

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-30608 (LMJ)

(Jointly Administered)

**DEBTORS' MOTION TO APPROVE
INSURANCE SETTLEMENT PURSUANT TO BANKRUPTCY RULE 9019**

Aldrich Pump LLC ("Aldrich") and Murray Boiler LLC ("Murray"), as debtors and debtors in possession (together, the "Debtors"), hereby move the Court, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9013-1(e)(17) of the Rules of Practice and Procedure of the United States Bankruptcy Court for the Western District of North Carolina, for entry of an order approving the settlement with OIC Run-Off Limited and The London and Overseas Insurance Company Limited (together, "Certain Insurers"), which is attached as **Exhibit 1** to the Proposed Order (the "Settlement Agreement").

In support of this Motion, the Debtors respectfully state as follows:

BACKGROUND

1. On June 18, 2020 (the "Petition Date"), the Debtors commenced their reorganization cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). These Chapter 11 Cases have been consolidated for procedural purposes only and are being administered jointly.

2. The Debtors are authorized to continue to manage their property and

¹ The Debtors are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.



operate their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. A comprehensive description of the Debtors, their history, their assets and liabilities, and the events leading to the commencement of these Chapter 11 Cases can be found in the *Declaration of Ray Pittard in Support of First Day Pleadings* [Dkt. 27] and the *Declaration of Allan Tananbaum in Support of Debtors' Complaint for Injunctive and Declaratory Relief, Related Motions, and the Chapter 11 Cases* [Dkt. 29], which were filed on the Petition Date. The Debtors also filed the *Informational Brief of Aldrich Pump LLC and Murray Boiler LLC* [Dkt. 5] (the "Informational Brief") and the *Case History and Status Report of Aldrich Pump LLC and Murray Boiler LLC* [Dkt. 2378] (the "Status Report") to provide additional information about their asbestos litigation, related costs, case progress, and plans to address these matters in these Chapter 11 Cases.

4. Certain Insurers are subject to a scheme of arrangement in the United Kingdom, dated 20 November 1996, as amended by an amending scheme of arrangement dated 11 December 2014, and final scheme of arrangement dated 24 April 2025 (collectively the "Scheme"). See Settlement Agreement, Preamble, ¶ (A).

5. Aldrich is a creditor of the Scheme, holding an allowed total net claim of \$704,400.00. See Settlement Agreement, creditor specific payment schedules at 2. To date, the Scheme has paid a 76.00 percent dividend (\$535,344.00), plus compensatory payments (\$4,462.40) on Aldrich's claim. Id.

6. By letter of July 22, 2025, the Joint Scheme Administrator wrote to eligible Scheme creditors, including Aldrich, to extend an offer for an early final dividend of 4.00 percent on allowed claims. See July 22, 2025 Letter from DY Schwarzmans, Joint Scheme

Administrator (the “Offer Letter”), §1, attached hereto as **Exhibit A**. The 4.00 percent supplemental dividend for Aldrich would be \$28,176, and associated compensatory payments would be \$4,127.06, for a total of \$32,303.06. See Settlement Agreement, creditor specific payment schedules at 2.

7. The Offer Letter explained that while all claims against the Scheme had been agreed, the Scheme confronted certain tax issues “that will, in the absence of the proposal made in this letter, delay the final dividend until the Scheme terminates in approximately 2038.” Offer Letter, §.1. Under the terms of the offer, “Eligible Scheme Creditors,” like Aldrich, would receive a final dividend of 4.00 percent in late 2025 or early 2026, while those not accepting the offer would receive a dividend in 2038 that, depending upon circumstances, could range from 0.00 percent to 5.74 percent. Id.

8. The Offer Letter also reported that the Scheme Administrators consulted with stakeholders including the Scheme creditors’ committee (the “Creditor’s Committee”) (which received an independent evaluation from a “Delegate” as further detailed in the Offer Letter), that the Creditors’ Committee unanimously supported the early final dividend offer, and that its members confirmed that they intended to accept the offer in relation to their own claims. Offer Letter, §3.

JURISDICTION

9. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

REQUESTED RELIEF

10. Pursuant to Bankruptcy Rule 9019 and Local Rule 9013-1(e)(17), the

Debtors seek the entry of an order approving the Settlement Agreement.

11. Prior to filing this Motion, the Debtors advised the Office of the United States Bankruptcy Administrator for the Western District of North Carolina (the "Bankruptcy Administrator"), counsel to the Official Committee of Asbestos Personal Injury Claimants (the "ACC"), and counsel to the future claimants' representative (the "FCR") of the Debtors' intent to file this Motion seeking approval of the Settlement Agreement. The Bankruptcy Administrator, ACC, and FCR have indicated they do not oppose the Settlement.

BASIS FOR RELIEF

12. This Court has authority to approve the Settlement pursuant to Bankruptcy Rule 9019. Whether to approve a settlement rests within the sound discretion of the bankruptcy court. See, e.g., St. Paul Fire & Marine Ins. Co. v. Vaughn, 779 F.2d 1003, 1010 (4th Cir. 1985) (citing In re Walsh Constr., Inc., 669 F.2d 1325, 1328 (9th Cir. 1982)); Key3Media Grp., Inc. v. Pulliver.com Inc. (In re Key3MediaGrp., Inc.), 336 B.R. 87, 92 (Bankr. D. Del. 2005). Bankruptcy Rule 9019(a) provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." FED. R. BANKR. P. 9019(a).

13. Settlements "are a normal part of the process of reorganization," Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424 (1968) (internal quotations omitted), and "are favored in bankruptcy" because they "minimize litigation and expedite the administration of a bankruptcy case." Myers v. Martin (In re Martin), 91 F.3d 389, 393 (3d Cir. 1996) (citation omitted); see also Crawford v. CIT Grp./Com. Servs. (In re S. Hosiery Mill, Inc.), 2012 Bankr. LEXIS 802, at *3 (Bankr. W.D.N.C. Jan. 26, 2012) ("It is well established that compromises are favored in bankruptcy.") (citing In re Martin, 91 F.3d at 393).

14. The standard for approval of a compromise is whether the proposed

settlement is "fair and equitable" and "in the best interest of the estate." TMT Trailer Ferry, 390 U.S. at 424. In evaluating the fairness of a settlement, a court does not have to be convinced that the settlement is the best possible compromise, but only that the settlement "falls within the reasonable range of litigation possibilities." In re Wash. Mut., Inc., 442 B.R. 314, 328 (Bankr. D. Del. 2011); In re Coram Healthcare Corp., 315 B.R. 321, 330 (Bankr. D. Del. 2004); see also In re Health Diagnostic Lab'y, Inc., 588 B.R. 154, 169 (Bankr. E.D. Va. 2018) (approving settlement agreement finding that the settlement "is fair and equitable and is in the best interests of all creditors"); In re Worldcom, Inc., 347 B.R. 123, 137 (Bankr. S.D.N.Y. 2006) (finding the bankruptcy court "need only 'canvass the issues' to determine if the 'settlement falls below the lowest point in the range of reasonableness.'" (quoting In re Teltronics Serv., Inc., 762 F.2d 185, 189 (2d Cir. 1985))).

15. To determine whether a proposed settlement is fair and equitable and in the best interest of the estate, courts examine four factors: "(a) the probability of success in litigation; (b) the likely difficulties in collection; (c) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (d) the paramount interest of the creditors." Livesay v. Cooper (In re CEI, LLC), 2019 WL 914131, at *9 (W.D.N.C. Feb. 25, 2019), aff'd, 799 F. App'x 211 (4th Cir. 2020) (citing In re Martin, 91 F.3d at 393).

APPLICATION OF RELEVANT STANDARD

16. As outlined above, Aldrich holds an agreed allowed claim in Certain Insurers' Scheme on which dividends of 76.00 percent have already been paid to date. Thus, the Settlement does not implicate pending litigation. Accordingly, in considering the Settlement, the "paramount interest of the creditors" should be the touchstone.

17. Unless Aldrich enters into the Settlement, it will receive no future Scheme

dividends, if any, until 2038. Further, in view of the tax uncertainties outlined in section 5 of the Offer Letter, that final dividend payable in 12 years is expected to range from 0.00 percent to 5.74 percent. Thus, while it is possible that the ultimate final dividend could exceed the 4.00 percent contained in the Settlement, the delay in receiving any final dividend and the risk of a 0.00 percent final dividend (or some other amount lower than 4.00 percent) weigh heavily in favor of the Settlement. Further, the reported unanimity of the members of the Scheme's Creditors' Committee in support of the early final dividend, and their stated intent to accept it for their own claims, also weighs in favor of the fairness and reasonableness of the Settlement.

18. Accordingly, the Debtors respectfully submit that the Settlement Agreement: (a) is fair and equitable, (b) is in the best interests of their chapter 11 estates and creditors, and (c) should be approved pursuant to Bankruptcy Rule 9019.

NOTICE

19. Consistent with the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Dkt. 123] (the "Case Management Order"), notice of this Motion has been provided to: (a) the Bankruptcy Administrator; (b) counsel to the ACC; (c) counsel to the FCR; (d) counsel to the Certain Insurers; (e) counsel to Trane Technologies Company LLC and Trane U.S. Inc.; and (f) the other parties on the Service List established by the Case Management Order. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be provided.

NO PRIOR REQUEST

20. No prior request for the relief sought herein has been made to this Court or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit B**, granting: (i) the relief requested herein; and (ii) such other and further relief as the Court may deem proper.

Dated: October 17, 2025
Charlotte, North Carolina

Respectfully submitted,

/s/ John R. Miller, Jr.

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ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT A

Offer Letter

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND ACTION

In order to accept the Early Final Dividend Offer, Eligible Scheme Creditors must complete the actions outlined in Section 6 of this letter no later than 5pm GMT on 14 November 2025.

OIC Run-Off Limited and The London and Overseas Insurance Company Limited (together the “Companies”), both subject to a Scheme of Arrangement dated 20 November 1996 (“Original Scheme”), as amended by a Scheme of Arrangement dated 11 December 2014 (“Amending Scheme”), and the Final Scheme dated 24 April 2025 (“Final Scheme” which together with the Original Scheme and the Amending Scheme is referred to as the “Scheme”).

To all Scheme Creditors with Eligible Net Liabilities under the Amending Scheme (“Eligible Scheme Creditors”). The Early Final Dividend Offer does not apply to liabilities arising under Qualifying ILU Policies (the “Excluded Creditors”).

Capitalised terms used in this letter and not otherwise defined have the meanings given to them in the Scheme.

Eligible Scheme Creditors should not construe the contents of this letter as legal, tax, financial or other advice. Eligible Scheme Creditors should consult their own professional advisors for legal, tax, financial or other advice as appropriate in connection with the contents of this letter.

22 July 2025

OFFER FOR THE EARLY PAYMENT OF THE FINAL DIVIDEND

Dear Sir/Madam

1. The Early Final Dividend Offer for Eligible Scheme Creditors

We are writing to provide you with the opportunity to receive a final dividend in late 2025/ early 2026, much earlier than would otherwise be the case.

The current dividend rate is 76.00%. It was expected that a final dividend would be paid to all Scheme Creditors with Eligible Net Liabilities once all claims submitted by the Bar Date under the Amending Scheme had been agreed. All of these claims have now been agreed but a number of issues have arisen that will, in the absence of the proposal made in this letter, delay the final dividend until the Scheme terminates in approximately 2038. The main issue relates to tax and further details of this are provided in Section 5(a) below.

The Scheme Administrators have explored various options for mitigating these issues so as to enable an earlier final dividend. A solution has been identified in the form of (1) a Final Scheme for Qualifying ILU Opt Out Creditors that elected not to participate in the crystallisation provisions of the Amending Scheme solely in respect of their Qualifying ILU Policies, and (2) an early final dividend offer (“Early Final Dividend Offer”) to all Eligible Scheme Creditors and separately to Nationale-Nederlanden Overseas Finance and Investment Company (“NNOFIC”) which is a Scheme Creditor as a result of the funds it has made available to settle the Eligible Net Liabilities of Qualifying ILU Policyholders.

The Final Scheme received Court sanction on 23 May 2025 and crystallised the claims of Qualifying ILU Opt Out Creditors that would otherwise be notified after 31 December 2035.

This letter contains details of the offer being made to all Eligible Scheme Creditors in full and

final settlement of their claims against the Companies. The terms of the Early Final Dividend Offer are that:

- Eligible Scheme Creditors who accept the Early Final Dividend Offer will receive a final dividend of 4.00%, taking the cumulative dividend from 76.00% to 80.00% in 2025/ early 2026; and
- Eligible Scheme Creditors who do not accept the Early Final Dividend Offer will receive a final dividend in 2038 that, taking into account certain assumptions and approximations as explained below, equates to what they would have received if the Early Final Dividend Offer had not been made, with that final dividend ranging from 0.00% to 5.74% taking the cumulative dividend to between 76.00% and 81.74%.

Whilst the maximum final dividend payable in 2038 in the absence of the Early Final Dividend Offer will be 5.74%, this outcome will only be achieved if no tax whatsoever is payable by the Companies. There are multiple other realistic scenarios where tax would be payable in the future so that some increase above the current 76.00% dividend rate will be possible but the cumulative dividend rate will be less than 81.74%. It is also possible that the potential tax issues will be such that no increase in the current 76.00% dividend rate will be possible.

2. What does the Early Final Dividend Offer mean for you and NNOFIC?

The payments that will apply if you accept or decline the Early Final Dividend Offer can be seen in your creditor specific Early Final Dividend Offer Schedule that accompanies the Early Final Dividend Agreement. Please read the explanatory notes accompanying the schedule carefully.

The terms of the Early Final Dividend Offer for NNOFIC are substantially similar to the Early Final Dividend Offer being made to Eligible Scheme Creditors, save for the final dividend figure which is 5.76% rather than 4.00%. The higher figure will be paid to NNOFIC because NNOFIC's position is different to those of other creditors in that (1) it has historically supported, at a cost to itself, the overall operation of the Scheme by making significant funds available to the Companies, (2) it agreed to subordinate certain claims against the Companies behind all other liabilities, and (3) the rights it is compromising when it accepts the Early Final Dividend Offer will have some differences to those applying to other creditors.

3. The Creditors' Committee view of the Early Final Dividend Offer

The Scheme Administrators have consulted a number of key stakeholders in relation to the Early Final Dividend Offer, including the Creditors' Committee, which has a duty to act in the interests of Scheme Creditors as a whole. The Creditors' Committee, having received an independent evaluation from the "Delegate" (further details of the Delegate are provided in section 5(d) below), is unanimously supportive of the Early Final Dividend Offer to Eligible Scheme Creditors and NNOFIC. The Creditors' Committee members have also unanimously confirmed they intend to accept the Early Final Dividend Offer in relation to their own claims.

4. Payment of the Early Final Dividend

Whilst the Scheme Administrators consider that the Early Final Dividend Offer is beneficial to all Eligible Scheme Creditors, they recognise that each creditor will need to make its own decision on the attractiveness of the offer. The Scheme Administrators are conscious that it has not been possible to canvas the views of all Eligible Scheme Creditors in advance of launching this Early Final Dividend Offer. However, the Scheme Administrators are very conscious of respecting the views of Eligible Scheme Creditors, and so if they are not content with the reaction to the Early Final Dividend Offer, the Scheme Administrators, in their absolute discretion, will not proceed with it. In these circumstances, which are currently not envisaged to occur, all Eligible Scheme Creditors will be unable to receive further dividends until 2038.

Assuming the Scheme Administrators are content with the reaction of Eligible Scheme Creditors to the Early Final Dividend Offer, they will issue a 'Notice of Effect' on the Companies' website at <https://www.oicrun-offltd.com/>. The Early Final Dividend Offer will at that time be binding on those Eligible Scheme Creditors that have accepted it and payments will be made shortly

thereafter.

In the event that you elect to accept the Early Final Dividend Offer, the Companies reserve the right to make payment of the amounts set out in your creditor specific schedule to your last known bank account that the Companies have on their files, or otherwise by way of cheque. Uncashed cheques will be dealt with in accordance with paragraph 41 of the Amending Scheme. If you would like to confirm your bank account or provide an updated bank account for receipt of the payment, please email OICClosureHelpdesk@hampden.co.uk. No payment will be made in contravention of applicable law or regulation (including sanctions).

If the Early Final Dividend Offer does not proceed as contemplated above, the Scheme Administrators will issue a 'Notice of Lapse' on the Companies' website at <https://www.oicrun-offltd.com>, and the Early Final Dividend Offer will be withdrawn.

5. Further details of the Early Final Dividend Offer

(a) Outline of the tax issue

The Companies have historically used brought forward tax losses to offset profits which would otherwise be taxable. However, a change in tax legislation has occurred since the Amending Scheme became effective. Brought forward tax losses can now only be utilised to offset 50% of taxable profits above £5 million in any given accounting period. However, this updated legislation does provide insolvent insurers with an exemption from this restriction. The Companies, which have significant brought forward losses, have relied on this exemption since the change in legislation and no tax has so far been payable.

The fundamental issue is that the Scheme currently provides that unpaid liabilities are legally extinguished when the Scheme is terminated. In addition, when a final dividend is paid such that there is certainty as to the obligations of the Companies to those creditors, it is necessary to revalue the liabilities to reflect these obligations. This will therefore give rise to a large 'accounting profit' at that time, driven by the difference between the value of total agreed claims held in the Companies' accounts and the total dividends paid to Scheme Creditors. As the Scheme is currently expected to terminate in approximately 2038, and the tax legislation that would apply at that time is impossible to predict, the Scheme Administrators have concluded that no further dividends can be paid to Scheme Creditors absent the Early Final Dividend Offer until 2038.

(b) Other solutions that have been considered

The Final Scheme in conjunction with the Early Final Dividend Offer is considered to be the only viable solution to ensure Eligible Scheme Creditors can be paid now as opposed to many years in the future. In reaching this conclusion, the Scheme Administrators have considered a variety of other solutions to the issues being considered, including:

- Seeking to impose on all Scheme Creditors an early release of their unpaid liabilities in exchange for receiving an earlier final dividend payment, so that the related tax consequences could be dealt with in an earlier period when there is considerably more certainty over the tax that might be payable. Legal advice has confirmed that this is not possible under the existing terms of the Amending Scheme. A new scheme of arrangement to achieve this would be possible although this would entail certain risks, significant delay and cost. The Scheme Administrators considered that this offers no material advantages over the solution which is now being pursued and, indeed, the current solution is considered by the Scheme Administrators to be fairer in that each Scheme Creditor can decide what is best according to their own circumstances.
- Considering an amendment to the Scheme so that unpaid liabilities are not legally extinguished on the termination of the Scheme so that no 'accounting profit' arises. This option is not viable given that (1) an accounting revaluation is likely to occur in any event at the point that a final dividend is paid, and (2) any such amendment to the Scheme could only be achieved through another scheme of arrangement and, as above, this would entail certain risks, significant delay and cost.
- Seeking to enter into an insurance arrangement to cover the risk of any future tax liability becoming payable by the Companies from 2025 to 2036. Having consulted mainstream brokers and insurers, it is clear that currently no insurer is willing to underwrite tax liabilities that could

occur so far into the future on a standalone basis.

All these alternatives were discussed with the Creditors' Committee and the Scheme Administrators then alighted on the solution of the Final Scheme (which is focused on a select group of Scheme Creditors) and the Early Final Dividend Offer. The Final Scheme is comparatively simple and did not entail the same level of risk, delay and cost which would arise from a Scheme amendment of the sort considered above.

(c) Risk mitigation

In order to ensure that the Early Final Dividend Offer could be made without disadvantaging Eligible Scheme Creditors who do not accept it, and any taxes can be paid on completion of the Early Final Dividend Offer and on subsequent termination of the Final Scheme, the Scheme Administrators have arranged certain protections (by way of insurance and guarantee arrangements) for the Companies which will become effective if the Notice of Effect is issued.

As highlighted in section (b) above, insurance for tax risks relating to a period extending so many years into the future is not currently available in the open market. However, a combination of insurance and guarantee solutions was found. This includes cover to ensure (1) any tax liability becoming payable by the Companies in relation to profits arising after 2025 is settled, and (2) Eligible Scheme Creditors who do not accept the Early Final Dividend Offer receive a final dividend in 2038 that equates, subject to certain assumptions and approximations as explained below, to what they would have received if the Early Final Dividend Offer had not been offered to, or accepted by, any Eligible Scheme Creditor ("Insured/Guaranteed Amounts"). To the extent that the Companies do not have sufficient assets to meet these obligations, these risks are covered by an insurance policy ("Marco Re Insurance") written by an AM Best A- ("Excellent") Financial Strength rated insurer, Marco Re Limited ("Marco Re"). Furthermore, to provide both Marco Re and Eligible Scheme Creditors with further reassurance, the UK firm of PricewaterhouseCoopers LLP ("PwC UK") will provide an on-demand guarantee ("PwC UK Guarantee") in respect of any claims made by the Companies under the Marco Re Insurance, and as a result, PwC UK will settle such claims on demand. Both the Marco Re Insurance and the PwC UK Guarantee are capped at \$40m ("Limit"), a level which the Scheme Administrators consider more than sufficient to cover the Insured/Guaranteed Amounts.

The Scheme Administrators want to provide creditors with as much certainty as possible in making their decision on the Early Final Dividend Offer. To do so, certain assumptions and approximations are being made now in the calculation of the final dividend (if any) payable to Eligible Scheme Creditors who do not accept the Early Final Dividend Offer. In particular, it is not possible to know what investment returns would have been achieved in the absence of the Early Final Dividend Offer. The Scheme Administrators have therefore determined that it would be appropriate to fix the investment returns at 1.8% per annum from the date of the Notice of Effect. This is the average short-term interest rate earned over past decades, and the Scheme Administrators believe this is an appropriate rate to use as, in the absence of the Early Final Dividend Offer, a short-term investment strategy would have been followed.

(d) The Delegate

The involvement of PwC UK in the solution as described above is a conflict of interest for the Scheme Administrators. As a consequence, the Scheme Administrators have put in place a number of safeguards, being the disclosures in both this letter and the Final Scheme documents, obtaining separate legal advice, interactions with the Creditors' Committee and adherence to the PwC UK governance process for such situations. In addition, Chris Laughton of Mercer & Hole, a licensed insolvency practitioner, has been appointed as Delegate to provide an independent assessment of the Final Scheme, the Early Final Dividend Offer, the Marco Re Insurance and the PwC UK Guarantee, including the Limit. Under the terms of his engagement with the Scheme Administrators, the Delegate is required to evaluate the Early Final Dividend Offer to ensure it is in the best interests of the Scheme Creditors as a whole. The Delegate has received independent legal advice from Jon Yorke, a partner in

the firm of McCarthy Denning. The appointments of Chris Laughton as Delegate and Jon Yorke as his legal adviser, and the terms of reference of their work, were both confirmed by the Creditors' Committee. The Delegate has provided his report to the Creditors' Committee and this has formed an important part of their decision to unanimously support the Early Final Dividend Offer approach. The Delegate is satisfied that the Early Final Dividend Offer is in the best interests of the Scheme Creditors as a whole.

(e) The premium for the Marco Re Insurance and the PwC UK fee for the PwC UK Guarantee

PwC UK recognise that the Scheme has been running for nearly 30 years and individuals from PwC UK have been acting as Provisional Liquidators or Scheme Administrators throughout this period. As a result, the main driver for PwC UK in providing the PwC UK Guarantee is to facilitate the Early Final Dividend Offer and to ensure Eligible Scheme Creditors do not wait until 2038 to receive any further dividends.

The risk underlying the Marco Re Insurance is substantially reduced because of the PwC UK Guarantee and this has been reflected in the premium charged for the Marco Re Insurance of c.\$0.5m. PwC UK will therefore be bearing the significant risk. PwC's fee for the PwC UK Guarantee ("Guarantee Fee"), which is capped at the same amount as the Limit, should the Early Final Dividend Offer proceed, will comprise the remaining assets of the Companies but excluding the value of:

1. The Opt Out Scheme Assets on the basis that Excluded Creditors will not receive the Early Final Dividend Offer solely in respect of their Qualifying ILU Policies.
2. An appropriate reserve for any tax liability, even though this risk and cost is ultimately supported by the Marco Re Insurance and PwC UK Guarantee.
3. An appropriate reserve for the other expenses of the Scheme excluding Opt Out Expenses, on the basis that Eligible Scheme Creditors that do not accept the Early Final Dividend Offer will not receive their final dividend until 2038 and costs for the continued run off of the Companies will need to be met.
4. An appropriate reserve to allow for payments to Eligible Scheme Creditors who do not accept the Early Final Dividend Offer.

The Creditors' Committee has received a copy of a report from the Delegate which includes the Delegate's assessment of the Guarantee Fee. In considering the various risks, a range of potential outcomes for the Guarantee Fee has been modelled by the Scheme Actuarial Adviser. These outcomes in 2038 vary from zero where a call under the Guarantee is required, to a maximum of \$33.0m where no tax is payable. At a risk adjusted discount rate of 10% the maximum present value of the Guarantee Fee is \$9.5m.

Accordingly, there are scenarios in which PwC UK will suffer loss on the PwC UK Guarantee and related Guarantee Fee, and other scenarios in which it stands to profit. The risk will remain with PwC UK, and the final position will not be crystallised until post 2036. PwC UK has agreed to provide the PwC UK Guarantee on these terms because it considers itself more likely to ultimately make a profit on the arrangements than to ultimately suffer a loss. Any Eligible Scheme Creditor that does not take up the Early Final Dividend Offer will not be impacted by these PwC arrangements. Those Eligible Scheme Creditors that do choose to take up the Early Final Dividend Offer should do so recognising the possible outcome for PwC UK in connection with it, as well as appreciating that this novel and bespoke tailored solution is unlocking significant benefit for creditors in facilitating the Early Final Dividend Offer.

6. Action required

The Scheme Administrators, supported by the Delegate, consider that the Early Final Dividend Offer will be attractive to Eligible Scheme Creditors and see this proposal as a one-off opportunity for Eligible Scheme Creditors to accept the Early Final Dividend Offer.

The Creditors' Committee, having received an independent evaluation from the Delegate, is unanimously supportive of the Early Final Dividend Offer. The Creditors' Committee members have also unanimously confirmed they intend to accept the Early Final Dividend Offer in relation to their own claims.

The terms of the Companies' proposal set out in this letter are subject to the execution of the Early Final Dividend Agreement.

If you wish to accept the Companies' proposal, please:

- 1. Access the creditors' portal via the Companies' website - oicrun-offltd.com**
- 2. Create an account using the email address we have contacted you with.**
- 3. Review your specific Early Final Dividend Offer Schedule and Agreement and sign before the deadline of 14 November 2025.**

By accepting the Early Final Dividend Offer and executing the Early Final Dividend Agreement, you will be representing and warranting to the Companies that you are fully authorised to do so, and that the persons executing the Early Final Dividend Agreement have the necessary authority to do so.

Failure to submit the Early Final Dividend Agreement by this deadline will mean that the relevant Eligible Scheme Creditor will not be entitled to participate in the Early Final Dividend Offer. If you need any assistance in completing the agreement or have any queries about the Early Final Dividend Offer, please contact the Scheme Administrators by phone on +44 (0) 207 583 5000 or by email on uk_oic_run_off_limited@pwc.com.

Further information regarding the Companies is available on the Companies' website at <https://www.oicrun-offltd.com/>

Yours faithfully
For and on behalf of
OIC Run-Off Limited and
The London and Overseas Insurance Company Limited



DY Schwarzmann
Joint Scheme Administrator

Dan Schwarzmann and Nigel Rackham were appointed as Joint Scheme Administrators of OIC Run-Off Limited and The London and Overseas Insurance Company Limited to manage their affairs, business and property as agents without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Scheme Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken.

PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Scheme Administrators. Personal data will be kept secure and processed only for matters relating to the scheme of arrangement. Further details are available in the privacy statement on the [PwC.co.uk](https://www.pwc.co.uk) website or by contacting the Joint Scheme Administrators.

EXHIBIT B

Proposed Order

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-30608 (LMJ)

(Jointly Administered)

**ORDER PURSUANT TO BANKRUPTCY RULE 9019
APPROVING THE DEBTORS' INSURANCE SETTLEMENT**

This matter came before the Court on *Debtors' Motion to Approve Insurance Settlement Pursuant to Bankruptcy Rule 9019* (the "Motion"); the Court having reviewed the Motion and the Settlement Agreement; the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (c) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (d) notice of the Motion and an opportunity for a hearing on the Motion was sufficient under the circumstances, and (e) approval of the Settlement Agreement is fair and equitable and in the best interests of the Debtors' estates; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein;

¹ The Debtors are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Pursuant to Bankruptcy Rule 9019, the Settlement Agreement attached hereto as **Exhibit 1**, is hereby approved.
3. The Debtors are hereby authorized to take such actions as are necessary to implement the terms of the Settlement Agreement.
4. This Order shall be immediately effective upon its entry.
5. This Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

This Order has been signed electronically.
The Judge's signature and Court's seal
appear at the top of the Order

United States Bankruptcy Court

EXHIBIT 1

EARLY FINAL DIVIDEND OFFER AND SETTLEMENT AGREEMENT

Dated 18 September 2025

between:

OIC RUN-OFF LIMITED

8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom

THE LONDON AND OVERSEAS INSURANCE COMPANY LIMITED

8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom

(together the "**Companies**")

and

ALDRICH PUMP LLC

309818

(the "**Participating Scheme Creditor**").

(together, the "**Parties**")

PREAMBLE

- (A) The Companies are both subject to a scheme of arrangement dated 20 November 1996 (the "**Original Scheme**"), as amended by an amending scheme of arrangement dated 11 December 2014 (the "**Amending Scheme**") and a final scheme of arrangement dated 24 April 2025 ("**Final Scheme**" which, together with the Original Scheme and the Amending Scheme, is referred to as the "**Scheme**").
- (B) By way of the Early Final Dividend Offer Letter dated 22 July 2025 (the "**EFDO Letter**"), the Companies have offered to fully and finally settle all Scheme Creditors' claims against the Companies excluding claims arising under Qualifying ILU Policies (the "**Eligible Net Liabilities**").
- (C) The Participating Scheme Creditor has Eligible Net Liabilities as set out in the Early Final Dividend Offer payment schedules (the "**EFDO Schedules**") to this Early Final Dividend and Settlement Agreement (the "**Agreement**"). It has elected to accept the early final dividend offer and it shall take payment of the amounts set out in the EFDO Schedules in full and final settlement of all of its Eligible Net Liabilities.

- (D) In accordance with section 29.3(n) of the Original Scheme and section 9.1 of the Amending Scheme, the Parties have agreed to enter into this Agreement to effect that settlement.
- (E) The effectiveness of the early final dividend offer is conditional upon the Scheme Administrators, in their absolute discretion, being satisfied as to the general reaction of Scheme Creditors to the early final dividend offer. If and when this condition has been met they will issue a notice on the Website to that effect ("**Notice of Effect**"). The Scheme Administrators will issue a separate notice on the Website if it has become clear that the condition is not going to be met ("**Notice of Lapse**").

Accordingly, the Parties agree as follows:

1. INTERPRETATION

Unless otherwise defined herein, defined terms used in this Agreement have the meaning given in the Scheme.

2. SETTLEMENT, RELEASE AND DISCHARGE

- 2.1 Promptly following the date of the Notice of Effect, the Companies shall pay to the Participating Scheme Creditor the amount(s) set out in the EFDO Schedules denoted as "PAYMENT IN 2025".
- 2.2 With effect from the date on which the Companies issue the Notice of Effect, in consideration of the obligation set out in 2.1, and the mutual releases granted by the Parties pursuant to this Agreement, the Participating Scheme Creditor agrees to fully, finally and irrevocably settle and compromise all claims against the Companies pursuant to and/or arising out of the Eligible Net Liabilities, and to release and discharge the Companies, their administrators (including the Scheme Administrators, their firm or its partners, members, directors or employees or their subcontractors, advisers, representatives or agents in connection with the services), predecessors, parents, affiliates, subsidiaries, agents, officers, directors, employees, shareholders, policyholders, assigns and any other related party from any and all liabilities and/or obligations to the Participating Scheme Creditor under or arising out of the Eligible Net Liabilities, in each case whether such liabilities and/or obligations are known or unknown, grounded in law or equity, in contract or in tort, reported or unreported, present or future, certain or contingent and whether or not fixed or liquidated in amount including, but not limited to, all claims, debts, demands, duties, sums of money, covenants, contracts, agreements, promises, omissions, damages, causes of action, costs, judgments, losses and expenses whatsoever.
- 2.3 In the event that the Notice of Lapse is issued, this Agreement shall terminate and be of no effect other than in respect of Clause 3 (*Confidentiality*) and Clause 5 (*Scheme Administrators*) on the date such Notice of Lapse is issued.
- 2.4 This Agreement shall constitute the agreement between the Parties with regard to the settlement, compromise, release and discharge of their various rights, liabilities and obligations under or arising out of the Eligible Net Liabilities.
- 2.5 The parties believe the EFDO Schedules and the calculations therein to be accurate and complete but, in the event of omission, the Early Final Dividend shall be binding on the

parties as full and final settlement of all Eligible Net Liabilities of the Participating Scheme Creditor whether or not included in the EFDO Schedules.

- 2.6 Each of the Parties expressly agrees and acknowledges that, save as contained herein, no representation express or implied has been made by or on behalf of any Party, and nothing has been said or done by or on behalf of any Party which has induced other Parties to enter into this Agreement, and that (except for the representations and warranties specifically made by the Parties to each other in this Agreement) each has concluded this Agreement:
- (a) based upon its own investigations and not based on any representations by or on behalf of another Party;
 - (b) without relying on any action taken or not taken by another Party; and
 - (c) in full recognition of the fact that each Party is assuming the risk that facts might be discovered in the future which might be different from or additional to those believed, known or understood by the Parties at the time of execution of this Agreement.
- 2.7 The terms of this Agreement have been completely read and fully understood and voluntarily accepted by or on behalf of each Party. Each Party confirms that it independently considers both the terms and the value of this Agreement to be fair and reasonable.
- 2.8 The terms of this Clause 2 shall be construed and enforced as a contractual release of liability and not as a reinsurance or insurance or otherwise as a contract to which the principle of utmost good faith applies and accordingly no matter, fact or circumstance which would cause the terms of this Clause 2 to be in any respect, or to any extent, invalid or unenforceable, or capable of termination, cancellation or avoidance by any Party, or which would otherwise give rise to any Party being relieved of any liability, promise, commitment or obligation in this Clause 2 if it were to be treated as a reinsurance or insurance or a contract of the utmost good faith (including, without limitation, any non-disclosure or inaccurate or misleading disclosure or representation, whether innocent or negligent on the part of any Party), shall be taken to cause any such invalidity or unenforceability or to cause this Agreement to be capable of termination, cancellation or avoidance, or to relieve any Party of any obligation hereunder.
3. **CONFIDENTIALITY**
- Each Party agrees to keep the existence and contents of this Agreement strictly confidential and will not disclose its terms and conditions except:
- (a) as may be required to carry the terms and conditions of the Agreement into effect;
 - (b) to its officers, directors, employees, professional advisers, legal advisers, accountants and auditors;
 - (c) that disclosure may be made to that Party's reinsurers that reinsure it in respect of the Eligible Net Liabilities, that reinsurer's legal advisers, accountants, auditors and any other of their professional advisers;
 - (d) where a specific need for disclosure arises in the sole judgment of that Party's legal advisers, accountants, auditors and any other professional adviser for any legitimate business purpose;

- (e) to anyone to whom information is required to be disclosed:
 - (i) by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority; or
 - (ii) in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (f) as may be required by law or regulation; or
- (g) with the prior written consent of the other Parties.

4. REPRESENTATIONS AND WARRANTIES.

As at the date of this Agreement, each Party represents and warrants to the other that:

- (a) the execution of this Agreement is fully authorised by such Party and that the person or persons executing this Agreement have the necessary authority to do so;
- (b) all judicial, statutory, regulatory, administrative, and/or ministerial actions necessary for the execution and performance of this Agreement by such Party have been or will be duly taken, and that no further action, consent, or approval of any person, entity, court, or other governmental authority is required for the lawful execution or performance of this Agreement; and
- (c) it has not assigned, charged, transferred (whether by way of security or otherwise), pledged, declared a trust in relation to or otherwise created any encumbrances over any of its rights, title, interests and/or benefit to or under the Eligible Net Liabilities.

5. SCHEME ADMINISTRATORS

The Scheme Administrators have entered into and signed this Agreement as agents for and on behalf of the Companies and neither the Scheme Administrators, their firm or its partners, members, directors or employees or their subcontractors, advisers, representatives or agents in connection with the services shall incur any personal liability in respect of any of the obligations undertaken by the Companies.

6. RIGHTS OF THIRD PARTIES

The Parties do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.

7. COUNTERPARTS

- 7.1 This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by electronic transmission), each of which will be deemed an original.
- 7.2 In furtherance of the foregoing, the words "execution", "signed", "signature", "delivery" and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to

include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based record-keeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws in the United States of America based on the Uniform Electronic Transactions Act. As used herein, "**Electronic Signature**" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or other record.

8. **COSTS AND EXPENSES**

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation and execution of this Agreement.

9. **AMENDMENTS**

Any change to or modification of this Agreement must be made by written amendment and signed by the Parties.

GOVERNING LAW AND JURISDICTION

This Agreement, including any non-contractual liabilities arising under, out of or in any way in connection with it, will be governed by and construed in accordance with the laws of England and Wales and shall be subject to the exclusive jurisdiction of the High Court of England and Wales.

10. **MISCELLANEOUS**

The provisions of clause 24 (*Mechanics of payments to Scheme Creditors*) of the Original Scheme and paragraph 47 (*Blocked Payments*) of the Amending Scheme shall apply to payments under this Agreement as if such payments had been payments to be made pursuant to the Scheme.

Executed as an agreement by the parties on the date appearing at the beginning of this Agreement.

Execution Page

OIC RUN-OFF LIMITED

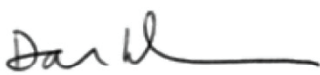
By: 

Name: Dan Schwarzmnn

Title: Scheme Administrator

Date: 22 July 2025

LONDON AND OVERSEAS INSURANCE COMPANY LIMITED

By: 

Name: Dan Schwarzmnn

Title: Scheme Administrator

Date: 22 July 2025

ALDRICH PUMP LLC

as Participating Scheme Creditor

By:

Title:

Date:

OIC Run-Off Limited and The London and Overseas Insurance Company Limited (together the "Companies") both subject to a scheme of arrangement.

Below you will find a summary of the total dividend payment if the Early Final Dividend Offer is accepted ahead of the deadline in November 2025. The following pages provide further analysis.

Details of how to accept the Early Final Dividend Offer are set out in the Early Final Dividend Offer Letter.

Early Final Dividend Offer - creditor specific payment schedules

Scheme Creditor **ALDRICH PUMP LLC**

Principal ID **309818**

USD Summary

Please see page 2 for further details

USD \$

Adjustments to be made	0.00
Early Final Dividend Offer of 4.00%	32,303.06
Total dividend payment in 2025 if the Early Final Dividend Offer is accepted	32,303.06

GBP Summary

Please see page 3 for further details

GBP £

Adjustments to be made	0.00
Early Final Dividend Offer of 4.00%	0.00
Total dividend payment in 2025 if the Early Final Dividend Offer is accepted	0.00

CAD Summary

Please see page 4 for further details

CAD \$

Adjustments to be made	0.00
Early Final Dividend Offer of 4.00%	0.00
Total dividend payment in 2025 if the Early Final Dividend Offer is accepted	0.00

Other Currency Summary

Please see page 5 for further details

OTHER

Adjustments to be made	0.00
Early Final Dividend Offer of 4.00%	0.00
Total dividend payment in 2025 if the Early Final Dividend Offer is accepted	0.00

Important notes to all schedules are on Page 6

Early Final Dividend Offer - creditor specific payment schedule

Scheme Creditor **ALDRICH PUMP LLC**

Our reference **309818**

USD Schedule

		USD \$
SECTION A	Eligible Net Liabilities (1)	704,400.00
	Dividends	535,344.00
	Compensatory payments (2)	4,462.40
	Capping (3)	0.00
	TOTAL PAID TO DATE	539,806.40

SECTION B	Adjustments to be made	Catch up payments (if applicable) (4)	0.00
		Overpayments to be recovered (if applicable) (5)	0.00

SECTION C	Payment if you accept the Early Final Dividend Offer		
	Amounts payable in 2025 on acceptance of the Early Final Dividend Offer of 4.00% (taking the cumulative dividend from 76.00% to 80.00%) in full and final settlement of all claims against the Companies	4.00% dividend	28,176.00
		Compensatory payments (2)	4,127.06
		Capping (3)	0.00
		PAYMENT IN 2025	32,303.06

Payments that may apply if you do not accept the Early Final Dividend Offer.

Outlined below are five illustrative scenarios indicating possible amounts payable in 2038 according to potentially different tax environments that could exist at that time. This is not an exhaustive set of scenarios and only provides an indication of the impact of potential changes to the tax environment. The Scheme Administrators have formed the conclusion, taking into account specialist tax advice received, that the potential tax scenarios shown are realistic.

Scenario 1: (a) tax rate of 50.00% (b) no tax loss offset available Final dividend of less than 76.00%	Nil dividend top-up	0.00
	Compensatory payments (2)	0.00
	Capping (3)	0.00
	POTENTIAL PAYMENT IN 2038	0.00
	Implied IRR (6)	-100.00%
Scenario 2: (a) tax rate of 30.00% (b) no tax loss offset available Final dividend of 0.77% (takes the cumulative dividend from 76.00% to 76.77%)	0.77% dividend	5,423.88
	Compensatory payments (2)	2,293.85
	Capping (3)	0.00
	POTENTIAL PAYMENT IN 2038	7,717.73
	Implied IRR (6)	-10.76%
Scenario 3: (a) tax rate of 20.00% (b) no tax loss offset available Final dividend of 2.75% (takes the cumulative dividend from 76.00% to 78.75%)	2.75% dividend	19,371.00
	Compensatory payments (2)	8,192.31
	Capping (3)	0.00
	POTENTIAL PAYMENT IN 2038	27,563.31
	Implied IRR (6)	-1.25%
Scenario 4: (a) tax rate of 20.00% (b) 50.00% tax loss offset available Final dividend of 4.36% (takes the cumulative dividend from 76.00% to 80.36%)	4.36% dividend	30,711.84
	Compensatory payments (2)	12,988.53
	Capping (3)	0.00
	POTENTIAL PAYMENT IN 2038	43,700.37
	Implied IRR (6)	2.43%
Scenario 5: (a) zero tax liability Final dividend of 5.74% (takes the cumulative dividend from 76.00% to 81.74%). This is the maximum that could be paid out in 2038	5.74% dividend	40,432.56
	Compensatory payments (2)	17,099.58
	Capping (3)	0.00
	POTENTIAL PAYMENT IN 2038	57,532.14
	Implied IRR (6)	4.69%

SECTION D

Important notes to all schedules are on page 6

Early Final Dividend Offer - creditor specific payment schedule

Scheme Creditor **ALDRICH PUMP LLC**

Our reference **309818**

GBP Schedule

		GBP £
SECTION A	Eligible Net Liabilities (1)	0.00
	Dividends	0.00
	Compensatory payments (2)	0.00
	Capping (3)	0.00
	TOTAL PAID TO DATE	0.00

SECTION B	Adjustments to be made	Catch up payments (if applicable) (4)	0.00
		Overpayments to be recovered (if applicable) (5)	0.00

SECTION C	Payment if you accept the Early Final Dividend Offer		
	Amounts payable in 2025 on acceptance of the Early Final Dividend Offer of 4.00% (taking the cumulative dividend from 76.00% to 80.00%) in full and final settlement of all claims against the Companies	4.00% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		PAYMENT IN 2025	0.00

Payments that may apply if you do not accept the Early Final Dividend Offer.

Outlined below are five illustrative scenarios indicating possible amounts payable in 2038 according to potentially different tax environments that could exist at that time. This is not an exhaustive set of scenarios and only provides an indication of the impact of potential changes to the tax environment. The Scheme Administrators have formed the conclusion, taking into account specialist tax advice received, that the potential tax scenarios shown are realistic.

Scenario 1: (a) tax rate of 50.00% (b) no tax loss offset available Final dividend of less than 76.00%	Nil dividend top-up	0.00%
	Compensatory payments (2)	0.00%
	Capping (3)	0.00%
	POTENTIAL PAYMENT IN 2038	0.00%
	Implied IRR (6)	0.00%
Scenario 2: (a) tax rate of 30.00% (b) no tax loss offset available Final dividend of 0.77% (takes the cumulative dividend from 76.00% to 76.77%)	0.77% dividend	0.00%
	Compensatory payments (2)	0.00%
	Capping (3)	0.00%
	POTENTIAL PAYMENT IN 2038	0.00%
	Implied IRR (6)	0.00%
Scenario 3: (a) tax rate of 20.00% (b) no tax loss offset available Final dividend of 2.75% (takes the cumulative dividend from 76.00% to 78.75%)	2.75% dividend	0.00%
	Compensatory payments (2)	0.00%
	Capping (3)	0.00%
	POTENTIAL PAYMENT IN 2038	0.00%
	Implied IRR (6)	0.00%
Scenario 4: (a) tax rate of 20.00% (b) 50.00% tax loss offset available Final dividend of 4.36% (takes the cumulative dividend from 76.00% to 80.36%)	4.36% dividend	0.00%
	Compensatory payments (2)	0.00%
	Capping (3)	0.00%
	POTENTIAL PAYMENT IN 2038	0.00%
	Implied IRR (6)	0.00%
Scenario 5: (a) zero tax liability Final dividend of 5.74% (takes the cumulative dividend from 76.00% to 81.74%). This is the maximum that could be paid out in 2038	5.74% dividend	0.00%
	Compensatory payments (2)	0.00%
	Capping (3)	0.00%
	POTENTIAL PAYMENT IN 2038	0.00%
	Implied IRR (6)	0.00%

SECTION D

Important notes to all schedules are on page 6

Early Final Dividend Offer - creditor specific payment schedule

Scheme Creditor **ALDRICH PUMP LLC**

Our reference **309818**

CAD Schedule

		CAD \$
SECTION A	Eligible Net Liabilities (1)	0.00
	Dividends	0.00
	Compensatory payments (2)	0.00
	Capping (3)	0.00
	TOTAL PAID TO DATE	0.00

SECTION B	Adjustments to be made	Catch up payments (if applicable) (4)	0.00
		Overpayments to be recovered (if applicable) (5)	0.00

SECTION C	Payment if you accept the Early Final Dividend Offer		
	Amounts payable in 2025 on acceptance of the Early Final Dividend Offer of 4.00% (taking the cumulative dividend from 76.00% to 80.00%) in full and final settlement of all claims against the Companies	4.00% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		PAYMENT IN 2025	0.00

Payments that may apply if you do not accept the Early Final Dividend Offer.			
Outlined below are five illustrative scenarios indicating possible amounts payable in 2038 according to potentially different tax environments that could exist at that time. This is not an exhaustive set of scenarios and only provides an indication of the impact of potential changes to the tax environment. The Scheme Administrators have formed the conclusion, taking into account specialist tax advice received, that the potential tax scenarios shown are realistic.			
SECTION D	Scenario 1: (a) tax rate of 50.00% (b) no tax loss offset available Final dividend of less than 76.00%	Nil dividend top-up	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%
	Scenario 2: (a) tax rate of 30.00% (b) no tax loss offset available Final dividend of 0.77% (takes the cumulative dividend from 76.00% to 76.77%)	0.77% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%
	Scenario 3: (a) tax rate of 20.00% (b) no tax loss offset available Final dividend of 2.75% (takes the cumulative dividend from 76.00% to 78.75%)	2.75% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%
	Scenario 4: (a) tax rate of 20.00% (b) 50.00% tax loss offset available Final dividend of 4.36% (takes the cumulative dividend from 76.00% to 80.36%)	4.36% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%
	Scenario 5: (a) zero tax liability Final dividend of 5.74% (takes the cumulative dividend from 76.00% to 81.74%). This is the maximum that could be paid out in 2038	5.74% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%

Important notes to all schedules are on page 6

Early Final Dividend Offer - creditor specific payment schedule

Scheme Creditor **ALDRICH PUMP LLC**

Our reference **309818**

Other Currency Schedule

		Other
SECTION A	Eligible Net Liabilities (1)	0.00
	Dividends	0.00
	Compensatory payments (2)	0.00
	Capping (3)	0.00
	TOTAL PAID TO DATE	0.00

SECTION B	Adjustments to be made	Catch up payments (if applicable) (4)	0.00
		Overpayments to be recovered (if applicable) (5)	0.00

Payment if you accept the Early Final Dividend Offer			
SECTION C	Amounts payable in 2025 on acceptance of the Early Final Dividend Offer of 4.00% (taking the cumulative dividend from 76.00% to 80.00%) in full and final settlement of all claims against the Companies	4.00% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		PAYMENT IN 2025	0.00

Payments that may apply if you do not accept the Early Final Dividend Offer.			
Outlined below are five illustrative scenarios indicating possible amounts payable in 2038 according to potentially different tax environments that could exist at that time. This is not an exhaustive set of scenarios and only provides an indication of the impact of potential changes to the tax environment. The Scheme Administrators have formed the conclusion, taking into account specialist tax advice received, that the potential tax scenarios shown are realistic.			
SECTION D	Scenario 1: (a) tax rate of 50.00% (b) no tax loss offset available Final dividend of less than 76.00%	Nil dividend top-up	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%
	Scenario 2: (a) tax rate of 30.00% (b) no tax loss offset available Final dividend of 0.77% (takes the cumulative dividend from 76.00% to 76.77%)	0.77% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%
	Scenario 3: (a) tax rate of 20.00% (b) no tax loss offset available Final dividend of 2.75% (takes the cumulative dividend from 76.00% to 78.75%)	2.75% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%
	Scenario 4: (a) tax rate of 20.00% (b) 50.00% tax loss offset available Final dividend of 4.36% (takes the cumulative dividend from 76.00% to 80.36%)	4.36% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%
	Scenario 5: (a) zero tax liability Final dividend of 5.74% (takes the cumulative dividend from 76.00% to 81.74%). This is the maximum that could be paid out in 2038	5.74% dividend	0.00
		Compensatory payments (2)	0.00
		Capping (3)	0.00
		POTENTIAL PAYMENT IN 2038	0.00
		Implied IRR (6)	0.00%

Important notes to all schedules are on page 6

Important notes to the Early Final Dividend Offer Schedules

- (1) This offer is to settle all Net Liabilities excluding those relating to Qualifying ILU Policies (“Eligible Net Liabilities”).
- (2) Compensatory payments are made in accordance with clauses 23.8 and 23.9 of the Original Scheme (a copy of which can be found on the Companies’ website at www.oicrun-offltd.com). These payments are calculated with reference to a notional rate of interest applied to dividend top-up payments. For creditors accepting the Early Final Dividend Offer, compensatory payments have been calculated and applied using actual investment performance up to 31 December 2023. For creditors who do not accept the Early Final Dividend Offer, compensatory payments have been calculated using actual investment performance up to 31 December 2023 and fixed at 1.80% per annum thereafter. The 1.80% has been calculated based on the average short-term investment returns earned over past decades. The Scheme Administrators consider this rate to be appropriate, as it reflects the investment strategy that would have been pursued had the Early Final Dividend Offer not been made. Therefore, this rate will be applied when calculating the compensatory payments of the final dividend for creditors who do not accept the Early Final Dividend Offer.
- (3) In accordance with clause 23.8 of the Original Scheme, aggregate payments in respect of a claim, including compensatory payments, cannot exceed 100.00% of the claim value. Capping is applied to reduce payments back to 100%.
- (4) Some creditors may not have been paid dividends at the current rate of 76.00%, and associated compensatory payments, primarily due to incomplete information to enable compliance with financial sanctions obligations. These amounts are payable regardless of whether the Early Final Dividend Offer is accepted. The figure shown for catch up payments in Section B reflects catch up dividend payments and associated compensatory payments at a combined level.
- (5) As highlighted in (3) above, in accordance with clause 23.8 of the Original Scheme, aggregate payments in respect of a claim, including compensatory payments, cannot exceed 100.00% of the claim value. For certain creditors, capping was not applied correctly, resulting in certain payments exceeding 100% of the claim value. These amounts will be recoverable regardless of whether the Early Final Dividend Offer is accepted.
- (6) Equivalent annual rate of return required on the Early Final Dividend Offer payment in 2025 (assumed for the purpose of this calculation at 30 November 2025) to match the payment in 2038 (assumed for the purposes of this calculation at 30 June 2038) if the Early Final Dividend Offer is not accepted. Amounts shown in Section B are excluded for the purposes of this calculation.
- (7) All payments and their timing are subject to compliance requirements. No payment will be made in contravention of applicable law or regulation, including financial sanctions.

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-30608 (LMJ)

(Jointly Administered)

NOTICE OF OPPORTUNITY FOR HEARING²

NOTICE IS HEREBY GIVEN that Aldrich Pump LLC., et al., Debtors in the above-captioned cases, have filed the Debtors' Motion to Approve Insurance Settlement Pursuant to Bankruptcy Rule 9019 (the "Motion").

If a copy of the Motion is not included with this Notice, a copy may be viewed at the Court's website, www.ncwb.uscourts.gov under Debtor Aldrich Pump LLC's name and case number, you may obtain a copy of the Motion from the Debtors' claims and noticing agent at www.kccllc.net/aldrich, or you may request in writing a copy from the undersigned counsel to the Debtors.

YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THESE PAPERS CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY, IF YOU HAVE ONE IN THESE BANKRUPTCY CASES. (IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.)

IF YOU DO NOT WANT THE COURT TO GRANT THE RELIEF REQUESTED IN THE MOTION, OR IF YOU WANT THE COURT TO CONSIDER YOUR VIEWS ON THE MOTION, THEN ON OR BEFORE FRIDAY, NOVEMBER 7, 2025 YOU MUST:

- (1) A. File with the Bankruptcy Court a written objection at:

Clerk, United States Bankruptcy Court
401 W. Trade Street
Charlotte, North Carolina 28202

- B. If you have your attorney file a written objection then the objection should be filed with the Bankruptcy Court by electronic means through the Court's website, www.ncwb.uscourts.gov under the jointly administered name and case

¹ The Debtors are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.

number shown above.

(2) Serve the objection pursuant to the procedures set forth in the Order Establishing Certain Notice, Case Management, and Administrative Procedures (Docket No. 123).

(3) Attend the hearing scheduled for November 19, 2025 at 9:30 a.m. EST or as soon thereafter as the matters can be heard in the Bankruptcy Courtroom 2B, 401 West Trade Street, Charlotte, North Carolina. You should attend this hearing if you file an objection.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought and may enter an Order granting the relief requested. If no objections are timely filed and served, the court may rule on the Motion without a hearing. No further notice of that hearing will be given.

This the 17th day of October, 2025.

RAYBURN COOPER & DURHAM, P.A.

/s/ John R. Miller, Jr.
John R. Miller, Jr.
N.C. State Bar No. 28689
1200 Carillon, 227 W. Trade Street
Charlotte, North Carolina 28202
Telephone: 704-334-0891

ATTORNEYS FOR DEBTORS