective Date to the person entitled thereto at the address appearing in the register of members of Abbey Protection at the Scheme Record Time or in accordance with any special standing instructions regarding communications. None of Abbey Protection, Markel, any nominee(s) of Markel or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled thereto.

(C) *General*

All documents and remittances sent to Abbey Protection Shareholders will be sent at their own risk.

With effect from and including the Effective Date, all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of such Scheme Shares shall be bound by the request of Abbey Protection to deliver up the same to Abbey Protection, or, as it may direct, to destroy the same. On the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled.

Except with the consent of the Panel, settlement of the consideration to which any Abbey Protection Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Markel might otherwise be, or claim to be, entitled against such Abbey Protection Shareholder.

9. Financing the Acquisition

It is estimated that the cash consideration payable by Markel under the terms of the Acquisition will be approximately £116.5 million. The cash consideration will be financed from the existing cash resources of the Markel Group.

Peel Hunt, as financial adviser to Markel, has confirmed that it is satisfied that sufficient resources are available to Markel to enable it to satisfy, in full, the cash consideration payable to Abbey Protection Shareholders under the terms of the Acquisition.

10. United Kingdom taxation

The comments set out below are based on what is understood to be current United Kingdom tax law as applied in England and Wales and HMRC practice as at the date of this document, both of which are subject to change, possibly with retrospective effect, and noting that non-statutory guidance may not be binding on HMRC. They are intended as a general guide and apply only to Abbey Protection Shareholders who are resident and, in the case of an individual, domiciled, for tax purposes in the United Kingdom and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold Abbey Protection Shares as an investment and who are the absolute beneficial owners thereof (in particular, shareholders holding their shares via a depositary receipt system or clearance service should note that they may not always be the absolute beneficial owners thereof). The discussion does not address all possible tax consequences relating to an investment in the shares. Certain categories of shareholders, such as traders, brokers, dealers, banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organisations, persons connected with Abbey Protection, Markel or members of either of their groups, persons holding shares as part of hedging or conversion transactions, shareholders who are not domiciled in the United Kingdom, shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, and shareholders who are, are to become or have been officers or employees of Abbey Protection or Markel or members of either of their groups, and others subject to specific tax regimes or benefitting from certain reliefs or exemptions may be subject to special rules and this summary does not apply to such shareholders. In addition, the summary below does not apply to any shareholders who, either alone or together with one or more associated persons, control, directly or indirectly, at least 10 per cent. of the voting rights of any class of share capital in Abbey Protection or Markel.

Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

Special tax provisions may apply to Abbey Protection Shareholders who have acquired or who acquire their Scheme Shares by exercising options or awards under the Abbey Protection Share Incentive Schemes, including provisions imposing a charge to income tax. This summary does not apply to such Abbey Protection Shareholders and such Abbey Protection Shareholders are advised to seek independent professional advice.

UK taxation of chargeable gains

The cancellation of Scheme Shares under the Scheme in return for cash should be treated as a disposal of the Scheme Shareholder’s Scheme Shares for chargeable gains purposes and therefore may, depending on the Scheme Shareholder’s particular circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

Individual Scheme Shareholders

Subject to available reliefs or allowances, gains arising on a disposal of Scheme Shares by an individual Scheme Shareholder will be taxed at the rate of 18 per cent. except to the extent that the gain, when it is added to the Scheme Shareholder’s other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax basic rate band (£32,010 for the 2013/14 tax year), in which case it will be taxed at the rate of 28 per cent. Personal representatives and trustees will also pay capital gains tax at a flat rate of 28 per cent.

The capital gains tax annual exemption (£10,900 for the 2013/14 tax year) may be available to individual Scheme Shareholders (to the extent it has not already been utilised) to offset against chargeable gains realised on the disposal of their Scheme Shares.

Corporate Scheme Shareholders

For Scheme Shareholders within the charge to UK corporation tax (but which do not qualify for the substantial shareholdings exemption in respect of their Scheme Shares), indexation allowance may be available in respect of the full period of ownership of the Scheme Shares to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the disposal of their Scheme Shares.

The substantial shareholdings exemption may apply to exempt from corporation tax any gain arising to Scheme Shareholders within the charge to UK corporation tax where a number of conditions are satisfied, including that the corporate Scheme Shareholder has held not less than 10 per cent. of the

issued share capital of Abbey Protection for a period of at least one year prior to the date of disposal, has been a trading company or member of a trading group during that period and continues so to be following the disposal.

UK stamp duty and stamp duty reserve tax (“SDRT”)

No UK stamp duty or SDRT will be payable by Scheme Shareholders on the cancellation of their Scheme Shares under the Scheme in return for cash.

11. Abbey Protection Share Incentive Schemes

Appropriate proposals will be made to Abbey Protection Share Incentive Scheme Participants and separate letters will be dispatched as soon as reasonably practicable after this document is published explaining the effect of the Acquisition on their options/awards and setting out the proposals being made in respect of their outstanding options/awards in connection with the Scheme.

Brief information regarding the effect of the Scheme on the Abbey Protection Share Incentive Schemes is described in paragraph 10 of the Letter from the Chairman of Abbey Protection in Part I of this document.

12. Offer-related arrangements

Markel International Limited and Abbey Protection have entered into a confidentiality agreement dated 30 October 2012, pursuant to which Markel International Limited has undertaken to keep certain information relating: (i) to the Acquisition; and (ii) to the Abbey Protection Group and its business, customers or financial affairs confidential and not to disclose such information to third parties, except (a) to its directors, senior employees and advisers for the purposes of evaluating the Acquisition or (b) if required by applicable laws or regulations. These confidentiality obligations will remain in force until completion of the Acquisition or, if the Acquisition fails to complete, three years from the date of the confidentiality agreement.

13. Overseas holders

This document has been prepared for the purposes of complying with English law, the Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the UK.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

Overseas holders of Abbey Protection Shares should refer to Part VI (*Additional Information for Overseas Shareholders*) of this document which contains important information relevant to such holders.

14. Actions to be taken

Actions to be taken by Abbey Protection Shareholders

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS at 11.00 a.m. on 2 December 2013. The approval required at this meeting is that those voting to approve the Scheme must:

- (A) represent a simple majority in number of those Scheme Shareholders present and voting in person or by proxy; and
- (B) also represent 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders present and voting in person or by proxy.

The Scheme requires the sanction of the Court at the Scheme Court Hearing at which all Scheme Shareholders may be present and be heard in person or through representation to support or oppose

the sanctioning of the Scheme. It will also require the associated Capital Reduction to be confirmed following the Reduction Court Hearing.

Implementation of the Scheme will also require approval by Special Resolution at the General Meeting to be held immediately after the Court Meeting, as described in paragraph 5 above. The approval required for the Special Resolution to be passed is a vote in favour of not less than 75 per cent. of the votes cast.

Markel and any persons acting in concert with it will not be entitled to vote at the Court Meeting in respect of any Abbey Protection Shares held or acquired by them and will not be entitled to exercise the voting rights attaching to any such Abbey Protection Shares at the General Meeting.

If the Scheme becomes Effective, it will be binding on all holders of Scheme Shares irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

You will find enclosed with this document:

- a blue Form of Proxy for use in respect of the Court Meeting;
- a white Form of Proxy for use in respect of the General Meeting; and
- a reply paid envelope for use in the UK in connection with the Forms of Proxy.

Whether or not you plan to attend both or either of the Meetings, please complete and sign the enclosed Forms of Proxy and return them in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by post or, during normal business hours, by hand to Abbey Protection's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY at least 48 hours before the time of the relevant Meeting. Forms of Proxy have a pre-paid address for your convenience for use in the UK only. Forms of Proxy sent by fax only will not be valid.

If the blue Form of Proxy for use at the Court Meeting is not lodged by the above time, it may be handed to the Chairman of the Court Meeting before the taking of the poll and will still be valid. However, in the case of the General Meeting, unless the white Form of Proxy is lodged so as to be received by 10.15 a.m. on 28 November 2013, it will be invalid. The white Form of Proxy may NOT be handed to the Chairman of the General Meeting. The completion and return of the Forms of Proxy will not prevent you from attending and voting at either the Court Meeting or the General Meeting, or any adjournment thereof, in person should you wish to do so.

If you hold your Abbey Protection Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes for the Notice of the General Meeting set out at the end of this document).

Proxies submitted via CREST (under CREST ID 3RA50) must be received by Abbey Protection's Registrars, Computershare, not later than 11.00 a.m. on 28 November 2013 in the case of the Court Meeting and 11.15 a.m. on 28 November 2013 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting).

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Abbey Protection Shareholder opinion. You are therefore strongly urged to sign and return your Forms of Proxy as soon as possible.

If you have any questions relating to completion and return of the Forms of Proxy, please contact Abbey Protection's Registrars, Computershare, on 0870 707 1682 or +44 870 707 1682 (if calling from outside the UK) between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding bank and public holidays). Please note that calls to this number may be monitored or recorded, and no advice on the Proposals can be given.

15. Financial effects of the Acquisition

Given the relative levels of earnings and net assets of Abbey Protection and the Markel Group, the payment by Markel of the aggregate consideration payable by it under the terms of the Acquisition is not expected to have a material impact on the earnings, assets or liabilities of the Markel Group.

16. Further information

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Further information regarding Abbey Protection and Markel is set out in Part VII

(Additional Information on Abbey Protection, Markel Corporation and Markel) of this document. Documents published, and available for viewing, on a website are listed in paragraph 18 of Part VII *(Additional Information on Abbey Protection, Markel Corporation and Markel)* of this document.

Yours faithfully,

for and on behalf of **PricewaterhouseCoopers LLP**

Simon Boadle

Partner

PART III

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION

The Acquisition will comply with the applicable rules and regulations of the City Code, the Panel, the FCA and the London Stock Exchange and will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales.

PART A

CONDITIONS OF THE ACQUISITION

The Acquisition is subject to the following Conditions:

1. The Scheme

- 1.1 The Acquisition is conditional upon the Scheme, subject to the City Code, becoming unconditional and becoming Effective by no later than the Long Stop Date or such later date (if any) as Markel and Abbey Protection may, with the consent of the Panel, agree and (if required) the Court may approve.
- 1.2 The Scheme is subject to the following Conditions:
 - 1.2.1 the approval of the Scheme by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or, if applicable, the relevant class or classes thereof) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or at any adjournment of any such meeting);
 - 1.2.2 all resolutions required to approve and implement the Scheme as set out in the notice of the General Meeting in the Scheme Document (when issued) being duly passed by the requisite majorities at the General Meeting (or at any adjournment thereof); and
 - 1.2.3 the sanction of the Scheme and the confirmation of the Capital Reduction by the Court, in each case, with or without modification (but subject to any such modification being acceptable to Markel and Abbey Protection) and:
 - 1.2.3.1 the delivery of a copy of each of the Court Orders and the Statement of Capital to the Registrar of Companies; and
 - 1.2.3.2 if the Court so orders for it to become Effective, the registration of the Reduction Court Order and the Statement of Capital by the Registrar of Companies.
- 1.3 In addition, Abbey Protection and Markel have agreed that the Scheme is conditional on the following matters and, accordingly, the necessary actions to make the Acquisition and the Scheme Effective will not be taken unless the following Conditions (as amended, if appropriate) have been satisfied or waived:
 - 1.3.1 Regulatory issues
Without limitation to the Conditions set out in paragraph 1.3.2:
 - 1.3.1.1 the FCA having notified in writing, any required approval in accordance with Part XII of FSMA to the proposed acquisition of control over each UK authorised person in the Wider Abbey Protection Group by Markel in the manner contemplated by the Acquisition, such consent being either: (a) unconditional in all respects (save as to the period within which the change of control must occur); or (b) subject to conditions (other than as to timing) in terms reasonably satisfactory to Markel; or
 - 1.3.1.2 the period of 60 Working Days (as defined in section 191G of FSMA, excluding any interruption period imposed by the FCA in accordance with section 190 of FSMA) having elapsed from the date of acknowledgment of receipt of a complete application by the FCA for the proposed acquisition of each UK authorised

person in the Wider Abbey Protection Group by Markel without the FCA having objected to the proposed acquisition of any UK authorised person in the Wider Abbey Protection Group,

and for the purposes of paragraphs 1.3.1.1 and 1.3.1.2 of this Condition 1.3.1, “control” shall have the meaning given to it in Part XII of FSMA and “controller” shall have the meaning given to it in section 422 of FSMA;

1.3.1.3 the GFSC having provided notice in writing under section 25(1)(c) of The Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended, that there is no objection to any person becoming a controller of Ibox Reinsurance Company Limited (or the GFSC’s written notification that there is no such objection being deemed to have been given under section 25(1) of The Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended) as a result of the Acquisition or its implementation; and

1.3.1.4 the SRA having notified Markel in writing in terms reasonably satisfactory to Markel that it does not object to Markel, or any other company in the Markel Group, acquiring control of Lewis Hymanson Small LLP and Abbey Protection Group Limited (in respect of its legal services activities) in accordance with Schedule 13 of the Legal Services Act 2007.

1.3.2 Third Party intervention

No Third Party having, without the consent or agreement of Markel, intervened in any way and there not continuing to be outstanding, any such action, proceeding, suit, investigation, enquiry or reference, and no Third Party having given notice of an intervention having been enacted, made or proposed any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and there not continuing to be outstanding any statute, regulation, decision or order in each case which would or might be expected to:

1.3.2.1 make the Acquisition, its implementation or the acquisition or proposed acquisition by Markel or any member of the Wider Markel Group of any Abbey Protection Shares or other securities in, or control or management of, Abbey Protection or any member of the Wider Abbey Protection Group void, voidable, unenforceable and/or illegal under the laws of any relevant jurisdiction or otherwise, directly or indirectly, prevent, restrain, restrict, prohibit, impede, challenge or delay the same or impose additional material conditions or obligations with respect to the Acquisition or such acquisition, or otherwise challenge, impede or interfere with the Acquisition or such acquisition or require amendment to the terms of the Acquisition or such acquisition;

1.3.2.2 require, prevent or materially delay a divestiture by Markel or any member of the Wider Markel Group of any of the shares or other securities in Abbey Protection or any member of the Wider Abbey Protection Group;

1.3.2.3 require, prevent, materially delay or restrict a divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Markel Group or by any member of the Wider Abbey Protection Group, in any such case, of all or any part of their respective businesses, assets or properties or impose any material limitation on the ability of any of them to conduct their businesses (or any part thereof) or to own, control or manage, use or operate all or any part of their respective businesses, assets or properties owned by, or the use or operation of which is enjoyed by any of them;

1.3.2.4 result in any member of the Wider Markel Group or any member of the Wider Abbey Protection Group ceasing to be able to carry on business, or being restricted in its carrying on of business, under any name and in any manner which it currently does so;

1.3.2.5 impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Markel Group, directly or indirectly, to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in Abbey Protection or in any member of the

Wider Abbey Protection Group or, directly or indirectly, to hold or exercise effectively management control or voting control over Abbey Protection or any member of the Wider Abbey Protection Group;

- 1.3.2.6 except pursuant to the Acquisition and the Scheme or Part 28 of the Companies Act, require any member of the Wider Markel Group or of the Wider Abbey Protection Group to acquire, or offer to acquire, any shares or other securities (or the equivalent) or interest in any member of the Wider Abbey Protection Group or any asset, in each case, owned by any third party;
- 1.3.2.7 limit the ability of any member of the Wider Abbey Protection Group or the Wider Markel Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the businesses of any other member of the Wider Markel Group or the Wider Abbey Protection Group;
- 1.3.2.8 require undertakings or assurances to be given by the Wider Markel Group, except on terms reasonably satisfactory to Markel; or
- 1.3.2.9 otherwise adversely affect any or all of the business, assets, value, profits, financial or trading or regulatory position or prospects or operational performance of any member of the Wider Markel Group or the Wider Abbey Protection Group,

to an extent which is, in any such case, material in the context of the Acquisition or the Wider Markel Group or the Wider Abbey Protection Group, taken as a whole,

and all applicable waiting and other time periods (including any extension of such periods) during which any Third Party could decide to, or actually, take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or to take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Abbey Protection Shares or otherwise intervene having expired, lapsed or been terminated.

1.3.3 Filings and authorisations

- 1.3.3.1 All notifications, filings and applications which are necessary or are reasonably considered necessary or appropriate by Markel, including such notifications, filings and applications as may be required to be submitted to any Third Parties, having been submitted and all applicable waiting and other time periods (including any extensions of such waiting or other time periods) under any applicable legislation or regulations of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate);
- 1.3.3.2 all authorisations and statutory and regulatory obligations which are necessary or are reasonably considered necessary or appropriate by Markel in any relevant jurisdiction for or in respect of the Acquisition or its implementation or the acquisition or the proposed acquisition of any shares or other securities (or the equivalent) in, or under the control of, Abbey Protection or any member of the Wider Abbey Protection Group by any member of the Wider Markel Group or the carrying on by any member of the Wider Abbey Protection Group of its business having been obtained or complied with (as appropriate) on terms and in a form reasonably satisfactory to Markel from all Third Parties or from any persons or bodies with whom any member of the Wider Abbey Protection Group has entered into contractual arrangements and all such authorisations remaining in full force and effect and there being no notice or intimation of an intention having been received by any member of the Wider Markel Group or Abbey Protection or any other member of the Wider Abbey Protection Group to revoke, withdraw, withhold, suspend, restrict, modify, amend or not to renew such authorisations; and
- 1.3.3.3 there being no temporary restraining order, preliminary or permanent injunction, preliminary or permanent injunction, or other order threatened or issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Abbey Protection Group by any member of the Wider Markel Group or the implementation of either of them, void, voidable, illegal and/or unenforceable

under the laws of any relevant jurisdiction or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Abbey Protection Group by any member of the Wider Markel Group.

1.3.4 Consequences of the Acquisition

Except as Publicly Announced or Disclosed, there being no provision of any authorisation, arrangement, agreement, licence, permit, lease, franchise or other instrument to which any member of the Wider Abbey Protection Group is a party or by or to which any such member or any of its respective assets is or may be bound, entitled or be subject or any event or circumstance which, in each case, as a consequence of the Acquisition or the acquisition or the proposed acquisition by any member of the Wider Markel Group of any shares or other securities (or the equivalent) in, or a change in the control or management of, Abbey Protection or any other member of the Wider Abbey Protection Group or otherwise, would or might reasonably be expected to result in:

- 1.3.4.1 any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Abbey Protection Group being or becoming repayable, or capable of being declared repayable, immediately or earlier than the stated maturity or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being or becoming capable of being withdrawn or inhibited;
- 1.3.4.2 the rights, liabilities, obligations, interests or business of any member of the Wider Abbey Protection Group under any such arrangement, agreement, licence, permit, lease, franchise or instrument or the rights, interests or business of any member of the Wider Abbey Protection Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such rights, business or interests) being or becoming capable of being terminated or adversely modified or adversely affected or any onerous obligation or liability arising or any material adverse action being taken or arising thereunder;
- 1.3.4.3 any member of the Wider Abbey Protection Group ceasing to be able to carry on business under any name or in any manner under which it presently does so;
- 1.3.4.4 any asset, property or interest of, or any asset the use of which is enjoyed by, any member of the Wider Abbey Protection Group being disposed of by or ceasing to be available to any member of the Wider Abbey Protection Group or the Wider Markel Group or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Abbey Protection Group other than in the ordinary course of business;
- 1.3.4.5 the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Abbey Protection Group or any such mortgage, charge or other security interest (whether existing or having arisen) becoming enforceable;
- 1.3.4.6 the financial or trading or regulatory position or prospects or the value of any member of the Wider Abbey Protection Group being materially prejudiced or materially adversely affected;
- 1.3.4.7 the creation, acceleration or assumption of any liabilities (actual, contingent or prospective) by any member of the Wider Abbey Protection Group other than in the ordinary course of business in a manner which is material in the context of the Wider Abbey Protection Group, taken as a whole;
- 1.3.4.8 any member of the Wider Abbey Protection Group being required to repay or repurchase any shares in and/or indebtedness of any member of the Wider Abbey Protection Group owned by any third party;

- 1.3.4.9 the business, assets, value, financial or trading position, profits, prospects or operational performance or regulatory position of any member of the Wider Abbey Protection Group being materially prejudiced or materially adversely affected;
- 1.3.4.10 any liability of any member of the Wider Abbey Protection Group to make any severance, termination, bonus or other payment to any of its directors or other officers; and
- 1.3.4.11 no event having occurred which, under any provision of any such authorisation, arrangement, agreement, licence, permit, lease, franchise or other instrument could result in any of the events or circumstances which are referred to in paragraphs 1.3.4.1 to 1.3.4.10 (inclusive).

1.3.5 No corporate action taken since the Accounting Date

Since the Accounting Date (except as Publicly Announced or Disclosed), no member of the Wider Abbey Protection Group having:

- 1.3.5.1 issued or agreed to issue, or authorised or proposed the issue of, additional shares of any class, or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any such shares out of treasury (other than as between Abbey Protection and wholly owned subsidiaries of Abbey Protection or between the wholly-owned subsidiaries of Abbey Protection and other than on the exercise of rights to subscribe for Abbey Protection Shares or pursuant to any options and/or awards granted and the issue of Abbey Protection Shares on the exercise of options and/or awards granted, under any of the Abbey Protection Share Incentive Schemes before 9 October 2013 or any shares issued thereafter pursuant to any such options and/or awards);
- 1.3.5.2 recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise (other than to Abbey Protection or one of its wholly owned subsidiaries or the Interim Dividend);
- 1.3.5.3 (save for transactions between members of the Wider Abbey Protection Group) merged with or demerged from or acquired, disposed of, transferred, mortgaged, charged or granted any security interest over, any body corporate, partnership or business or, other than in the ordinary course of business, acquired or disposed of, or transferred, mortgaged or charged or created any security interest over, any asset or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;
- 1.3.5.4 (save for transactions between members of the Wider Abbey Protection Group or transactions carried out by members of the Abbey Protection Group in the ordinary course of business) issued, authorised or proposed the issue of or made any change in or to any debentures or incurred or increased any indebtedness or become subject to any liability (actual or contingent);
- 1.3.5.5 (save for transactions between members of the Wider Abbey Protection Group) made or authorised or proposed or announced an intention to propose any change in loan capital;
- 1.3.5.6 entered into or varied or authorised or announced or proposed its intention to enter into or vary any contract, transaction, arrangement, reconstruction, amalgamation or commitment (whether in respect of capital expenditure or otherwise) which is of a loss making, long term, unusual or onerous nature or magnitude, or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business or which is or could materially restrict the business or activities of any member of the Wider Abbey Protection Group;
- 1.3.5.7 entered into any licence or other disposal of intellectual property rights of any member of the Wider Abbey Protection Group which are material in the context of the Wider Abbey Protection Group taken as a whole and outside the normal course of business;

- 1.3.5.8 save as agreed by Markel, entered into or varied (other than in respect of increases in remuneration required under the terms of the relevant agreement which have been Disclosed) or made any offer (which remains open for acceptance) to enter into or change the terms of any contract, service agreement or arrangement with any director or senior executive (being an employee with a basic salary of £100,000 or more) of Abbey Protection or of any other member of the Wider Abbey Protection Group;
- 1.3.5.9 entered into, implemented, effected or authorised, proposed or announced its intention to enter into, implement, effect, authorise or propose any reconstruction, amalgamation, commitment (whether in respect of capital expenditure or otherwise), scheme or other transaction or arrangement in respect of itself or another member of the Wider Abbey Protection Group (other than the Scheme);
- 1.3.5.10 (save for transactions between members of the Wider Abbey Protection Group) entered into, implemented or effected, authorised, proposed or announced its intention to implement or effect any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Acquisition) otherwise than in the ordinary course of business;
- 1.3.5.11 (save for transactions between members of the Wider Abbey Protection Group) purchased, redeemed or repaid or proposed the purchase, redemption or repayment of any of its own shares or other securities (or the equivalent) or reduced or made any other change (not referred to in or excluded by paragraph 1.3.5.1 above) to any part of its share capital;
- 1.3.5.12 waived or compromised or settled any material claim other than in the ordinary course of business;
- 1.3.5.13 made any material alteration to its memorandum or articles of association or other constitutional documents;
- 1.3.5.14 taken or proposed any steps or corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made in any such case in relation to the suspension of payments, a moratorium of indebtedness, for its winding up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer or other encumbrancer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- 1.3.5.15 been unable, or having admitted in writing that it is unable, to pay its debts or having commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- 1.3.5.16 made or agreed or consented to:
- (a) any material change to:
 - (i) the terms of the trust deeds, rules, policy or other governing documents constituting the pension scheme(s) or other retirement or death benefit arrangement established by any member of the Wider Abbey Protection Group for its directors, former directors, employees, former employees and/or their dependants (a Relevant Pension Plan);
 - (ii) the contributions payable to any Relevant Pension Plan or the benefits which accrue, or to the pensions which are payable under any Relevant Pension Plan;
 - (iii) the basis on which qualification for, or accrual or entitlement to any Relevant Pension Plan, (and benefits thereunder) are calculated or determined;
 - (iv) the basis upon which the liabilities (including pensions) of any Relevant Pension Plan are funded, valued or made; or

- (v) the manner in which the assets of any Relevant Pension Plan are invested;
 - (b) any material change to the trustees or other fiduciary including the appointment of a trust corporation but excluding any appointment of a member nominated trustee in accordance with existing nomination arrangements or one company appointment to fill a trustee vacancy;
 - (c) any material change to the employer contributions payable under any Relevant Pension Plan;
 - (d) the establishment of any new pension scheme or other arrangement for the provision of retirement benefits for its directors, former directors, employees, former employees and/or their dependants outside any Relevant Pension Plan;
- 1.3.5.17 entered into or proposed to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan;
- 1.3.5.18 carried out any act (i) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (ii) which would or might create a material debt owed by an employer to any Relevant Pension Plan; (iii) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (iv) which would or might give rise directly or indirectly to a liability in respect of any Relevant Pension Plan arising out of the operation of sections 38 to 56 inclusive of the Pensions Act 2004 in relation to the scheme;
- 1.3.5.19 terminated or made any material variation to the terms of any agreement or arrangement between any member of the Wider Abbey Protection Group and any other person which is material to that member of the Wider Abbey Protection Group;
- 1.3.5.20 save with the agreement of Markel, or changes made by legislation, proposed, agreed to provide or modified the terms of any share option scheme or incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Abbey Protection Group;
- 1.3.5.21 save for transactions between members of the Wider Abbey Protection Group, granted any material lease in respect of any of the property owned by or occupied by it or transferred or otherwise disposed of any such property;
- 1.3.5.22 entered into any contract, commitment, agreement or arrangement or passed any resolution or made any offer (which remains open for acceptance) with respect to, or authorised or announced any intention to implement or effect or propose, any of the transactions, matters or events referred to in this paragraph 1.3.5; or
- 1.3.5.23 having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of the shareholders of Abbey Protection in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code.

1.3.6 Other events since the Accounting Date

Since the Accounting Date (except as Publicly Announced or Disclosed):

- 1.3.6.1 there having been no material adverse change or material deterioration and no event, matter or circumstances having arisen which would be expected to result in any material adverse change or material deterioration in the business, assets, value, financial, trading or regulatory position or profits or prospects or operational performance or legal or regulatory position of the Wider Abbey Protection Group, taken as a whole;
- 1.3.6.2 no litigation, arbitration proceedings, prosecution or other legal proceedings or investigation to which any member of the Wider Abbey Protection Group is or may become a party (whether as plaintiff or claimant or defendant or otherwise) having been threatened, announced or instituted by or against or remaining outstanding against or in respect of any member of the Wider Abbey Protection Group which, were the outcome to be unfavourable, would have a material adverse effect on the Wider Abbey Protection Group, taken as a whole;

- 1.3.6.3 no enquiry, review or investigation or enforcement proceedings by, or complaint or reference to, any Third Party having been threatened, announced, implemented or instituted or remaining outstanding, by, against or in respect of any member of the Wider Abbey Protection Group in respect of which, were the outcome to be unfavourable, would have a material adverse effect on the Wider Abbey Protection Group, taken as a whole;
- 1.3.6.4 no actual, contingent or other liability having arisen, increased, been incurred or become apparent to Markel which would be likely materially and adversely to affect the business, assets, financial, trading or regulatory position or profits or prospects of the Wider Abbey Protection Group, taken as a whole;
- 1.3.6.5 no material increase to an existing claim or no material claim being made, and no circumstance having arisen which is likely to lead to a material claim being made, under the insurances of any member of the Wider Abbey Protection Group; or
- 1.3.6.6 no steps having been taken and no omissions having been made which may result in the withdrawal, cancellation, termination or modification of any material licence, permission or authorisation held by any member of the Wider Abbey Protection Group which is necessary for the proper carrying on of its business and which would, in the event of such withdrawal, cancellation, termination or modification, otherwise have a material adverse effect on the Wider Abbey Protection Group, taken as a whole.

1.3.7 Information issues

Except as Publicly Announced or Disclosed, Markel not having discovered:

- 1.3.7.1 that any financial, business or other information concerning the Wider Abbey Protection Group Publicly Announced or Disclosed is misleading in any material respect, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not corrected before 9 October 2013 by being Publicly Announced or Disclosed;
- 1.3.7.2 that any member of the Wider Abbey Protection Group or any partnership, company or other entity in which any member of the Wider Abbey Protection Group has a significant economic interest but which is not a subsidiary undertaking of any member of the Wider Abbey Protection Group is subject to any liability, (whether actual, contingent or prospective) which has not been Publicly Announced; or
- 1.3.7.3 any information which adversely affects the import of any information Disclosed at any time.

1.3.8 Environmental issues

Save as Publicly Announced or Disclosed, Markel not having discovered that:

- 1.3.8.1 any past or present member of the Wider Abbey Protection Group has not complied with any applicable legislation or regulations, notices or other requirements of any jurisdiction or Third Party with regard to environmental matters or the health and safety of any person, or that there has otherwise been any breach of environmental or health and safety law or that there is any environmental condition which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Abbey Protection Group which in any case is material in the context of the Wider Abbey Protection Group as a whole; or
- 1.3.8.2 there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Abbey Protection Group or any controlled waters under any environmental law or which has or could result in the closure of any property required by any member of the Wider Abbey Protection Group which in any case is material in the context of the Wider Abbey Protection Group as a whole.

1.3.9 Intellectual Property

No circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Abbey Protection Group including:

- 1.3.9.1 any member of the Wider Abbey Protection Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Abbey Protection Group and material to its business being revoked, cancelled or declared invalid;
- 1.3.9.2 any claim being asserted or threatened by any person challenging the ownership of any member of the Wider Abbey Protection Group to, or the validity or effectiveness of, any of its intellectual property; or
- 1.3.9.3 any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Abbey Protection Group being terminated or varied.

PART B

FURTHER TERMS OF THE ACQUISITION

2. Right to Waive Conditions

Subject to the requirements of the Panel, Markel reserves the right in its sole discretion (but shall be under no obligation) to waive all or any of the above Conditions, in whole or in part, except the Conditions set out in paragraphs 1.1 and 1.2 and 1.3.1.1 to 1.3.1.4 (Regulatory approvals) (inclusive).

Markel shall be under no obligation to waive (if capable of waiver) to determine, to be or remain satisfied or to treat as satisfied any of the Conditions in paragraphs 1.3.2 to 1.3.9 (inclusive) by a date earlier than the date specified in paragraph 1.1 for the satisfaction thereof, notwithstanding that the other Conditions of the Acquisition may at an earlier date be waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any such Conditions may not be capable of fulfillment.

3. Alterations to Conditions

If Markel is required by the Panel to make an offer for Abbey Protection Shares under the provisions of Rule 9 of the City Code, Markel and Abbey Protection may make such alterations to the above Conditions, including the Conditions set out in paragraphs 1.1 and 1.2, as are necessary to comply with the provisions of that Rule.

4. Competition Commission Referral

The Acquisition will lapse if it (or any part of it) is referred to the Competition Commission before the Court Meeting and the General Meeting. In such event, neither Abbey Protection nor Abbey Protection Shareholders will be bound by any terms of the Scheme.

5. Acquisition Lapsing

All of the Conditions set out in 1.3.1 to 1.3.9 of this Part III must be fulfilled, be determined by Markel to be or remain satisfied or (if capable of waiver) be waived by the Scheme Record Time, failing which the Acquisition will, if Markel so determines, lapse.

6. Separate Conditions

Each of the above Conditions shall be regarded as a separate condition and shall not be limited by reference to any other condition.

7. Abbey Protection Shares

- 7.1 The New Abbey Protection Shares to be issued to Markel in connection with the Scheme will be allotted and issued fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever and together with all rights attaching or accruing to such Abbey Protection Shares,

including (without limitation) voting rights and the right to receive all dividends and other distributions (if any) announced, declared, paid or made after 9 October 2013 (other than the Interim Dividend).

- 7.2 If, prior to the Effective Date, any dividend or other distribution is declared or paid by Abbey Protection (save for any dividend declared before the Effective Date by any wholly-owned subsidiary of Abbey Protection to Abbey Protection or any of Abbey Protection's wholly-owned subsidiaries), Markel reserves the right (without prejudice to any right of Markel, with the consent of the Panel, to invoke Condition 1.3.5(b) above) to reduce, with the consent of the Panel, the consideration payable under the Acquisition in respect of an Abbey Protection Share by the aggregate amount of such dividend or distribution (excluding any associated tax credit).
- 7.3 If any such dividend or distribution is paid or made before the Effective Date and if Markel exercises its rights described in this paragraph 7, any reference in this document to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced.
- 7.4 To the extent that such a dividend or distribution has been declared but not paid prior to the Effective Date and such dividend or distribution is cancelled, then the Acquisition Price shall not be subject to change in accordance with this paragraph 7.
- 7.5 Any exercise by Markel of its rights referred to in this paragraph 7 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Scheme.

8. Switching to an Offer

- 8.1 Markel reserves the right to elect (subject to the consent of the Panel) to implement the Acquisition of the Abbey Protection Shares by way of a Takeover Offer in accordance with the City Code (as an alternative to the Scheme) as it may determine in its absolute discretion. In such event, the Acquisition will be implemented by Markel and/or a wholly-owned subsidiary of Markel on substantially the same terms as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such lesser percentage (being more than 50 per cent.) as Markel may decide or the Panel may require) of the Abbey Protection Shares to which such an offer would relate.
- 8.2 In the event that the Acquisition is implemented by way of a Takeover Offer, the Abbey Protection Shares acquired under such an offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this document (save for the Interim Dividend).

9. Law

The Acquisition is made on the terms set out in this document and the Forms of Proxy and is subject, amongst other things, to the Conditions and such further terms as may be required to comply with the AIM Rules, the rules of the London Stock Exchange, the rules and guidance promulgated by the FCA, the provisions of FSMA, the provisions of the City Code and the provisions of the Companies Act. The Scheme will be governed by the laws of England and Wales and subject to the jurisdiction of the English courts.

10. Non-UK Resident Abbey Protection Shareholders

The availability of the Acquisition to Abbey Protection Shareholders who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom or shareholders who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable requirements.

PART IV
THE SCHEME OF ARRANGEMENT
THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 7377/2013

IN THE MATTER of ABBEY PROTECTION PLC
and
IN THE MATTER OF THE COMPANIES ACT 2006
SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

ABBHEY PROTECTION PLC

and

THE SCHEME SHAREHOLDERS
(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“£”, “sterling” and “pence”	the lawful currency of the United Kingdom;
“Abbey Protection” or “the Company”	Abbey Protection plc, incorporated in England and Wales with registered number 06352358 and having its registered office at Minorities House, 2-5 Minorities, London EC3N 1BJ;
“Abbey Protection Shareholders”	the holders of Abbey Protection Shares (but excluding Abbey Protection in respect of 15,466 Abbey Protection Shares held in treasury by Abbey Protection);
“Abbey Protection Share Incentive Schemes”	the CSOP, the LTIP and the SAYE Scheme;
“Abbey Protection Shares”	ordinary shares of one (1) pence each in the capital of Abbey Protection;
“business day”	a day, (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London, United Kingdom are generally open for normal business;
“Capital Reduction”	the proposed reduction of the ordinary share capital of the Company pursuant to section 641 of the Companies Act, involving the cancellation and extinguishing of the Scheme Shares provided for by the Scheme;
“certificated form” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST) in respect of Abbey Protection Shares;
“Code”	the City Code on Takeovers and Mergers;
“Companies Act”	the Companies Act 2006, as amended;
“Court”	the High Court of Justice in England and Wales;

“Court Hearings”	the Scheme Court Hearing and the Reduction Court Hearing;
“Court Meeting”	the meeting of the Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme;
“Court Orders”	the Scheme Court Order and the Reduction Court Order;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the Regulations) of which Euroclear is the Operator (as defined in the Regulations);
“CSOP”	the Abbey Protection plc Company Share Option Plan (2007);
“Effective”	the Scheme becoming effective in accordance with its terms;
“Effective Date”	the date on which this Scheme becomes Effective in accordance with its terms;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excluded Shares”	any Abbey Protection Shares which are legally and/or beneficially owned by a member of the Markel Group at the relevant time and the 15,466 Abbey Protection Shares held in treasury by Abbey Protection;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“LTIP”	the Abbey Protection plc Long Term Incentive Plan (2007);
“Markel”	Markel Capital Holdings Limited, incorporated in England and Wales with registered number 06722095 and having its registered office at The Markel Building, 49 Leadenhall Street, London EC3A 2EA;
“Markel Group”	means Markel and its parent undertakings, subsidiaries and subsidiary undertakings and associated bodies corporate (as such terms are defined in the Companies Act);
“New Abbey Protection Shares”	the new ordinary shares of one pence each in the capital of the Company to be allotted and issued to Markel in accordance with clause 1(B) of the Scheme;
“Reduction Court Order”	the order of the Court confirming the Capital Reduction under section 648 of the Companies Act;
“Reduction Court Hearing”	the hearing by the Court of the claim form to confirm the Capital Reduction;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“SAYE Scheme”	the Abbey Protection plc Savings Related Share Option Scheme (2007);
“Scheme”	the proposed scheme of arrangement under Part 26 of the Companies Act between Abbey Protection and the Scheme Shareholders in its present form or with or subject to any modification, addition, or condition approved or imposed by the Court and/or agreed by Abbey Protection and Markel;
“Scheme Circular”	the circular to Abbey Protection Shareholders dated 4 November 2013 containing, amongst other things, details of the Scheme and the Court Meeting;
“Scheme Court Hearing”	the hearing by the Court of the claim form to sanction the Scheme;
“Scheme Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;

“Scheme Record Time”	6.00 p.m. on the business day immediately preceding the date of the Reduction Court Hearing;
“Scheme Shareholders”	registered holders of Scheme Shares;
“Scheme Shares”	<p>the Abbey Protection Shares;</p> <p>(i) in issue at the date of this document;</p> <p>(ii) (if any) issued after the date of this document and prior to the Voting Record Time; and</p> <p>(iii) (if any) issued at or after the Voting Record Time and at or prior to the Scheme Record Time on terms that the original or any subsequent holder thereof shall be bound by the Scheme and/or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,</p> <p>in each case, other than any Excluded Shares;</p>
“Statement of Capital”	a statement of capital of the Company prepared in accordance with section 649(2) of the Companies Act and approved by the Court showing, as altered by the Reduction Court Order, the information required by section 649 of the Companies Act with respect to the Company’s share capital;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated form” or “in uncertificated form”	a share or other security recorded on the Company’s register of members as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
“Voting Record Time”	6.00 p.m. on the day which is two days immediately prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date fixed for such adjourned meeting.

- (B) All times referred to in this Scheme are references to London time unless otherwise specified.
- (C) Where the context so admits or requires, the plural includes the singular and vice versa.
- (D) The issued share capital of the Company at the close of business on 1 November 2013 (being the last practicable date prior to the date of the Scheme Circular) is £999,947.73 divided into 99,994,773 ordinary shares of one pence each, all of which are credited as fully paid and 15,466 of which are held in treasury.
- (E) Options and/or awards to acquire up to 1,317,714 Abbey Protection Shares have been granted pursuant to the Abbey Protection Share Incentive Schemes and remain unexercised at the date of the Scheme Circular. Any such options and/or awards which are exercised prior to the Effective Date will be satisfied by the issue of Abbey Protection Shares.
- (F) Markel was incorporated on 13 October 2008.
- (G) As at 1 November 2013 (being the last practicable date prior to the date of the Scheme Circular), no member of the Markel Group holds any Abbey Protection Shares. Markel has agreed to subscribe for and become the registered holder of at least one Abbey Protection Share for cash at par prior to the Scheme Record Time and to continue to hold the same until after the Effective Date or, if earlier, the date on which the Scheme lapses or is withdrawn.
- (H) Markel has agreed to appear by Abbey Protection’s Counsel at the Court Hearings and to consent to, and to undertake to the Court to be bound by, the terms of the Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to the Scheme and the Capital Reduction.

THE SCHEME

1. Cancellation of Scheme Shares

- (A) The share capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares in issue at the Scheme Record Time.
- (B) Forthwith and contingently upon the Capital Reduction referred to in sub-clause 1(A) taking effect (and notwithstanding anything to the contrary contained in the articles of association of the Company), the reserve arising in the books of account of the Company as a result of the Capital Reduction shall be applied in paying up in full at par such number of New Abbey Protection Shares as is equal to the aggregate number of Scheme Shares cancelled pursuant to the Capital Reduction, which shall be allotted and issued (free from all liens, charges, encumbrances, options, rights of pre-emption, rights of set-off and other third party rights and interests of any nature whatsoever) credited as fully paid to Markel and/or its nominee(s).

2. Consideration for the cancellation of Scheme Shares

In consideration for the cancellation of the Scheme Shares and the creation, allotment, payment up and issue of the New Abbey Protection Shares to Markel and/or its nominee(s) referred to in sub-clause 1(B), Markel shall, subject as hereinafter provided, pay or procure that there shall be paid to or for the account of each Scheme Shareholder (as appearing in the register of members of Abbey Protection at the Scheme Record Time):

for each Scheme Share

115 pence in cash,

provided that, if any dividend (other than any dividend declared before the Effective Date by any wholly-owned subsidiary of Abbey Protection to Abbey Protection or any of Abbey Protection's wholly-owned subsidiaries) or other distribution or return of capital is proposed, declared, made, paid or becomes payable by Abbey Protection or any member of the Abbey Protection Group on or before the Effective Date, Markel may, with the consent of the Panel, adjust the consideration payable for each Scheme Share under the Scheme by an amount per Scheme Share equal to the amount of such dividend, distribution or return of capital except where the Scheme Share is or will be acquired pursuant to the Scheme on a basis which entitles Markel to receive and retain the dividend and/or distribution and/or return of capital (as the case may be).

3. Share certificates and cancellation of CREST entitlements

- (A) With effect from and including the Effective Date, all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of such Scheme Shares shall be bound, at the request of Abbey Protection, to deliver up the same to Abbey Protection, or, as it may direct, to destroy the same.
- (B) With effect from and including the Effective Date, Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of such Scheme Shares in uncertificated form.
- (C) As regards all Scheme Shares, appropriate entries will be made in the register of members of Abbey Protection with effect from the Effective Date to reflect their cancellation.

4. Settlement

- (A) As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date, Markel shall:
- (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, dispatch or procure the dispatch to the persons entitled thereto, or as they may direct, in accordance with the provisions of sub-clause 4(B), cheques for the sums payable to them respectively in accordance with clause 2; and
 - (ii) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, ensure that an assured payment obligation is created in respect of the sums payable in accordance with the CREST assured payment arrangements provided that Markel reserves the right to make payment of the said consideration by cheque as aforesaid in accordance with sub-clause 4(A)(i) if, for any reason, it wishes to do so.
- (B) All deliveries of cheques or certificates required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses as appearing in the register of members of

Abbey Protection at the Scheme Record Time and none of Abbey Protection, Markel or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any cheques or certificates sent in accordance with this sub-clause 4(B), which shall be sent at the risk of the person or persons entitled thereto.

- (C) All cheques shall be made payable to the person or persons to whom, in accordance with the foregoing provisions of this clause 4, the envelope containing the same is addressed, and the encashment of any such cheque shall be a complete discharge of Markel's obligation under this Scheme to pay the monies represented thereby.
- (D) In respect of payments made through CREST, Markel shall ensure that an assured payment obligation is created in accordance with the CREST assured payment arrangements. The creation of such an assured payment obligation shall be a complete discharge of Markel's obligation under the Scheme with reference to the payments made through CREST.
- (E) The preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

5. Dividend mandates

Each mandate relating to the payment of dividends on any Scheme Shares and other instructions given to Abbey Protection by Scheme Shareholders in force at the Scheme Record Time shall, as from the Effective Date, cease to be valid.

6. Operation of this Scheme

- (A) This Scheme shall only become Effective upon (i) the Court sanctioning the Scheme and (ii) when office copies of the Court Orders and the Statement of Capital are delivered to the Registrar of Companies in England and Wales and, if the Court so orders, the Reduction Court Order and the Statement of Capital being registered by the Registrar of Companies.
- (B) Unless this Scheme has become Effective on or before 30 April 2014, or such later date, if any, as Abbey Protection and Markel may agree and the Court may allow, this Scheme shall never become Effective.
- (C) Abbey Protection and Markel may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition that the Court may approve or impose.

7. Governing Law

This Scheme is governed by English law and is subject to the jurisdiction of English courts. The rules of the Code will, so far as they are appropriate, apply to this Scheme.

Dated 4 November 2013

PART V

FINANCIAL AND RATINGS INFORMATION

1. Financial Information

The following sets out financial information in respect of the Abbey Protection Group and the Markel Group as required by Rule 24.3 of the City Code. The documents (or parts thereof) referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the City Code.

A. Abbey Protection Group

Information incorporated by reference into this document

Reference document

Page number in reference document

For the half year period ended 30 June 2013

Click on the 'pdf' link entitled "Abbey Protection plc Report and Accounts Interim Results September 2013" in the "Annual Reports" section of the "Investor Relations" page of the Abbey Protection website: <http://www.abbeyprotectionplc.com/Investors/AnnualReports/Documents/Abbey%20Protection%20plc%20Report%20and%20Accounts%20Interim%20Results%20September%202013.pdf>

Abbey Protection plc Interim Report 2013 – Unaudited consolidated financial statements and notes thereto

7 to 20 (both inclusive)

Click on the 'pdf' link entitled "Abbey Protection plc H113 RNS" in the "Press Releases" section of the "Media Centre" page of the Abbey Protection website: <http://www.abbeyprotectionplc.com/Investors/Notifications/Documents/Abbey%20Protection%20plc%20H113%20RNS%20-%20September%202013.pdf>

Announcement – Interim Results for the six months ended 30 June 2013

1 to 22 (both inclusive)

For the financial year ended 31 December 2012

Click on the 'pdf' link entitled "Abbey Protection plc Report and Accounts 2012" in the "Annual Reports" section of the "Investor Relations" page of the Abbey Protection website: <http://www.abbeyprotectionplc.com/Investors/AnnualReports/Documents/Abbey%20Protection%20plc%20Report%20and%20Accounts%202012.pdf>

Abbey Protection plc Report and Accounts 2012 – Audited consolidated financial statements and notes thereto

22 to 60 (both inclusive)

For the financial year ended 31 December 2011

Click on the 'pdf' link entitled "Abbey Protection plc Report and Accounts 2011" in the "Annual Reports" section of the "Investor Relations" page of the Abbey Protection website: <http://www.abbeyprotectionplc.com/Investors/AnnualReports/Documents/Abbey%20Protection%20plc%20Report%20and%20Accounts%202011.pdf>

Abbey Protection plc Report and Accounts 2011 – Audited consolidated financial statements and notes thereto

22 to 59 (both inclusive)

B. Markel Group

Information incorporated by reference into this document

For the quarterly period ended 30 June 2013

Click on the 'pdf' link entitled "Second Quarter 2013 10-Q" in the "Quarterly Reports" section of the "Investor Relations" page of the Markel Corporation website:
markelcorporation_10Q_20130807.pdf

Reference document

Markel Corporation quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended 30 June 2013 on Form 10-Q – Financial statements, management's discussion and analysis of financial condition and results of operations, quantitative and qualitative disclosures about market risk and controls and procedures

Page number in reference document

3 to 56 (both inclusive)

For the quarterly period ended 31 March 2013

Click on the 'pdf' link entitled "First Quarter 2013 10-Q" in the "Quarterly Reports" section of the "Investor Relations" page of the Markel Corporation website:
markelcorporation_10Q_20130430.pdf

Markel Corporation quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended 31 March 2013 on Form 10-Q – Financial statements, management's discussion and analysis of financial condition and results of operations, quantitative and qualitative disclosures about market risk and controls and procedures

3 to 29 (both inclusive)

For the financial year ended 31 December 2012

Click on the 'pdf' link entitled "2012 Annual Report" in the "Annual Reports" section of the "Investor Relations" page of the Markel Corporation website: AnnualReport_2012.pdf

Markel Corporation Annual Report & Form 10-K 2012 – Consolidated financial statements, notes to consolidated financial statements, reports of independent registered public accounting firm, management's discussion & analysis and critical accounting estimates

34 to 37 (both inclusive), 38 to 80 (both inclusive), 81 to 82 (both inclusive), 84 and 84 to 119 (both inclusive)

For the financial year ended 31 December 2011

Click on the 'pdf' link entitled "2011 Annual Report" in the "Annual Reports" section of the "Investor Relations" page of the Markel Corporation website: MARKEL-10K_Final.pdf

Markel Corporation Annual Report & Form 10-K 2011 – Consolidated financial statements, notes to consolidated financial statements, reports of independent registered public accounting firm, management's discussion & analysis and critical accounting estimates

36 to 39 (both inclusive), 40 to 85 (both inclusive), 86 to 87 (both inclusive), 90 and 90 to 128 (both inclusive)

It is anticipated that Markel Corporation will release a Quarterly Report for the period ended 30 September 2013 in November 2013. When published, it will be able to be viewed in the "Quarterly Reports" section of the "Investor Relations" page of the Markel Corporation website at www.markelcorp.com.

2. Ratings Information

There are no current ratings or outlooks publicly accorded to Abbey Protection or to any other members of the Abbey Protection Group by rating agencies.

There are no current ratings or outlooks publicly accorded to Markel by rating agencies. Markel Group has an A.M. Best Company financial strength rating of A and ratings and outlook information on companies and entities within the Markel Group is available on the website of Markel Corporation at:

https://www.markelcorp.com/~media/Industry%20Ratings/Financial_strength_ratings.ashx

There have been no changes to such ratings and outlooks since 9 October 2013, being the date of commencement of the Offer Period, and 1 November 2013, being the last practicable date prior to the date of this document.

3. No incorporation of website information

Save as expressly referred to herein, neither the content of the Markel Corporation nor the Abbey Protection websites, nor the content of any website accessible from hyperlinks on Markel Corporation's or Abbey Protection's website, is incorporated into, or forms part of, this document.

PART VI

ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

1. General

This document has been prepared for the purposes of complying with English law, the City Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the UK.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

Overseas shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

2. US Securities Laws

US holders of Abbey Protection Shares should note that the Scheme relates to the shares of a UK company that is a “foreign private issuer” as defined under Rule 3b-4 under the Exchange Act and will be governed by English law. Accordingly, neither the proxy solicitation rules nor the tender offer rules under the Exchange Act will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Certain financial information included in (or incorporated by reference into) this document has been prepared in accordance with international financial reporting standards (as adopted by the European Union) and/or with accounting standards applicable in the UK. Such standards may not be comparable to the accounting standards applicable to financial statements of US companies.

In accordance with normal UK practice, Markel or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Abbey Protection Shares outside of the United States, other than pursuant to the Acquisition, until the date on which the Scheme becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory Information Service of the London Stock Exchange and will be available on the London Stock Exchange website.

PART VII

ADDITIONAL INFORMATION ON ABBEY PROTECTION, MARKEL CORPORATION AND MARKEL

1. Responsibility

- 1.1 The Abbey Protection Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document other than the information for which responsibility is taken by others pursuant to paragraph 1.2 of this Part VII. To the best of the knowledge and belief of the Abbey Protection Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Markel Directors, whose names are set out in paragraph 2.2 below, and Alan Kirshner and Steven Markel, whose names appear in paragraph 2.3 below, accept responsibility for the information contained in this document relating to Markel, Markel Corporation, Markel International, the Markel Group, the Markel Directors and their respective immediate families and the related trusts of, and persons connected with, the Markel Directors. To the best of the knowledge and belief of the Markel Directors, Alan Kirshner and Steven Markel (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The Abbey Protection Directors and their respective positions are:

Tony Shearer	<i>Non-executive Chairman</i>
Colin Davison	<i>Group Chief Executive</i>
Chris Ward	<i>Group Managing Director</i>
Adrian Green	<i>Group Finance Director, Secretary</i>
Paul Wilson	<i>Non-executive Director</i>

The business address of each of the Abbey Protection Directors is Minorities House, 2-5 Minorities, London EC3N 1BJ.

- 2.2 The Markel Directors and their respective positions are:

William Stovin	<i>Executive Director</i>
Jeremy Brazil	<i>Executive Director</i>
Andrew Davies	<i>Executive Director</i>
Nicholas Line	<i>Executive Director</i>
Ian Marshall	<i>Non-executive Director</i>
Ralph Snedden	<i>Non-executive Director</i>
Richard Whitt III	<i>Executive Director</i>

The business address of each of the Markel Directors is The Markel Building, 49 Leadenhall Street, London EC3A 2EA.

The company secretary of Markel is Andrew Bailey.

Markel is a private limited company with its registered office at The Markel Building, 49 Leadenhall Street, London EC3A 2EA. It is a wholly-owned direct subsidiary of Markel Corporation and a UK intermediate holding company in the Markel Group.

2.3 The directors of Markel Corporation and their respective positions are:

Alan Kirshner	<i>Chairman of the Board and Chief Executive Officer</i>
J. Alfred Boarddus, Jr.	<i>Non-executive Director</i>
K. Bruce Connell	<i>Non-executive Director</i>
Douglas Eby	<i>Non-executive Director</i>
Stewart Kasen	<i>Non-executive Director</i>
Lemuel Lewis	<i>Non-executive Director</i>
Anthony Markel	<i>Vice Chairman and Executive Director</i>
Steven Markel	<i>Vice Chairman and Executive Director</i>
Darrell Martin	<i>Non-executive Director</i>
Michael O'Reilly	<i>Non-executive Director</i>
Jay Weinberg	<i>Non-executive Director</i>
Debora Wilson	<i>Non-executive Director</i>

The business address of each of the directors of Markel Corporation is 4521 Highwoods Parkway, Glen Allen, Virginia 23060, United States of America.

Markel Corporation is a diverse financial holding company quoted on the New York Stock Exchange and the ultimate parent company of Markel.

3. Interests in relevant Abbey Protection securities

3.1 For the purposes of this paragraph 3 and paragraphs 4 to 6:

- (A) “acting in concert” with Abbey Protection or Markel, as the case may be, means any person acting or deemed to be acting in concert with Abbey Protection or Markel, as the case may be, for the purposes of the Code;
- (B) “arrangement” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (C) “connected adviser” has the meaning attributed to it in the Code;
- (D) “control” means an interest or interests in shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the interest or interests gives de facto control;
- (E) “dealing” or “dealt” includes the following:
 - (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise of conversion of any relevant securities carrying conversion or subscription rights;
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (F) “derivative” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
- (G) “disclosure date” means 1 November 2013, being the last practicable date prior to the posting of this document;

- (H) “disclosure period” means the period commencing on 8 October 2012, being the date 12 months prior to the commencement of the Offer Period, and ending on the disclosure date;
 - (I) “exempt principal trader” or “exempt fund manager” has the meaning attributed to it in the Code;
 - (J) “financial collateral arrangement” means a security financial collateral arrangement which provides a right for the collateral taker to use and dispose of relevant securities as if it were the owner of those securities;
 - (K) being “interested” in relevant securities means a long economic exposure, whether absolute or conditional, to changes in the price of those securities and, in particular, includes where a person:
 - (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to its price and which results, or may result, in that person having a long position in it;
 - (L) “relevant Abbey Protection securities” means shares in Abbey Protection (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
 - (M) “relevant Markel securities” means shares in Markel Corporation (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
 - (N) “relevant securities” means relevant Abbey Protection securities or relevant Markel securities; and
 - (O) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.
- 3.2 As at the close of business on the disclosure date, neither Markel, Markel Corporation nor any other member of the Markel Group held any interests in, or rights to subscribe for, or had any short position in respect of, relevant Abbey Protection securities. Markel has agreed to subscribe for and become the registered holder of at least one Abbey Protection Share for cash at par prior to the Scheme Record Time and to continue to hold the same until after the Effective Date or, if earlier, the date on which the Scheme lapses or is withdrawn.
- 3.3 As at the close of business on the disclosure date, the Markel Directors (including members of their immediate families, close relatives and related trusts) did not hold any interests in, or rights to subscribe for, nor had any short position in respect of, relevant Abbey Protection securities.
- 3.4 As at the close of business on the disclosure date, no persons acting in concert with Markel held any interest in, or rights to subscribe for, nor had any short position in respect of, relevant Abbey Protection securities.

- 3.5 As at the close of business on the disclosure date, the Abbey Protection Directors (including members of their immediate families, close relatives and related trusts) held the following interests in, or rights to subscribe for, or had a short position in respect of, relevant Abbey Protection securities:

<i>Name</i>	<i>Number of Abbey Protection Shares</i>	<i>Nature of Interest</i>
Tony Shearer	90,909	Legal and beneficial ⁽¹⁾
Chris Ward	15,727,518	Legal and beneficial
Colin Davison	15,727,518	Legal and beneficial ⁽²⁾
Adrian Green	1,806,028	Legal and beneficial ⁽³⁾

(1) The legal and beneficial interests in all such Abbey Protection Shares are held by Pamela Lesley Mapes, who is the spouse of Tony Shearer.

(2) The legal and beneficial interests in 3,227,518 Abbey Protection Shares are held by Michele Davison, who is the spouse of Colin Davison.

(3) The legal and beneficial interests in 1,353,378 Abbey Protection Shares are held by Tanya Green, who is the spouse of Adrian Green.

Share options

<i>Name</i>	<i>Date of Grant</i>	<i>Name of Abbey Protection Share Incentive Scheme</i>	<i>Number of Abbey Protection Shares under option</i>	<i>Exercise period</i>	<i>Exercise price (p)</i>
Chris Ward	26 May 2011	SAYE Scheme	14,013	1 July 2014 to 1 January 2015	64.40
Colin Davison	26 May 2011	SAYE Scheme	14,013	1 July 2014 to 1 January 2015	64.40
Adrian Green	26 May 2011	SAYE Scheme	14,013	1 July 2014 to 1 January 2015	64.40
Adrian Green	27 April 2011	CSOP	37,383	30 April 2014 to 26 April 2021	80.25

- 3.6 As at the close of business on the disclosure date, other than the Abbey Protection Directors and save as set out below, no persons acting in concert with Abbey Protection had any interests in, or rights to subscribe for, nor a short position in respect of, relevant Abbey Protection securities:

<i>Name</i>	<i>Number of Abbey Protection Shares</i>	<i>Nature of Interest</i>
Numis Securities Limited	64,222	Legal

- 3.7 As at the close of business on the disclosure date, the following persons deemed to be acting in concert with Abbey Protection have dealt for value in relevant Abbey Protection securities during the Offer Period:

<i>Name</i>	<i>Date of dealing</i>	<i>Nature of Transaction</i>	<i>Number of Abbey Protection securities</i>	<i>Price (p)</i>
Numis Securities Limited	28 October 2013	Disposal	12,655	114

4. Dealings in relevant Abbey Protection securities

- 4.1 During the disclosure period, none of Markel, Markel Corporation, any other member of the Markel Group nor the Markel Directors (including members of their immediate families, close relatives and related trusts) have dealt for value in relevant Abbey Protection securities.

- 4.2 During the disclosure period, no persons acting in concert with Markel have dealt for value in relevant Abbey Protection securities.
- 5. Dealings in relevant Markel securities**
- 5.1 No dealings in relevant Markel securities by Abbey Protection have taken place during the Offer Period and no dealings in relevant Markel securities by the Abbey Protection Directors (including members of their immediate families, close relatives and related trusts) have taken place during the Offer Period.
- 6. Interests and dealings – General**
- 6.1 Save as disclosed in paragraphs 3 to 5 above, as at the close of business on the disclosure date:
- (A) no member of the Markel Group had any interest in, right to subscribe for, nor any short position in respect of, any relevant Abbey Protection securities nor had any member of the Markel Group dealt for value in any relevant Abbey Protection securities during the disclosure period;
 - (B) none of the Markel Directors (including members of their immediate families, close relatives and related trusts) had any interest in, right to subscribe for, nor any short position in respect of, any relevant Abbey Protection securities, nor had any such person dealt for value in any relevant Abbey Protection securities during the disclosure period;
 - (C) no person deemed to be acting in concert with Markel had any interest in, right to subscribe for, nor any short position in respect of, any relevant Abbey Protection securities, nor had any such person dealt for value in any relevant Abbey Protection securities during the disclosure period;
 - (D) no person who has an arrangement with Markel, nor any person acting in concert with Markel, had any interest in, right to subscribe for, nor any short position in respect of, any relevant Abbey Protection securities, nor had any such person dealt for value in any relevant Abbey Protection securities during the disclosure period; and
 - (E) neither Markel, nor any person acting in concert with Markel, had borrowed or lent any relevant Abbey Protection securities, save for any borrowed shares which had been either on-lent or sold.
- 6.2 Save as disclosed in paragraphs 3 to 5 above, as at the disclosure date:
- (A) no member of the Abbey Protection Group had any interest in, right to subscribe for, nor any short position in respect of, any relevant Markel securities nor had any such person dealt for value in any relevant Abbey Protection securities or relevant Markel securities during the Offer Period;
 - (B) none of the Abbey Protection Directors (including members of their immediate families, close relatives and related trusts) had any interest in, right to subscribe for, nor any short position in respect of, any relevant Abbey Protection securities or relevant Markel securities, nor had any such person dealt for value in any relevant Abbey Protection securities or any relevant Markel securities during the Offer Period;
 - (C) no person deemed to be acting in concert with Abbey Protection had any interest in, right to subscribe for, nor any short position in respect of, any relevant Abbey Protection securities or relevant Markel securities, nor had any such person dealt for value in any relevant Abbey Protection securities during the Offer Period;
 - (D) no person who has an arrangement with Abbey Protection had any interest in, right to subscribe for, nor any short position in respect of, any relevant Abbey Protection securities or relevant Markel securities, nor had any such person dealt for value in any relevant Abbey Protection securities during the Offer Period; and
 - (E) neither Abbey Protection, nor any person acting in concert with Abbey Protection, had borrowed or lent any relevant Abbey Protection securities, save for any borrowed shares which had been either on-lent or sold.
- 6.3 Save as disclosed herein, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the Special Resolution to be proposed at the General Meeting.

- 6.4 Save as disclosed herein, none of (i) Markel nor any person acting in concert with Markel; or (ii) Abbey Protection nor any person acting in concert with Abbey Protection has any arrangement in relation to relevant securities.
- 6.5 Save as disclosed herein, no agreement, arrangement or understanding (including any compensation arrangement) exists between Markel or any person acting in concert with Markel and any of the Abbey Protection Directors or the recent directors, shareholders or recent shareholders of Abbey Protection having any connection with or dependence upon or which is conditional upon the Acquisition.
- 6.6 No relevant Abbey Protection securities have been redeemed or purchased by Abbey Protection during the disclosure period.
- 6.7 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Abbey Protection Shares to be acquired by Markel pursuant to the Scheme will be transferred to any other person.

7. Directors' service contracts and emoluments

7.1 *Executive Directors' service agreements*

(A) *Mr Colin Davison*

Mr Davison is employed by the Company as Group Chief Executive Officer of Abbey Protection pursuant to a service agreement which was entered into on 22 November 2007. The service agreement is terminable by either party giving at least 12 months' written notice.

The agreement can be terminated without notice or payment in lieu of notice in certain circumstances, including if the Board reasonably believes that Mr Davison is guilty of any serious misconduct or (after written warning) wilful neglect in the discharge of his duties. The agreement contains restrictive covenants to prevent Mr Davison from competing with the business interests of Abbey Protection following the termination of his employment. Mr Davison is also eligible to participate in the Abbey Protection Share Incentive Schemes. As from 1 April 2013, Mr Davison's annual base salary was £142,796 with a car allowance of £15,000 per annum, a pension allowance of £10,710 per annum, private medical insurance and life assurance cover. Mr Davison is also entitled to an annual bonus of up to £50,000 per annum provided certain performance criteria are met.

(B) *Mr Chris Ward*

Mr Ward is employed by the Company as Group Managing Director of Abbey Protection pursuant to a service agreement which was entered into on 22 November 2007. The service agreement is terminable by either party giving at least 12 months' written notice.

The agreement can be terminated without notice or payment in lieu of notice in certain circumstances, including if the Board reasonably believes that Mr Ward is guilty of any serious misconduct or (after written warning) wilful neglect in the discharge of his duties. The agreement contains restrictive covenants to prevent Mr Ward from competing with the business interests of Abbey Protection following the termination of his employment. Mr Ward is also eligible to participate in the Abbey Protection Share Incentive Schemes. As from 1 April 2013, Mr Ward's annual base salary was £142,796 and he was entitled to the provision of a company car or cash allowance in lieu of £15,000 per annum, a pension allowance of £10,710 per annum, private medical insurance and life assurance cover. Mr Ward is also entitled to an annual bonus of up to £50,000 per annum provided certain performance criteria are met.

(C) *Mr Adrian Green*

Mr Green is employed by the Company as Group Finance Director and Company Secretary of Abbey Protection pursuant to a service agreement which was entered into on 22 November 2007. The service agreement is terminable by either party giving at least 12 months' written notice.

The agreement can be terminated without notice or payment in lieu of notice in certain circumstances, including if the Board reasonably believes that Mr Green is guilty of any serious misconduct or (after written warning) wilful neglect in the discharge of his duties. The agreement contains restrictive covenants to prevent Mr Green from competing with

the business interests of Abbey Protection following the termination of his employment. Mr Green is also eligible to participate in the Abbey Protection Share Incentive Schemes. As from 1 April 2013, Mr Green's annual base salary was £142,796 with a car allowance of £6,000 per annum and a pension allowance of £10,710 per annum, private medical insurance and life assurance cover. Mr Green is also entitled to an annual bonus of up to £90,000 per annum provided certain performance criteria are met.

7.2 Non-executive directors' letters of appointment

(A) *Mr Tony Shearer*

On 31 October 2007, Mr Shearer entered into a non-executive appointment letter with Abbey Protection setting out the terms on which he would act as non-executive Chairman of Abbey Protection. Mr Shearer's appointment is subject to re-election. The initial term of Mr Shearer's appointment was for a period of three years.

The appointment can be terminated by either party giving three month's written notice or in certain circumstances, including if Mr Shearer has committed any serious or repeated breach of his obligations as a non-executive director. Mr Shearer is currently entitled to an annual fee of £56,500.

(B) *Mr Paul Wilson*

On 1 March 2008, Mr Wilson entered into a non-executive appointment letter with Abbey Protection setting out the terms on which he would act as a non-executive director of Abbey Protection. Mr Wilson's appointment is subject to re-election. The initial term of Mr Wilson's appointment was for a period of three years.

The appointment can be terminated by either party giving three month's written notice or in certain circumstances, including if Mr Wilson has committed any serious or repeated breach of his obligations as a non-executive director. Mr Wilson is currently entitled to an annual fee of £41,000.

- 7.3 Save as disclosed above (and other than statutory compensation and payment in lieu of notice), none of the Abbey Protection Directors' service agreements or letters of appointment provide for compensation or other benefits upon early termination.
- 7.4 Save as disclosed above, none of the Abbey Protection Directors' service agreements or letters of appointment provide for commission or profit sharing arrangements.
- 7.5 Save as disclosed above, there are no service contracts or letters of appointment, between any Abbey Protection Director or proposed director of Abbey Protection and any member of the Abbey Protection Group.
- 7.6 Save as disclosed above, no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this document.
- 7.7 The effect of the Scheme on the interests of the Abbey Protection Directors does not differ from its effect on the like interests of any other holder of Scheme Shares or other participants in each Abbey Protection Share Incentive Scheme in which the Abbey Protection Directors participate.

8. Market quotations

- 8.1 The following table shows the closing middle-market quotations of Abbey Protection Shares, as derived from AIM, on the following dates, unless otherwise indicated:

- (A) the first business day of each of the six months immediately before the date of this document;
- (B) 8 October 2013, being the last dealing day before the commencement of the Offer Period; and
- (C) 1 November 2013, being the last practicable date prior to the posting of this document.

<i>Date</i>	<i>Abbey Protection Share price (pence)</i>
1 May 2013	109.50
3 June 2013	117.50
1 July 2013	110.00
1 August 2013	112.00
2 September 2013	117.25
1 October 2013	120.50
8 October 2013	119.75
1 November 2013	114.00

9. Material contracts

Abbey Protection Group

The following contracts, not being contracts entered into in the ordinary course of business and which are, or may be, material to the Abbey Protection Group, have been entered into by members of the Abbey Protection Group in the period beginning on 9 October 2011 and ending on 1 November 2013 (being the last practicable date prior to the publication of this document).

Acquisition of Lewis Hymanson Small Solicitors LLP

Pursuant to an acquisition agreement dated 28 February 2013, Abbey Protection Group Limited, a subsidiary undertaking of Abbey Protection, acquired a controlling interest in the Manchester-based legal practice, Lewis Hymanson Small Solicitors LLP, for a total consideration of: (i) £296,000 payable in cash at completion; (ii) deferred consideration of up to £650,000 payable in cash; and (iii) the assumption of net liabilities with a fair value of £660,000.

The sellers gave customary warranties and indemnities for a transaction of this nature in favour of Abbey Protection Group Limited, subject to customary limitations. The limitation period in respect of any claim for breach of warranty (other than tax claims) will expire on 28 February 2015. In respect of a tax claim, the limitation period will expire on 28 February 2020.

Markel Group

Save for the confidentiality agreement referred to in paragraph 10 below, there are no contracts, other than contracts entered into in the ordinary course of business, which have been entered into by Markel or any other members of the Markel Group in the period beginning on 9 October 2011 and ending on 1 November 2013 (being the last practicable date prior to the publication of this document) which are, or may be, material.

10. Offer-related arrangements

Markel International Limited and Abbey Protection have entered into a confidentiality agreement dated 30 October 2012, pursuant to which Markel International Limited has undertaken to keep certain information relating: (i) to the Acquisition; and (ii) to the Abbey Protection Group and its business, customers or financial affairs confidential and not to disclose such information to third parties, except (a) to its directors, senior employees and advisers for the purposes of evaluating the Acquisition or (b) if required by applicable laws or regulations. These confidentiality obligations will remain in force until completion of the Acquisition or, if the Acquisition fails to complete, three years from the date of the confidentiality agreement.

11. Irrevocable undertakings and letters of intent

Markel has received irrevocable undertakings in respect of a total of 56,606,964 Abbey Protection Shares, representing, in aggregate, approximately 56.6 per cent. of Abbey Protection's issued share capital and letters of intent in respect of a total of 10,386,754 Abbey Protection Shares representing, in aggregate, approximately 10.4 per cent. of Abbey Protection's issued share capital. In total, therefore, Markel has received irrevocable undertakings and letters of intent in respect of 66,993,718 Abbey Protection Shares representing, in aggregate, approximately 67.0 per cent. of Abbey Protection's issued share capital. Further details of these irrevocable undertakings and letters of intent are set out below.

Abbey Protection Directors' irrevocable undertakings

Colin Davison, Chris Ward, Adrian Green and Tony Shearer, being the Abbey Protection Directors who together (either individually or with their Connected Persons, where applicable) hold beneficial interests in Abbey Protection Shares, have irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in respect of a total of 33,351,973 Abbey Protection Shares, representing, in aggregate, approximately 33.4 per cent. of Abbey Protection's issued share capital.

Irrevocable undertakings from other members of the Abbey Protection Senior Executive Team

Markel has also received irrevocable undertakings to vote, or procure the vote, in favour of (or to return, or procure the return of, Forms of Proxy voting in favour of) the Acquisition at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) from Elizabeth Grace, Murray Fairclough, Richard Candy, Toby Clarke and Simon Howes, being additional members of the Abbey Protection Senior Executive Team, in respect of a total of 23,254,991 Abbey Protection Shares, representing, in aggregate, approximately 23.3 per cent. of Abbey Protection's issued share capital.

The irrevocable undertakings entered into by the Abbey Protection Directors and the other members of the Abbey Protection Senior Executive Team described above will remain binding in the event of a competing offer being made for Abbey Protection.

These irrevocable undertakings will immediately lapse and cease to have effect immediately upon the earliest to occur of the following:

- (a) the Panel consenting to Markel not proceeding with the Acquisition;
- (b) an event occurring or circumstances arising as a result of which Markel is no longer required by the City Code to proceed with the Acquisition; or
- (c) the Acquisition lapsing or otherwise being withdrawn.

The above irrevocable undertakings also contain undertakings from those persons giving them, among other things, not, except pursuant to the Acquisition, to sell, transfer or otherwise dispose of, charge, encumber or grant any option or other right over any of their Abbey Protection Shares or any interest in them nor to accept or give any undertaking or letter of intent or otherwise support any other proposal in respect of all or any of their Abbey Protection Shares nor enter into any agreement or arrangement (whether conditionally or unconditionally) with any person to do any such acts.

In addition, the irrevocable undertakings contain a further undertaking from those persons giving them to exercise, or to procure the exercise of, all voting rights attaching to their Abbey Protection Shares in such manner as to enable the Acquisition to be made and the Conditions to be satisfied and to oppose (and not to take) any action which would or might reasonably be prejudicial to the successful outcome of the Acquisition or result in any of the Conditions not being satisfied at the earliest practicable time.

Letter of intent from an additional member of the Abbey Protection Senior Executive Team

Markel has also received a letter of intent to vote, or procure the vote, in favour of (or to return, or procure the return of, Forms of Proxy voting in favour of) the Acquisition at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) from a further member of the Abbey Protection Senior Executive Team (David Hartley) in respect of a total of 398,754 Abbey Protection Shares, representing, in aggregate, approximately 0.4 per cent. of Abbey Protection's issued share capital.

Letters of intent from other Abbey Protection Shareholders

In addition, Markel has received a letter of intent from Mawer Investment Management Limited confirming its intention to vote in favour of the Scheme or to accept a Takeover Offer, as the case may be, in respect of 9,988,000 Abbey Protection Shares, representing, in aggregate, approximately 10.0 per cent. of Abbey Protection's issued share capital.

Both of the above letters of intent specify that the donor will vote (or procure the vote) in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting

(if the Acquisition is implemented by way of a Scheme) or to accept (or to procure the acceptance of) a Takeover Offer (if the Acquisition is implemented by way of a Takeover Offer), provided that, in each case, the Acquisition Price is not less than 115 pence per Abbey Protection Share.

In addition, the letter of intent entered into by Mawer Investment Management Limited states that, if any competing offer is made by a third party that is in excess of 115 pence per Abbey Protection Share, it is the intention of Mawer Investment Management Limited to accept that competing offer.

12. Offer-related fees and expenses

12.1 *Markel fees and expenses*

The aggregate fees and expenses expected to be incurred by Markel in connection with the Acquisition and during the Offer Period (excluding any applicable VAT) are expected to be:

<i>Category</i>	<i>Amount</i>
Legal advice	£300,000-£500,000 ^{(1) (2)}
Accounting advice	£20,000
Financial and corporate broking advice	£100,000-£800,000 ⁽¹⁾
Other costs and expenses	£10,000
Total	£430,000-£1,330,000

(1) Expressed as a range because the actual amount will depend on certain factors, including the Acquisition completing.

(2) These services are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the latest practicable date prior to the publication of this document and an estimate of further time required.

12.2 *Abbey Protection fees and expenses*

The aggregate fees and expenses expected to be incurred by Abbey Protection in connection with the Acquisition and during the Offer Period (excluding any applicable VAT) are expected to be:

<i>Category</i>	<i>Amount</i>
Legal advice	£300,000 ⁽¹⁾
Accounting advice	£20,000
Public relations advice	£25,000
Financial and corporate broking advice	£100,000-£1,155,000 ⁽²⁾
Other professional services	£5,000
Other costs and expenses	£10,000
Total	£460,000-£1,515,000

(1) These services are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the latest practicable date prior to the publication of this document and an estimate of further time required.

(2) Expressed as a range because the actual amount will depend on certain factors, including the Acquisition completing.

13. Cash confirmation

It is estimated that the cash consideration payable by Markel under the terms of the Acquisition will be approximately £116.5 million. The cash consideration will be financed from the existing cash resources of the Markel Group.

Peel Hunt, as financial adviser to Markel, has confirmed that it is satisfied that sufficient resources are available to Markel to enable it to satisfy, in full, the cash consideration payable to Abbey Protection Shareholders under the terms of the Acquisition.

14. No set-off of consideration

Settlement of the consideration to which any Abbey Protection Shareholder is entitled under the Acquisition will be implemented in full in accordance with the terms of the Acquisition without regard to any lien, right of set-off, counterclaim or other analogous right to which Markel may otherwise be, or claim to be, entitled against such Abbey Protection Shareholder.

15. Persons acting in concert

15.1 In addition to companies within the Markel Group and their respective directors, the persons who, for the purposes of the Code, are acting, or deemed to be acting, in concert with Markel in respect of the Acquisition are:

<i>Name</i>	<i>Type</i>	<i>Registered Office</i>	<i>Relationship with Markel</i>
Peel Hunt LLP	Limited liability partnership incorporated in England and Wales	Moor House, 120 London Wall, London EC2Y 5ET	Financial Adviser

15.2 In addition to the Abbey Protection Directors (together with members of their immediate families, close relatives and related trusts) and Abbey Protection Group companies, the persons who, for the purposes of the Code, are acting, or deemed to be acting, in concert with Abbey Protection in respect of the Acquisition are:

<i>Name</i>	<i>Type</i>	<i>Registered Office</i>	<i>Relationship with Abbey Protection</i>
Pricewaterhouse-Coopers LLP	Limited liability partnership incorporated in England and Wales	1 Embankment Place, London WC2N 6RH	Financial Adviser
Shore Capital and Corporate Limited	Private limited company incorporated in England and Wales	Bond Street House, 14 Clifford Street, London W15 4JU	Nominated Adviser
Shore Capital Stockbrokers Limited	Private limited company incorporated in England and Wales	Bond Street House, 14 Clifford Street, London W15 4JU	Joint Corporate Broker
Numis Securities Limited	Private limited company incorporated in England and Wales	The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT	Joint Corporate Broker

16. Consents

16.1 PwC has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

16.2 Peel Hunt has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

17. No significant change

Save in respect of the payment of the Interim Dividend by the Company on 10 October 2013, there has been no significant change in the financial or trading position of the Abbey Protection Group since 30 June 2013, being the date to which Abbey Protection's last unaudited interim financial statements were prepared.

18. Documents published on a website

18.1 Copies of the following documents are available for viewing on Abbey Protection's website at www.abbeyprotectionplc.com up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- (A) this document and the Forms of Proxy;
- (B) the existing articles of association of Abbey Protection;
- (C) a draft of the articles of association of Abbey Protection as proposed to be amended pursuant to the Special Resolution to be proposed at the General Meeting;

- (D) the consolidated audited report and accounts of Abbey Protection for the two financial years ended 31 December 2012 and the interim report for the half year ended 30 June 2013;
 - (E) the written consents referred to in paragraph 16 above;
 - (F) the material contracts referred to in paragraph 9 above which have been entered into in connection with the Acquisition;
 - (G) copies of the irrevocable undertakings and letters of intent referred to in paragraph 11 above; and
 - (H) the confidentiality agreement dated 30 October 2012 between Abbey Protection and Markel International Limited referred to in paragraph 10 above.
- 18.2 Copies of the following documents are available for viewing on Markel International's website at www.markelinternational.com up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is the earlier:
- 18.2.1 this document and the Forms of Proxy;
 - 18.2.2 the articles of association of Markel and the constitutional documents of Markel Corporation;
 - 18.2.3 the quarterly and annual financial information relating to the Markel Group for the two quarters ended 30 June 2013 and the two years ended 31 December 2012, respectively, incorporated by reference into this document and described in Part V (*Financial and Ratings Information*) of this document;
 - 18.2.4 the written consents referred to in paragraph 16 above;
 - 18.2.5 copies of the irrevocable undertakings and letters of intent referred to in paragraph 11 above; and
 - 18.2.6 the confidentiality agreement dated 30 October 2012 between Abbey Protection and Markel International Limited referred to in paragraph 10 above.

19. Sources of information and bases of calculation

In this document, unless otherwise stated, or the context otherwise requires, the bases and sources used are set out below.

- 19.1 Unless otherwise stated, financial information relating to the Abbey Protection Group has been extracted or derived (without any adjustment) from the consolidated audited report and accounts of Abbey Protection for the two financial years ended 31 December 2012 and the unaudited interim report for the half year ended 30 June 2013, as applicable.
- 19.2 The premium and discount calculations to the price per Abbey Protection Share have been calculated by reference to share price data provided by Proquote.
- 19.3 The issued and to be issued share capital of Abbey Protection is 101,297,021 Abbey Protection Shares, calculated as:
 - 19.3.1 the total number of Abbey Protection Shares in issue of 99,994,773 as of 1 November 2013, being the last practicable date prior to the date of this document;
 - 19.3.2 *less* the total number of Abbey Protection Shares held in treasury of 15,466 as of 1 November 2013, being the last practicable date prior to the date of this document;
 - 19.3.3 *plus* the total number of Abbey Protection Shares that may be issued as at 1 November 2013, being the last practicable date prior to the date of this document, upon the exercise of outstanding options/awards under the Abbey Protection Share Incentive Schemes of 1,317,714 assuming that all options/awards are exercised in full, being the sum of:
 - 19.3.3.1 the full exercise of options to acquire 535,003 Abbey Protection Shares at an exercise price of 64.4 pence per Abbey Protection Share granted under the SAYE Scheme;
 - 19.3.3.2 the full exercise of options to acquire 255,450 Abbey Protection Shares at an exercise price of 80.25 pence per Abbey Protection Share, options to acquire 38,583 Abbey Protection Shares at an exercise price of 77.75 pence per Abbey

- Protection Share and an option to acquire 17,543 Abbey Protection Shares at an exercise price of 114 pence per Abbey Protection Share granted under the CSOP; and
- 19.3.3.3 the full exercise of awards to acquire 37,383 Abbey Protection Shares granted under the LTIP on 27 April 2011, an award to acquire 20,000 Abbey Protection Shares granted under the LTIP on 2 September 2011, awards to acquire 141,476 Abbey Protection Shares granted under the LTIP on 11 April 2012 and awards to acquire 272,276 Abbey Protection Shares granted under the LTIP on 2 April 2013, each with an exercise price of nil pence.
- 19.4 The International Securities Identification Number for the Abbey Protection Shares is GB00B293ZK84.
- 19.5 The aggregate Acquisition Price of £116,491,574 has been calculated on the basis of 101,297,021 Abbey Protection Shares in issue, as set out in paragraph 19.3 above, multiplied by the Acquisition Price of 115 pence per Abbey Protection Share.
- 19.6 The enterprise value of £101,392,036 has been calculated as:
- 19.6.1 the Acquisition value of £116,491,574, as set out in paragraph 19.5 above;
- 19.6.2 *less* surplus net cash of £14,500,000, being the cash available in the Company as per the Abbey Protection Senior Executive Team's best estimate after taking into account the following:
- 19.6.2.1 restricted cash due to client money (CASS) regulations;
- 19.6.2.2 regulatory capital requirements under solvency regulations; and
- 19.6.2.3 working capital requirements; and
- 19.6.3 *less* estimated cash proceeds of £599,538 due to the Company upon full exercise of the various options granted by the Company pursuant to the Abbey Protection Share Incentive Schemes as set out in paragraph 19.3.5 (assuming all options are exercised in full).
- 19.7 The enterprise value-to-EBITDA multiple of 9.3x has been calculated as:
- 19.7.1 the enterprise value of £101,392,036;
- 19.7.2 *divided by* EBITDA of £10.9 million for the financial year ended 31 December 2012 (as disclosed in the consolidated audited report and accounts of Abbey Protection for the financial year ended 31 December 2012).
- 19.8 The price-to-earnings multiple of 14.5x is calculated as:
- 19.8.1 the offer price of 115 pence per Abbey Protection Share;
- 19.8.2 *divided by* earnings per share ("EPS") of 7.93 pence for the financial year ended 31 December 2012 (as disclosed in the consolidated audited report and accounts of Abbey Protection for the financial year ended 31 December 2012).
- 19.9 All information pertaining to total shareholder return is derived from Thomson Reuters Datastream, up until 1 November 2013, the last practicable date prior to the date of this document. More specifically:
- 19.9.1 total shareholder return for Abbey Protection Shares has been calculated with reference to 29 November 2007, being the date when Abbey Protection Shares were admitted to trading on AIM and setting the total shareholder return index to 100 at this date. It has been recalculated based on the prices and dividends declared, with the cash value of dividends being reinvested into stock on the ex-dividend date; and
- 19.9.2 total shareholder return for the FTSE AIM All Share Index and the FTSE All Share Index has also been calculated from 29 November 2007, with the indices being rebased to 100 on 29 November 2007.
- 19.10 Unless otherwise stated, all prices and closing prices for Abbey Protection Shares are closing middle market quotations derived from the Daily Official List published by the London Stock Exchange.

PART VIII

DEFINITIONS

The following definitions apply throughout this document (with the exception of Part IV (*Scheme of Arrangement*))

“£”, “sterling” and “pence”	the lawful currency of the United Kingdom;
“Accounting Date”	31 December 2012;
“Abbey Protection” or the “Company”	Abbey Protection plc, incorporated in England and Wales with registered number 06352358 and having its registered office at Minories House, 2-5 Minories, London EC3N 1BJ;
“Abbey Protection Group”	means Abbey Protection, its subsidiaries and subsidiary and associated undertakings;
“Abbey Protection Directors”	the Board of Abbey Protection as at the date of this document;
“Abbey Protection Senior Executive Team”	the senior management team of Abbey Protection, comprising: (a) Colin Davision; (b) Chris Ward; (c) Elizabeth Grace; (d) Murray Fairclough; (e) Richard Candy; (f) Adrian Green; (g) Toby Clarke; (h) Simon Howes; and (i) David Hartley;
“Abbey Protection Shareholders”	the holders of Abbey Protection Shares (but excluding Abbey Protection in respect of the 15,466 Abbey Protection Shares held in treasury by Abbey Protection);
“Abbey Protection Share Incentive Scheme Participants”	the participants in the Abbey Protection Share Incentive Schemes;
“Abbey Protection Share Incentive Schemes”	the CSOP, the LTIP and the SAYE Scheme;
“Abbey Protection Shares”	ordinary shares of one (1) pence each in the capital of Abbey Protection;
“Acquisition”	the proposed acquisition of the entire issued and to be issued share capital of Abbey Protection by Markel, to be implemented by means of the Scheme (or, if Markel so elects, an Offer) on the terms and subject to the conditions set out in the Scheme Circular (or in an offer document (as the case may be)) and, where the context permits, any subsequent revision, variation, extension or renewal thereof;
“Acquisition Price”	the price of 115 pence for each Abbey Protection Share;
“AIM”	a market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange;
“Announcement”	the joint announcement made by Markel and Abbey Protection dated 9 October 2013 of the terms of the Acquisition pursuant to Rule 2.7 of the City Code;

“authorisations”	authorisations, orders, grants, recognitions, determinations, certifications, confirmations, consents, licences, clearances, exemptions, valuations, reports, permissions and approvals;
“Board”	as the context requires, the board of directors of Abbey Protection or the board of directors of Markel and the terms “Abbey Protection Board”, “Board of Abbey Protection”, “Markel Board” and “Board of Markel” shall be construed accordingly;
“business day”	a day, (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London, United Kingdom are generally open for normal business;
“Capital Reduction”	the proposed reduction of the ordinary share capital of the Company pursuant to section 641 of the Companies Act, involving the cancellation and extinguishing of the Scheme Shares provided for by the Scheme;
“certificated form” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST) in respect of Abbey Protection Shares;
“City Code” or “Code”	The City Code on Takeovers and Mergers;
“Closing Price”	the closing middle market quotation of an Abbey Protection Share on a particular trading day, as derived from AIM;
“Companies Act”	the Companies Act 2006;
“Computershare”	the trading name of Computershare Investor Services PLC (registered in England and Wales under company number 3498808), whose registered office is The Pavilions, Bridgwater Road, Bristol BS13 8AE;
“Conditions”	the conditions to the Acquisition and to the implementation of the Scheme set out in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this document;
“Connected Persons”	those persons whose interests in Abbey Protection Shares the Markel Directors and the Abbey Protection Directors are, individually and collectively, respectively taken to be interested in pursuant to Part 22 of the Companies Act and related regulations;
“Court”	the High Court of Justice in England and Wales;
“Court Hearings”	the Scheme Court Hearing and the Reduction Court Hearing;
“Court Meeting”	the meeting of the Scheme Shareholders (and any adjournment thereof) convened with the permission of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
“Court Orders”	the Scheme Court Order and the Reduction Court Order;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the Regulations) of which Euroclear is the Operator (as defined in the Regulations);
“CSOP”	the Abbey Protection plc Company Share Option Plan (2007);
“Disclosed”	fairly disclosed in writing to Markel or its advisers by or on behalf of Abbey Protection in connection with the Acquisition prior to 9 October 2013, being the date of the Announcement;
“EBITDA”	earnings before interest, tax and depreciation;
“EBT”	the Abbey Protection plc Employee Benefit Trust established by deed dated 22 November 2007;
“Effective”	the Acquisition and the Scheme becoming effective in accordance with their terms;

“Effective Date”	the date on which the Scheme becomes Effective in accordance with its terms;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excluded Shares”	any Abbey Protection Shares which are legally and/or beneficially owned by a member of the Markel Group at the relevant time and the 15,466 Abbey Protection Shares held in treasury by Abbey Protection;
“Exchange Act”	the US Securities and Exchange Act, 1934 as amended;
“Explanatory Statement”	the explanatory statement prepared in compliance with section 897 of the Companies Act relating to the Scheme, as set out in Part II (<i>Explanatory Statement</i>) of this document;
“FCA”	the UK Financial Conduct Authority;
“Form(s) of Proxy”	either or both (as the context demands) of the blue form of proxy for use in relation to the Court Meeting and the white form of proxy for use in relation to the General Meeting which accompany this document;
“FSMA”	the Financial Services and Markets Act 2000;
“General Meeting”	the general meeting of Abbey Protection scheduled to be held on 2 December 2013 immediately following the Court Meeting, notice of which is set out in Part X (<i>Notice of General Meeting</i>) of this document, and any adjournment thereof;
“GFSC”	the Guernsey Financial Services Commission;
“HMRC” or “HM Revenue & Customs”	Her Majesty’s Revenue & Customs;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“Interim Dividend”	the interim dividend of 2.4 pence for each Abbey Protection Share paid on 10 October 2013 to holders of Abbey Protection Shares on Abbey Protection’s register of members of Abbey Protection on 13 September 2013;
“Long Stop Date”	30 April 2014 (or such later date (if any) as Abbey Protection and Markel may agree and the Court may allow), being the latest date by which the Scheme must become Effective in accordance with its terms;
“LTIP”	the Abbey Protection plc Long Term Incentive Plan (2007);
“Markel”	Markel Capital Holdings Limited, incorporated in England and Wales with registered number 06722095 and having its registered office at The Markel Building, 49 Leadenhall Street, London EC3A 2EA;
“Markel Corporation”	Markel Corporation, a diverse financial holding company incorporated in the Commonwealth of Virginia and quoted on the New York Stock Exchange and the parent company of Markel;
“Markel Directors”	the Board of Markel as at the date of this document;
“Markel Group”	means Markel and its parent undertakings, subsidiaries and subsidiary and associated undertakings;
“Markel International”	Markel International, a division of Markel Corporation, which is headquartered in London and writes insurance and reinsurance business through eight divisions and through offices across the UK, Europe, Canada, Latin America and Asia Pacific;

“Meetings”	the Court Meeting and the General Meeting or either of them as the context requires;
“New Abbey Protection Shares”	the new ordinary shares of one (1) pence each in the capital of the Company to be allotted and issued to Markel in accordance with clause 1(B) of the Scheme;
“Numis Securities”	Numis Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, as joint corporate broker to Abbey Protection;
“Offer” or “Takeover Offer”	an offer to acquire the entire issued and to be issued ordinary share capital of Abbey Protection by Markel by means of a takeover offer (as defined in section 974 of the Companies Act) made pursuant to the Code;
“Offer Period”	the period commencing on 9 October 2013 and ending on the earlier of the date on which it is announced that the Scheme has become Effective and/or the date on which it is announced that the Scheme has lapsed or has been withdrawn (or such other date as the City Code may provide or the Panel may decide);
“Panel”	The Panel on Takeovers and Mergers;
“parent undertaking”	has the meaning given in section 1162 of the Companies Act;
“Peel Hunt”	Peel Hunt LLP, which is authorised and regulated in the United Kingdom by the FCA, as financial adviser to Markel;
“PRA”	the UK Prudential Regulation Authority;
“Proposals”	the Acquisition, the Scheme and the resolutions to be proposed at the Meetings, all as described in this document;
“Publicly Announced”	disclosed in (i) the annual reports and accounts for Abbey Protection for the financial year ended 31 December 2012; or (ii) the unaudited interim report of Abbey Protection for the six months ended 30 June 2013; or (iii) in any announcement made by or on behalf of Abbey Protection to a Regulatory Information Service prior to 9 October 2013, being the date of the Announcement;
“PwC”	PricewaterhouseCoopers LLP, which is authorised and regulated in the United Kingdom by the FCA, as financial adviser to Abbey Protection;
“Reduction Court Hearing”	the hearing by the Court of the claim form to confirm the Capital Reduction;
“Reduction Court Order”	the order of the Court confirming the Capital Reduction under section 648 of the Companies Act;
“Registrar of Companies”	means the registrar of companies in England and Wales;
“Registrars”	Computershare;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“Regulatory Information Service” or “RIS”	a Regulated Information Service (that is, a Regulated Information Service approved by the FCA as meeting the Criteria for Regulated Information Services and that is on the list of Regulated Information Services maintained by the FCA);
“SAYE Scheme”	the Abbey Protection plc Savings Related Share Option Scheme (2007);
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under Part 26 of the Companies Act between Abbey Protection and the Scheme Shareholders in its present form or with or subject to any modification, addition, or condition approved or imposed by the Court and/or agreed by Abbey Protection and Markel;
“Scheme Court Hearing”	the hearing by the Court of the claim form to sanction the Scheme;

“Scheme Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
“Scheme Circular” or “Scheme Document”	this circular dated 4 November 2013 addressed to Abbey Protection Shareholders containing, amongst other things, the Scheme and the Explanatory Statement;
“Scheme Record Time”	6.00 p.m. on the business day immediately preceding the date of the Reduction Court Hearing;
“Scheme Shareholders”	registered holders of Scheme Shares;
“Scheme Shares”	<p>the Abbey Protection Shares;</p> <p>(i) in issue at the date of this document;</p> <p>(ii) (if any) issued after the date of this document and prior to the Voting Record Time; and</p> <p>(iii) (if any) issued at or after the Voting Record Time and at or prior to the Scheme Record Time on terms that the original or any subsequent holder thereof shall be bound by the Scheme and/or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,</p> <p>in each case, other than any Excluded Shares;</p>
“Shore Capital and Corporate”	Shore Capital and Corporate Limited, which is authorised and regulated in the United Kingdom by the FCA, as nominated adviser to Abbey Protection;
“Shore Capital Stockbrokers”	Shore Capital Stockbrokers Limited, which is authorised and regulated in the United Kingdom by the FCA, as joint corporate broker to Abbey Protection;
“Special Resolution”	the special resolution to be proposed at the General Meeting in connection with, amongst other things, the approval of the Scheme and the sanctioning of the Capital Reduction;
“SRA”	the UK Solicitors’ Regulation Authority;
“Statement of Capital”	a statement of capital of the Company prepared in accordance with section 649(2) of the Companies Act and approved by the Court showing, as altered by the Reduction Court Order, the information required by section 649 of the Companies Act with respect to the Company’s share capital;
“subsidiary”	has the meaning given in section 1159 of the Companies Act;
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act;
“Third Party”	any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory administrative, fiscal, or investigative body, authority (including any national anti-trust or merger control authority), court, trade agency, association, institution or professional or environmental body, employee representative body or any other person or body whatsoever in any relevant jurisdiction (including the London Stock Exchange, FCA, PRA, the Panel and HMRC) and, for the purposes of the Conditions, a Third Party shall be regarded as having “intervened” if it has taken, instituted, implemented or threatened any action, proceeding, suit, investigation or enquiry or reference, or made, enacted or proposed any statute, regulation, decision or order, and “intervene” shall be construed accordingly;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated form” or “in uncertificated form”	a share or other security recorded on the Company’s register of members as being held in uncertificated form in CREST, and title

	to which, by virtue of the Regulations, may be transferred by means of CREST;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“Voting Record Time”	6.00 p.m. on the day which is two days immediately prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date fixed for such adjourned meeting;
“Wider Abbey Protection Group”	Abbey Protection and its subsidiary undertakings and associated undertakings and any other undertaking, partnership, company or joint venture in which Abbey Protection and/or such subsidiary or associated undertakings (aggregating their interests) have a substantial interest; and
“Wider Markel Group”	Markel Corporation and its subsidiary undertakings and associated undertakings and any other undertaking or partnership, company or joint venture in which Markel Corporation and/or such subsidiary or associated undertakings (aggregating their interests) have a substantial interest.

In this document: (a) the term **“undertaking”** has the meaning given to it in the Companies Act and the term **“associated undertaking”** has the meaning given to it in paragraph 19(1) of Schedule 6 to The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008) (but ignoring, for this purpose, paragraph 19(1)(b) of that Schedule) and **“substantial interest”** means a direct or indirect interest in 20 per cent. or more of the equity share capital (as defined in the Companies Act) of any undertaking; and (b) references to an enactment include references to that enactment as amended, replaced, modified, consolidated or re-enacted by or under any other enactment before or after the date of this document.

PART IX
NOTICE OF COURT MEETING

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
DEPUTY REGISTRAR MIDDLETON**

No. 7377/2013

IN THE MATTER OF ABBEY PROTECTION PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 1 November 2013 made in the above matters, the Court has given permission for a meeting to be convened of the Scheme Shareholders (as defined in the Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between Abbey Protection plc (the “Company”) and the Scheme Shareholders and that such meeting will be held at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS at 11.00 a.m. on 2 December 2013 at which place and time all the Scheme Shareholders are requested to attend.

A copy of the said Scheme of Arrangement and a copy of the statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

Scheme Shareholders may vote in person at the meeting or they may appoint another person as their proxy to attend, speak and vote instead of them. A proxy need not be a member of the Company. A Scheme Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that holder. A blue Form of Proxy for use at the meeting is enclosed with this notice. Abbey Protection Shareholders with Scheme Shares held through CREST may also appoint a proxy or proxies using CREST by following the instructions set out on page 72 of this document. Completion and return of a Form of Proxy, or the appointment of proxies through CREST, will not preclude a Scheme Shareholder from attending and voting in person at the meeting, or any adjournment thereof.

In the case of joint holders of Scheme Shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

It is requested that forms appointing proxies (together with any power of attorney or other authority under which they are signed, or a notarially certified copy of such power of attorney) be lodged with the Registrars in accordance with the instructions printed on it not later than 48 hours before the start of the meeting but, if forms are not so lodged, they may be handed to the chairman at the meeting before the taking of the poll.

Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at the Voting Record Time. Changes to the register of members of the Company after such time shall be disregarded.

By the said order, the Court has appointed Tony Shearer or, failing him, Colin Davison, or failing either of them, any other Abbey Protection Director to act as chairman of the meeting and has directed the chairman to report the result of the meeting to the Court.

The said Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Eversheds LLP
Solicitors for the Company
One Wood Street
London EC2V 7WS

Dated 4 November 2013

Notes:

1. Only holders of ordinary shares of one pence in the capital of Abbey Protection are entitled to attend and vote at this meeting and may appoint a proxy to attend, speak and vote instead of them. A Scheme Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. If you wish to appoint more than one proxy, please contact our registrars, Computershare Investor Services PLC. A proxy need not be a member of the Company.
2. A blue Form of Proxy is enclosed for use at this meeting. To be valid, completed Forms of Proxy must be returned so as to arrive at the offices of the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 11.00 a.m. on 28 November 2013 or, if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting.
3. Scheme Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com/CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
4. Completion and return of a Form of Proxy or the appointment of proxies through CREST will not preclude an Abbey Protection Shareholder from attending and voting in person.
5. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes that may be cast thereat will be determined by reference to the register of members at the of the Company at 6.00 p.m. on the day which is two days prior to the date of the meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
6. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
7. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member to exercise the voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to Nominated Persons. The rights described in those Notes can only be exercised by members of the Company.

PART X
NOTICE OF GENERAL MEETING
ABBEY PROTECTION PLC

Notice is hereby given that a general meeting of Abbey Protection plc (the “Company”) will be held at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS at 11.15 a.m. on 2 December 2013 (or as soon thereafter as the meeting of the holders of Scheme Shares (as defined in the Scheme as referred to in paragraph (A) of the resolution set out below) convened for 11.00 a.m. on the same day and at the same place, by an order of the High Court of Justice, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

SPECIAL RESOLUTION

THAT:

- (A) for the purpose of giving effect to the Scheme of Arrangement dated 4 November 2013 (the “Scheme”) between the Company and the holders of Scheme Shares (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification has been signed by the chairman of this meeting in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Markel Capital Holdings Limited (“Markel”):
- (i) the directors of the Company be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
 - (ii) the share capital of the Company be reduced by cancelling and extinguishing all the Scheme Shares;
 - (iii) forthwith and contingently upon such reduction of capital taking effect (and notwithstanding anything to the contrary contained in the articles of association of the Company), the reserve arising in the books of account of the Company as a result of the cancellation of the Scheme Shares shall be applied in paying up in full at par such number of new ordinary shares of one pence each as is equal to the aggregate number of Scheme Shares cancelled as aforesaid, which shall be allotted and issued (free from all liens, charges, encumbrances, options, rights of pre-emption, rights of set-off and other third party rights and interests of any nature whatsoever) credited as fully paid to Markel and/or its nominee(s); and
 - (iv) the directors of the Company be and are hereby generally and unconditionally authorised pursuant to and in accordance with sections 549 and 551 of the Companies Act 2006 to give effect to this resolution and accordingly to effect the allotment of the new ordinary shares referred to in sub-paragraph (iii) above in connection with the Scheme, provided always that: (a) this authority shall expire (unless previously revoked, varied or renewed) on the fifth anniversary of the date on which it is passed; (b) the maximum aggregate nominal amount of ordinary shares which may be allotted hereunder shall be the aggregate nominal amount of the said new ordinary shares created pursuant to sub-paragraph (iii) above; and (c) this authority shall be without prejudice and in addition to any other authority under the said sections 549 and 551 previously granted and in force on the date on which this resolution is passed;
- (B) the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new article 189 after article 188:

“189 SCHEME OF ARRANGEMENT

189.1 In this article, references to the “Scheme” are to the Scheme of Arrangement between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 4 November 2013 (with or subject to any modification, addition or condition approved or imposed by the Court agreed to by the Company and Markel Capital Holdings Limited (“Markel”)) under Part 26 of the Companies Act 2006 and terms defined in the Scheme shall have the same meanings in this article.

- 189.2 Notwithstanding any other provision of these articles, if the Company issues any Abbey Protection Shares (other than to Markel, any other company within the Markel Group or any nominee of Markel (each a “Markel Company”)) on or after the date of the adoption of this article and at or prior to the “Scheme Record Time”, such Abbey Protection Shares shall be issued subject to the terms of the Scheme (and shall constitute Scheme Shares for the purposes thereof) and the holder or holders of such Abbey Protection Shares shall be bound by the Scheme accordingly.
- 189.3 Subject to the Scheme becoming effective and notwithstanding any provision of these Articles, other than Article 189.4, if any Abbey Protection Shares are issued to any person (a “New Member”) (other than under the Scheme or to Markel, any other company within the Markel Group or its nominee(s)) after the Scheme Record Time (the “Transfer Shares”), such New Member (or any subsequent holder, personal representative or any nominee of such New Member) will, subject always to Article 189.4, be immediately obliged to transfer the Transfer Shares to Markel (or to such other person as it may direct) in consideration of and conditional upon the payment by Markel to the New Member of such amount in cash for each Transfer Share as that New Member would have been entitled to under the Scheme for those Transfer Shares had they been Scheme Shares.
- 189.4 Subject to the Scheme becoming effective and notwithstanding any provision of these Articles, if any Abbey Protection Shares are issued to the trustee of the EBT after the Scheme Record Time (the “Trustee Shares”), the trustee of the EBT may within five business days following the receipt by it of such Trustee Shares, transfer the same to any person (the “Award Holder”) who has, after the Scheme Record Time, exercised an award granted pursuant to the LTIP or an option granted under the CSOP. Such Award Holder (or any subsequent holder, personal representative or any nominee of such Award Holder) will be immediately obliged to transfer the Trustee Shares that they receive as a result of the foregoing provisions of this Article 189.4 to Markel (or to such other person as it may direct) in consideration of and conditional upon the payment by Markel to the Award Holder of such amount in cash for each Trustee Share as that Award Holder would have been entitled to under the Scheme for those Trustee Shares had they been Scheme Shares. Immediately after the expiry of such period of five business days, the provisions of Article 189.3 shall apply to any Abbey Protection Shares then held by the trustee of the EBT which have not been transferred to the Award Holder in accordance with the foregoing provisions of this Article 189.4.
- 189.5 To give effect to any such transfer required by this article, the Company may appoint any person (the “Agent”) to execute a form of transfer on behalf of the New Member or Award Holder (or any subsequent holder, personal representative or any nominee of such New Member or Award Holder) (as the case may be), in favour of Markel and/or its nominee(s) and to do all such things and execute and deliver such documents as may, in the opinion of the Agent, be necessary or desirable to vest the Transfer Shares or Trustee Shares (as the case may be) in Markel and/or its nominee(s). Pending the registration of Markel or its nominee(s) as the holder of any share to be transferred pursuant to this article, Markel shall be empowered to appoint a person nominated by the directors to act as attorney on behalf of each holder of any such share in accordance with such directions as Markel may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such share shall exercise all rights attaching thereto in accordance with the directions of Markel but not otherwise.
- 189.6 On any re-organisation of, or material alteration to, the share capital of the Company (including without limitation, any subdivision and/or consolidation) effected after the close of business on the Effective Date, the cash payment per Abbey Protection Share to be paid under Articles 189.3 or 189.4 may be adjusted by the directors of the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such re-organisation or alteration. References in this Article to Abbey Protection Share or ordinary shares shall, following such adjustment, be construed accordingly.”

4 November 2013

By Order of the Board

Adrian Green
Company Secretary

Registered Office:
Minorities House
2-5 Minorities
London
EC3N 1BJ

Registered in England and Wales No. 06352358

Notes:

1. Only holders of ordinary shares of one pence in the capital of Abbey Protection are entitled to attend and vote at this meeting and may appoint a proxy to attend, speak and vote instead of them. An Abbey Protection Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. If you wish to appoint more than one proxy, please contact our registrars, Computershare Investor Services PLC. A proxy need not be a member of the Company.
2. A white Form of Proxy is enclosed for use at this meeting. To be valid, completed forms of proxy must be returned so as to arrive at the offices of the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 11.15 a.m. on 28 November 2013, or if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting.
3. Abbey Protection Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com/CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
4. Completion and return of a Form of Proxy, the appointment of proxies through CREST, or voting online will not preclude a shareholder from attending and voting in person.
5. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes that may be cast thereat will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days prior to the date of the meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
6. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
7. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a Nominated Person) may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member to exercise the voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to Nominated Persons. The rights described in these Notes can only be exercised by members of the Company.
8. Any shareholder, proxy or joint shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
9. A copy of this notice, and other information required by section 311A of the Act, can be found at www.abbeyprotectionplc.com.

10. Any electronic address provided either in this notice or any related documents (including the Chairman's letter and Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. As at 1 November 2013, being the last practicable day prior to the date of this document, the Company's issued share capital consisted of 99,994,773 ordinary shares of one pence each. This included a total of 15,466 ordinary shares held in treasury. Each ordinary share carries the right to vote at a general meeting of the Company and, therefore, excluding treasury shares, the total number of voting rights in the Company as at 1 November 2013, being the last practicable day prior to the date of this document, was 99,979,307.

