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COMPANIES FORM No. 395

395

Particulars of a mortgage or charge

Please do not
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Pursuant to section 395 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering* insert full name
of company

2

To the Registrar of Companies
(Address overleaf)

For official use Company number

30.12.96

294929

Name of company

* MLIT (No. 4) LIMITED

("the Company" or "the Underwriter")

Date of creation of the charge

29 FEB 1996

(see continuation sheet)

Description of the instrument (if any) creating or evidencing the charge (note 2)

Lloyd's United States Situs Credit for Reinsurance Trust Deed ("the Trust Deed") dated 7th September 1995 (as supplemented by a Deed of Accession made 29 FEB 1996) made or expressed to be made among (i) Lloyd's, having its principal office at One Lime Street, (see Continuation Sheet 1, page 1)

Amount secured by the mortgage or charge

1. The payment (subject to Article 5 of the Trust Deed) of all expenditures and fees of the Trustee including, without limitation, legal fees and expenses actually incurred by or on behalf of the Trustee in connection with its administration, preservation or conservation of the Trust and its counsel's fees and expenses and other disbursements incurred in administering, preserving or conserving the Trust ("Trustee Priority Claims"); provided, however, that for any particular calendar year the amount of Trustee Priority Claims which shall be given priority in payment over Matured Claims at any given time shall be limited to the Trust's pro rata share (based on the aggregate value of all Trust Funds held under the Trust Deed for the Syndicate) of an amount equal to the lesser of \$50,000 or 10% of the aggregate value of all Trust Funds held under the Trust Deed for the Syndicate. The Company irrevocably grants to the Trustee a security interest in and a lien upon the Trust Fund which is a first priority security interest and lien for the payment of Trustee Priority Claims, provided that the portion of such security interest and lien that shall be entitled to first priority in payment over Matured Claims shall be limited as provided in Paragraph 2.2 of the Trust Deed.

2. The payment (subject to Article 5 of the Trust Deed) of any amount, in excess of the amount necessary to satisfy Trustee Priority Claim (as limited by the proviso in (1) above), in respect of Matured Claims.

(see Continuation Sheet 1, page 2)

Names and addresses of the mortgagees or persons entitled to the charge

The Trustee (being, as at the date hereof, Citibank N.A. of 10011 Wall Street, New York, NY USA), Lloyd's of One

Lime Street, London, England, the Agent, all Policyholders and

(see Continuation Sheet 1, page 3)

Postcode

Presentor's name address and
reference (if any):

JH4A.WFF
Lloyd's
One Lime Street
London EC3M 7HA
Ref: CMU 86/G4

For official Use

Mortgage Section

Post room



PMO *P5CZQJR5* 1120
COMPANIES HOUSE 11/03/96

Time critical reference

Short particulars of all the property mortgaged or charged

1. The Principal at any time but excluding the Investment Income from time to time earned thereon.
2. The property in the actual and sole possession of the Trustee at any time and held under the provisions of the Trust Deed allocable to the particular trust created by the Company with respect to the particular year of account of the Syndicate ("the Trust Fund" or "Trust").
3. Cash in US currency or specifically designated Readily Marketable Securities and/or Letters of Credit substituted by the Agent at any time for any cash or assets then forming part of the Trust Fund.
4. Further contributions to the Trust Fund received by the Trustee from time to time and held subject to the terms and conditions of the Trust Deed.
5. Any advance of cash or securities by the Trustee to the Trust Fund from time to time and at any time in order to effect or expedite the purchase or sale of securities for the Trust, and the property so purchased and the proceeds from the sale.
6. Any investments or other assets held by the Trustee under the Trust Deed in the name of a nominee.

(see Continuation sheet 1, page 4)

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legibly, preferably
in black type or
bold block lettering

Particulars as to commission allowance or discount

Signed *SM McCausland*
for Henderson Secretarial Services Ltd
Secretary

Date

29 FEB 1986

On behalf of [company] [chargee]*

*
delete as
appropriate

The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF4 3UZ

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

2949529

Name of company

MLIT (NO4) LTD

Limited*

*
delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued)

London, England (ii) each of the Underwriters, each of One Lime Street, London, England, and including the Company (iii) the managing agent of the Syndicate ("the Syndicate") named in the Fourth Schedule of the Trust Deed (the "Managing Agent") and (iv) Citibank N.A., a national banking organisation organised and existing under the laws of the United States of America and having its principal offices at New York, New York (the "Trustee"), and as may at any time or times be amended by the Council with the prior written consent of the Domiciliary Commissioner.

"Underwriter" means an underwriting member or a person who is to be an underwriting member of Syndicate No. 1215 ("the Syndicate") at Lloyd's for the current year of account and as such has executed the Trust Deed or who is a member of the Syndicate from time to time for any subsequent year of account who has subsequently acceded to the Trust Deed or any other member of Lloyd's (whether an individual or a body corporate) who has allocated premium limits to the Syndicate and is a grantor of a Trust created under the Trust Deed.

"Lloyd's" shall mean the Society incorporated by the Lloyd's Act 1871 by the name of Lloyd's

"Trust" or "Trust Fund" in relation to a particular Underwriter and year of account shall mean the property in the actual and sole possession of the Trustee and held under the provisions of the Trust Deed allocable to the particular trust created by the Underwriter with respect to the particular year of account of the Syndicate.

All expressions identified in this Form have the meanings given unless the context otherwise requires.

References to any provision of the Trust Deed shall after the coming into force of any amendment of that provision of the Trust Deed be read/unless the context otherwise requires) as referring to the amended provision or to the Trust Deed as so amended (as the case may be).

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3. The payment of Losses and US Liabilities.

4. Transfers by the Trustee at the direction from time to time of the Agent of any funds in excess of the Trust Fund Minimum Amount as reported in the latest required notice given pursuant to Paragraph 2.7 of the Trust Deed to an Overseas Fund (treating funds withdrawn for payment of claims with respect to the American Reinsurance Policies as funds in excess of the Trust Fund Minimum Amount); provided however that the latest required notice has been given and that the Agent shall have provided written notice to the Trustee and the Domiciliary Commissioner prior to any withdrawal.

5. Transfers by the Trustee to an Overseas Fund under Paragraph 5.5 of the Trust Deed.

6. Repayment of the cash or securities advanced by the Trustee (in its individual capacity or through any subsidiary, affiliate or associate of the Trustee) to the Trust to effect or expedite or in connection with the purchase or sale of securities for the Trust, the property so purchased or the proceeds from the sale being security for repayment of the cash or securities advanced and the Trustee (in its individual capacity or through any subsidiary affiliate or associate of the Trustee) being further entitled to reimbursement from the Trust as a Trustee Priority Claim.

7. Transfers by the Trustee to the Domiciliary Commissioner (to be applied in accordance with the laws of the State of New York applicable to the liquidation of insurance companies) or other designated Receiver pursuant to an order of the Domiciliary Commissioner or court of competent jurisdiction of all of the assets of the Trust Fund except those assets which are necessary to satisfy the Trustee's Priority Claims or to reimburse the Trustee for funds or securities advanced pursuant to Paragraph 4.5 of the Trust Deed.

"Agent" shall mean the managing agent at Lloyd's appointed by or on behalf of the Underwriter to act, and who is acting, as an agent of the Underwriter for the purpose of conducting the underwriting business of the Underwriter as a member of the Syndicate (referred to above as the "Managing Agent"), including any successors so acting of the underwriting agent so appointed and any substitute agent appointed by the Council; and shall, when the context so admits include a reference to any Representative of the Agent.

"American Reinsurance Policy" shall mean -

(a) any contract or policy of reinsurance (or any agreement to reinsure) incepting on or after August 1, 1995 (excluding all contracts or policies of reinsurance underwritten or any agreement to reinsure to be underwritten by the Underwriter as a member of the Syndicate under any binding authority incepting prior to that date and attaching on or prior to November 15 1995) issued to a Ceding Insurer

(i) which is underwritten by the Underwriter as a member of the Syndicate on or after August 1, 1995, and

(ii) which is allocable to the year of account of the Syndicate corresponding to the particular Trust Fund;

or

(b) any contract or policy of reinsurance (or any agreement to reinsure) underwritten on or after August 1, 1995, issued to a Ceding Insurer in respect of which the Underwriter is liable as a member of the Syndicate for the year of account of the Syndicate corresponding to the particular Trust Fund to members of the same Syndicate or any other syndicate for an earlier year of account pursuant to any contract of Reinsurance to Close

but for the purposes of subparagraphs (a) and (b) above, excluding any contract or policy of reinsurance, the liabilities for which the Underwriter has provided security by means other than the Trust Fund

"Ceding Insurer" shall mean an insurer which is: (i) domiciled in a state, district, territory, commonwealth or possession of the United States; and (ii) has ceded insurance risks underwritten by such insurer to the Underwriter pursuant to an American Reinsurance Policy.

"Claim" shall mean: (i) a claim against the Underwriter by a Ceding Insurer for a loss under an American Reinsurance Policy excluding punitive or exemplary damages awarded against a Ceding Insurer and also excluding any extracontractual obligations not expressly covered by the American Reinsurance Policy; and/or (ii) a claim against the Underwriter by a Ceding Insurer for the return of unearned premium under an American Reinsurance Policy; both (i) and (ii) constituting a loss under an American Reinsurance Policy ("Loss").

(See continuation sheet 2, page2)

Please complete
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lettering

- (1) those to whom any amount is or may at any time become payable to satisfy Trustee Priority Claims or claims to be treated as Trustee Priority Claims under the Trust Deed;
- (2) those to whom any amount is or may at any time become payable to satisfy Matured Claims;
- (3) those for whose benefit any Overseas Fund is at any time held, and the trustees of any Overseas Fund;
- (4) the Domiciliary Commissioner and any designated Receiver;
- (5) any subsidiary, affiliate or associate of the Trustee;
- (6) those for whose benefit any order for any transfers by the Trustee to the Domiciliary Commissioner or other designated Receiver of assets of the Trust Fund except those assets which are necessary to satisfy the Trustee's Priority Claims may be made by the Domiciliary Commissioner or court of competent jurisdiction.

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"Principal" shall have the meaning from time to time given thereto in section 11-2.1(b)(2) of the New York Estates, Powers and Trusts Law as from time to time amended, or any successor provision thereto.

"Investment Income" shall have the meaning from time to time given to the term "income" for trust accounting purposes by section 11-2.1(b)(1) of the New York Estates, Powers and Trusts Law as from time to time amended, or any successor provision thereto.

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"Readily Marketable Securities" shall mean securities readily marketable on regulated United States national or principal regional security exchanges or those determined by the Securities Valuation Office of the National Association of Insurance Commissioners to have substantially equivalent liquidity characteristics.

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Particulars of a mortgage or charge (continued)

Continuation sheet No. 2
to Form No. 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company number

2949529

Name of company

MLIT (NO 4) LIMITED

Limited*

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delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued)

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"Council" shall mean the Council of Lloyd's or the Committee of Lloyd's or the Chairman or a Deputy Chairman of Lloyd's as the case may be or (except only for the purposes of paragraph 6.4 of the Trust Deed) such other person or persons as are for the time being authorised by the Council of Lloyd's to exercise any power or discretion which is vested in the Council by the Trust Deed.

"Domiciliary Commissioner" shall mean the Superintendent of Insurance of the State of New York.

"Lloyd's Premiums Trust Deed" shall mean the Lloyd's Premiums Trust Deed approved by one of Her Britannic Majesty's Principal Secretaries of State pursuant to the Insurance Companies Act 1982, executed by the Underwriter in respect of insurance business at Lloyd's other than long term business.

"Matured Claim" shall mean a Claim which is enforceable against the Trust Fund as provided for in paragraph 2.3 of the Trust Deed.

"Other Underwriters" shall mean the members of Lloyd's whether individuals or bodies corporate (other than the Underwriter) and such former members of Lloyd's as continue to have underwriting business at Lloyd's not fully wound up and the personal representatives or trustee in bankruptcy of any such member or former member who has died or become bankrupt.

"Overseas Fund" shall mean any trust fund set up with respect to the Underwriter which is constituted or regulated by an Overseas Direction under the Lloyd's Premiums Trust Deed (as defined in that Deed).

"Receiver" shall mean the Domiciliary Commissioner or such other person as may be designated as such by statute or ordered by a court of competent jurisdiction.

"Reinsurance to Close" shall mean an agreement under which underwriting members ("the reinsured members") who are members of a syndicate for a year of account ("the closed year") agree with underwriting members who comprise that or another syndicate for a later year of account ("the reinsuring members") that the reinsuring members will indemnify the reinsured members against all known and unknown liabilities of the reinsured members arising out of insurance business underwritten through that syndicate and allocated to the closed year.

"Representative of the Agent" or "Representatives" shall mean one or more persons (without limitation as to number) designated by the Agent by one or more instruments in writing filed with the Trustee as the Agent's Representative or Representatives with power, to the extent set forth in the relevant designation, to act in like manner and with the same effect as the Agent itself might act hereunder. The designation of any person as the Agent's Representative as hereinbefore provided shall remain effective for the period provided in the relevant designation or until its revocation by the Agent by an instrument in writing filed with the Trustee.

"Trust Fund Minimum Amount" shall mean an amount equal to the U.S. Liabilities, provided, that if

(a) such U.S. Liabilities have been reinsured pursuant to any contract of Reinsurance to Close (as defined above) with the Underwriter and/or one or more of the Other Underwriters as members of the same or another syndicate for a later year of account, and

(b) in respect of each such reinsurer under that contract there is for that syndicate and that later year of account a trust fund constituted under the Trust Deed or any other Lloyd's United States Situs Credit for Reinsurance Trust Deed which is at least equal in value to the Trust Fund Minimum Amount for that trust fund in respect of that syndicate and year of account,

the Trust Fund Minimum Amount shall be zero.

"US Liabilities" shall mean the aggregate of the amount of gross liabilities of the Underwriter as a member of the Syndicate for a particular year of account under the American Reinsurance Policies as defined in sub-paragraph 1.2(a) of the Trust Deed and the amount in respect of which the Underwriter is liable under the American Reinsurance Policies as defined in sub-paragraph 1.2(b) of the Trust Deed, but in each case excluding liabilities for which the Underwriter has provided security by means other than the Trust Fund.

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Names and addresses of the persons entitled to the charge (continued)

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Particulars of a mortgage or charge (Continued)

Continuation sheet No 3
to Form No 395 and 410 (Scot)

Company number

Name of company

MLIT (NO 4) LIMITED

Date of creation of the charge

(but effective as of 1 January 1996 and the first day of the relevant calendar year with respect to each subsequent year of account of the Syndicate).

(but effective as of 1 January 1996 and the first day of the relevant calendar year with respect to each subsequent year of account of the Syndicate).

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02949529

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE IN THE TERMS OF THE LLOYD'S UNITED STATES SITUS CREDIT FOR REINSURANCE TRUST DEED (THE "TRUST DEED") EFFECTIVE FROM 1ST JANUARY 1996 ITSELF CONSTITUTED BY AN INSTRUMENT DATED 29TH FEBRUARY 1996 DATED THE 29th FEBRUARY 1996 AND CREATED BY MLIT (NO.4) LIMITED FOR SECURING THE PAYMENT OF LOSSES (INCLUDING CLAIMS FOR THE RETURN OF UNEARNED PREMIUM) UNDER CONTRACTS OR POLICIES OF REINSURANCE INCEPTING ON OR AFTER 1 AUGUST 1995 UNDERWRITTEN BY THE COMPANY AS A MEMBER OF SYNDICATE NO.1215 (THE "SYNDICATE") AND ALLOCABLE TO THE RELEVANT YEAR OF ACCOUNT OR IN RESPECT OF WHICH THE COMPANY IS LIABLE AS A MEMBER OF THE SYNDICATE FOR THE RELEVANT YEAR OF ACCOUNT FOR AN EARLIER YEAR OF ACCOUNT PURSUANT TO ANY CONTRACT OF REINSURANCE TO CLOSE AND ISSUED TO A CEDING INSURER DOMICILED IN A STATE, DISTRICT, TERRITORY, COMMONWEALTH OR POSSESSION OF THE UNITED STATES (AN "AMERICAN REINSURANCE POLICY"), ALL EXPENDITURES AND FEES OF THE TRUSTEE (AS DEFINED IN THE TRUST DEED AND BEING, AS AT THE DATE THEREOF, CITIBANK N.A. OF 111 WALL STREET, NEW YORK, U.S.A.), REPAYMENT OF CASH OR SECURITIES ADVANCED BY THE TRUSTEE TO THE TRUST HELD UNDER THE PROVISIONS OF THE TRUST DEED, AND CERTAIN TRANSFERS BY THE TRUSTEE TO AN OVERSEAS FUND (AS DEFINED IN THE TRUST DEED) OR TO THE SUPERINTENDENT OF INSURANCE OF THE STATE OF NEW YORK OR OTHER DESIGNATED RECEIVER, AND FOR SECURING THE OTHER AMOUNTS AND OBLIGATIONS REFERRED TO IN THE TRUST DEED. WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 11th MARCH 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 3rd SEPTEMBER 1996.

J. Cambourne
J. CAMBOURNE

for the Registrar of Companies



C O M P A N I E S H O U S E

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