

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

Name of company

* MLIT (NO 2) LIMITED
("the Company")

Date of creation of the charge

3 September 1996

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

LLOYD'S AMERICAN TRUST DEED dated 3 September 1996 (the "Trust Deed")

(see continuation sheet no 1 page 1)

Amount secured by the mortgage or charge

1. All losses, claims, returns of premiums, reinsurance premiums and other outgoings incurred or arising or which may at any time be incurred or arise in connection with the American business.
2. The expenses incurred or which may at any time be incurred in connection with the American business, which expenses shall be deemed to include: (i) remuneration and proper expenses of the American Trustee (including any former American Trustee); (ii) any salary, commission, or other remuneration payable to the Agent or any other person, or any proper expenses of the Agent or any other person, in connection with the conduct or winding up of the American business; (iii) the proportion related to the American business of the Company as certified or reported by auditors approved by the Council of any salary, commission, or other remuneration payable to the Agent, or any proper expenses of the Agent; in connection with the conduct or winding up of any underwriting business of the Company & any expenses whatsoever from time to time incurred in connection with any underwriting business of the Company; (see continuation sheet no 1 page 2)

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

The American Trustee (being as at the date of this Form, Citibank N.A. of 10011 Wall Street, New York, NY USA), all Policyholders,

(see continuation sheet no 1 page 3)

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

Lloyd's of London
One Lime Street
London
EC3M 7HA

CMU 86/G4

Time critical reference

For official use

Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

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this margin

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legibly, preferably
in black type, or
bold block
lettering**

(i) all premiums and other monies payable including, without limitation monies payable under any reinsurance policy, at any time during the Trust Term to the Company or to any person on behalf of the Company in connection with the American business;

(ii) all other assets from time to time transferred to the American Trustee to be held by it as part of the Lloyd's American Trust Fund;

(iii) all investments and monies for the time being representing (i) and (ii) above (other than Net Capital Gain) or (iv) below; and

(iv) all income arising from (i) to (iii) above (income to include Net Capital Gain) and;

(v) (so far as not already included in (i) to (iv) above) all property purchased and all proceeds from the sale of property or the disposal of property where the American Trustee advanced cash or securities to the Trust to effect or expedite the purchase or sale of securities for the Trust.

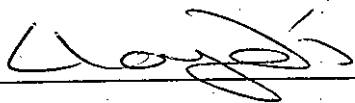
"the American business" means such part of the Company's underwriting business at Lloyd's (other than long term business as defined from time to time by the Insurance Companies Act 1982 or by a later similar statute) as complies with the following two conditions:

(see continuation sheet no 1 page 4)

Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date

23/09/96

On behalf of ~~company~~ (mortgagee/chargee) [†]

[†] delete as
appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**

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

CHA 116

Please complete
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Company Number

2949532

Name of Company

MLIT (NO 2) LIMITED

("the Company")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

made or expressed to be made between the Company, the Agent or Agents through whom the Company underwrites ("the Agent", as further defined below), the Trustee acting under the Trust Deed from time to time ("the American Trustee") and the Society of Lloyd's ("Lloyd's").

"the Agent" means any one or more of: the Company's Members' Agent at Lloyd's and any agent appointed by the Company and any agent appointed by the Company's Members' Agent in exercise of any authority given by the Company (or appointed by any agent or sub-agent of the Members' Agent acting under any such authority or delegation of such authority) to act as an agent or sub-agent of the Company for the purpose of conducting all or any part of the Company's underwriting business and any successor thereto so acting and any substitute agent appointed by the Council in place of any such agent in respect of the Company and any Representative of the Agent, and any Regulating Trustee.

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

Reference 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).

The instrument amends and restates the instrument dated 9 December 1993 and 31 July 1995 and 21 December 1995 of the same description and made or expressed to be made between the same parties. Note: This filing is supplemental to all and any existing filing by the Corporate Member of any charge created or evidenced by a Lloyd's American Trust Deed.

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(iv) the costs of any surety or other bonding arrangements required in connection with litigation in respect of any claim by any Policyholder of the Company; and (v) other expenses in connection with the management and investment of the Lloyd's American Trust Fund under the Trust Deed.

3. Transfers to the Premiums Trust Fund, if requested by the Agent and (where required by the Trust Deed) approved by the Council and the Superintendent of Insurance of the State of New York, pursuant to the terms of the Trust Deed.

4. All liabilities both actual and estimated in respect of the American business at any time.

5. Transfers of cash and other property from time to time as may be required:

(i) by the insurance regulatory bodies of one or more of the United States in respect of the American business; or

(ii) to meet one or more contributions levied on the Company in respect of the American business pursuant to Requirements and Directions of the Council, but only to the extent that such transfers out of the Lloyd's American Trust Fund are approved by the Superintendent of Insurance of the State of New York; or

(iii) to secure and/or pay each Letter of Credit Issuer any of the Company's several Letter of Credit Obligations (proportionate to the Company's respective share of the obligations to which the Letter of Credit relates on the part of the Company, and of one or more of the Other Names) arising with respect to the issuance of a Letter of Credit in connection with a Policyholder of the Company; or

(iv) to secure and/or to pay the Company's several obligations (proportionate to the Company's respective share of the obligations of the Company, and of one or more Other Names) arising with respect to any surety or other bonding arrangement in connection with litigation by a Policyholder of the Company.

6. Repayment of cash or securities advanced by the American Trustee (in its individual capacity or through any subsidiary, affiliate or associate of the American Trustee) to the Trust to effect or expedite the purchase or sale of securities for the Trust.

7. Payment of sums due to those to whom the American Trustee has lent securities in securities lending transactions for the account of the American Trust Fund.

"the Council" means the Council of Lloyd's constituted by Lloyd's Act 1982 and (except only for the purpose of Paragraph 12.1 of the Trust Deed) such persons as shall from time to time be authorised by the Council to exercise any power conferred on the Council by the Trust Deed.

"the Premiums Trust Fund" means the property held in trust subject to the provisions of the Company's Lloyd's Premiums Trust Deed.

"the Lloyd's Premiums Trust Deed" means the deed of that name approved by one of Her Majesty's Principal Secretaries of State under the Insurance Companies Act 1982 or a later similar statute for insurance business at Lloyd's other than long term business.

"Other Names" means the Underwriting Members of Lloyd's (other than the Company) and such former Underwriting 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 Underwriting Member or former Underwriting Member who has died or become bankrupt.

"Letter of Credit" means a letter of credit relating to the obligations of the Company and one or more Other Names to one or more Policyholders in respect of the American business.

"Letter of Credit Issuer" means the issuer of a Letter of Credit.

(see continuation sheet no 2 page 2)

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and (1) those to whom any losses, claims, returns of premiums, reinsurance premiums and other outgoings incurred or arising or which may at any time be incurred or arise in connection with the American business are at any time payable, (2) those to whom expenses incurred or which may at any time be incurred in connection with the American business are at any time payable, (3) those to whom any liability whether actual or estimated in respect of the American business is at any time incurred, (4) Lloyd's of One Lime Street, London (5) (subject always to the terms of the Trust Deed) the Premiums Trustees and (6) (subject always to the terms of the Trust Deed and of the Lloyd's Premiums Trust Deed):

(a) those to whom any losses claims returns of premiums and other outgoings are payable as at the date of the Lloyd's Premiums Trust Deed or at any time thereafter become or may become payable in connection with the Underwriting; and

(b) those to whom any expenses whatsoever from time to time incurred in connection with or arising out of the Underwriting are payable or become or may become payable (such expenses excluding any Non-deductible Item but including any annual fee, commission, other remuneration and reimbursement of outlays payable by the Company to any of the Company's Agents or Lloyd's or the Regulating Trustee or except where so excluded to any other person in connection with the conduct or winding-up of the Underwriting and including also any fiscal liabilities incurred in or by reason of the Underwriting or in respect of the property mortgaged or charged by the Lloyd's Premiums Trust Deed or its income).

(7)(a) the insurance regulatory bodies of the United States, (b) those to whom contributions levied on the Company in respect of the American business pursuant to Requirements and Directions of the Council are payable or liable to be made, (c) Letter of Credit Issuers and (d) those to whom the Company incurs obligations (proportionate to the Company's respective share of the obligations of the Company and one or more Other Names) arising with respect to any surety or other bonding arrangement in connection with litigation by a Policyholder of the Company, and (8) those to whom the American Trustee has lent securities in lending transactions for the account of the American Trust Fund.

"expenses" in relation to the American business shall be deemed to include (i) remuneration and proper expenses of the American Trustee (including any former American Trustee); (ii) any salary, commission, or other remuneration payable to the Agent or any other person, or any proper expenses of the Agent or any other person, in connection with the conduct or winding-up of the American business; (iii) the proportion related to the American business of the Company as certified or reported by auditors approved by the Council of any salary, commission, or other remuneration payable to the Agent, or any proper expenses of the Agent, in connection with the conduct or winding-up of any underwriting business of the Company, and any expenses whatsoever from time to time incurred in connection with any underwriting business of the Company, (iv) the costs of any surety or other bonding arrangements required in connection with litigation in respect of any claim by any Policyholder of the Company; and (v) other expenses in connection the management and investment of the American Trust Fund under the Trust Deed.

"Policyholder" means any policyholder to whom the Company is liable in respect of the American business.

(see continuation sheet no 2 page 3)

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(i) the liability of the Company in respect thereof is expressed in US Dollars; and (ii) the premium payable to or for the account of the Company has been paid or is payable in US Dollars; excluding all such business as comprises any contract or policy of insurance or reinsurance underwritten or incepting on or after 1 August 1995 except for: (a) contracts or policies underwritten under a binding authority incepting prior to that date; (b) contracts or policies of insurance written pursuant to Lloyd's licence in Kentucky prior to 1 January 1996; and (c) any contract of Reinsurance to Close for any Year of Account prior to the 1995 Year of Account underwritten by the Company (to the extent only that the premium payable to or for the account of the Company has been paid or is payable in US dollars or the liability of the Company in respect of such contract is expressed in US dollars.

"the Lloyd's American Trust Fund" or "the Trust" means the property held in trust under the Trust Deed.

"the Trust Term" means the period commencing from the date of commencement of the underwriting business of the Company until such underwriting business shall have been wound up or until twenty one years after the death of the survivor of the President and Vice President of the United States in office at the date of commencement of such underwriting business, whichever shall first occur.

"Net Capital Gain" means the excess in each calendar year of realized and unrealized capital gains over realized and unrealized capital losses calculated annually as of December 31.

"Requirements and Directions of the Council" means any requirements or directions of the Council (whether comprised in any byelaw, regulation, direction or any other written instrument issued by the Council to the Agent or other person concerned).

"Reinsurance to Close" means: (a) in relation to any Year of Account of a Syndicate, including without limitation the 1993 or 1994 Year of Account, a reinsurance agreement under which members of a Syndicate for a Year of Account agree with the members of the same or another Syndicate for a later Year of Account or a Qualifying Reinsurer that the reinsuring members, or the Qualifying Reinsurer, as the case may be, will indemnify the members to be reinsured, without limit, against all known and unknown liabilities of the reinsured members arising out of insurance business underwritten through the Syndicate and allocated to the closed Year of Account; or (b) in relation to the 1993 or 1994 Year of Account of a Syndicate, a reinsurance agreement whereby any Qualifying Reinsurer agrees to indemnify without limit the members of that Syndicate for that Year of Account against all 1992 and Prior Business reinsured to close into that Year of Account, taken together with an unlimited reinsurance agreement whereby the members of the same or another Syndicate for a later Year of Account or a Qualifying Reinsurer agree to reinsure all liabilities of the reinsured members arising out of insurance business underwritten through that Syndicate and allocated to the closed Year of Account other than 1992 and Prior Business;

"Year of Account" means a year which is accounted for as a separate underwriting venture by a Syndicate under Lloyd's system of accounts.

"Syndicate" means a group consisting of Underwriting Members of Lloyd's, to which a particular number has been assigned by or under the authority of the Council, for whose account an underwriter accepts insurance or reinsurance business at Lloyd's.

"Qualifying Reinsurer" means an insurance company designated by the Council for the purposes of providing Reinsurance to Close.

"1992 and Prior Business" means any liabilities under contracts of insurance (whether direct or otherwise) or reinsurance underwritten at Lloyd's (other than long term business as defined from time to time by the Insurance Companies Act (U.K.) 1982 or by a later similar statute) and originally allocated to the 1992 Year of Account or any earlier Year of Account including, without limitation, any such liabilities reinsured to close into the 1993 or later Year of Account but excluding any liabilities re-signed, or re-allocated pursuant to a premium transfer, into the 1993 or later Year of Account.

"Letter of Credit Obligations" means the several obligations proportionate to the Company's respective share of the obligations to which a Letter of Credit relates (including, without limitation, reimbursement obligations, obligations to pay interest, fees, costs, expenses and indemnities) on the part of the Company, and each of such Other Names, to the respective Letter of Credit Issuer.

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"the Premiums Trustees" means the trustees for the time being of the Lloyd's Premiums Trust Deed including the Regulating Trustee the Members' Agent's Trustees of any Members' Agent and the Managing Agent's Trustees of any Managing Agent (but excluding any separate trustees of any Overseas Fund).

"Members' Agent" means an underwriting agent which is listed as a members' agent on the Lloyd's register of underwriting agents, any successor thereto, or any substitute agent appointed by the Council as a members' agent in respect of the Company.

"Managing Agent" means an underwriting agent at Lloyd's appointed by the Company (either directly or by any Members' Agent acting in exercise of any authority given by the Company to that Members' Agent or by any means derived from any authority so given) to act as an agent or sub-agent of the Company for the purpose of conducting all or any part of the Underwriting and including any successors so acting of the underwriting agent so appointed (and "Managing Agent's Trustees" means in regard to any Managing Agent the trustees for the time being of the Lloyd's Premiums Trust Deed who have been designated under Clause 5 of the Lloyd's Premiums Trust Deed as the Managing Agent's Trustees).

"Regulating Trustee" means the Trustee for the time being designated as the Company's Regulating Trustee pursuant to any of the Company's Lloyd's Premiums Trust Deeds.

"the Company's Agents" are any (or if more than one every):

(a) Members' Agent at Lloyd's appointed by the Company to act as the Company's Members' Agent in respect of all or any part of the Underwriting and including any successors so acting of the Members' Agent so appointed (b) underwriting agent at Lloyd's appointed by the Company (either directly or by any Members' Agent referred to at (a) above acting in exercise of any authority given by the Company to that Members' Agent or by any means derived from any authority so given) to act as an agent or sub-agent of the Company for the purpose of conducting all or any part of the Underwriting and including any successors so acting of the underwriting agent so appointed

(but for the avoidance of any doubt not any person who is merely a Lloyd's Adviser or a sponsor of the company at Lloyd's).

"Lloyd's Adviser" means a Lloyd's adviser entered in the register of Lloyd's advisers maintained by the Council.

"the Underwriting" means the underwriting business (whether current or past or future) of the Company at Lloyd's, but excluding any long term business of the Company and also excluding any business of the Company conducted for any year of account commencing after the sixtieth anniversary of the date of the Lloyd's Premiums Trust Deed.

"Non-deductible Item" means: (a) any fee or other remuneration payable by or on behalf of the Company to or for the benefit of any Lloyd's adviser or sponsor of the Company (except in a case where such Lloyd's adviser or sponsor is also one of the Company's Agents and the fee or other remuneration in question is paid to him or it solely in that latter capacity) (b) any fee or other remuneration payable by or on behalf of the Company to or for the benefit of any director or other officer of the Company or of any other body corporate (except in a case where such other body corporate is one of the Company's Agents and the fee or other remuneration in question is paid to a director or other officer of it acting in that capacity) (c) any fee or other remuneration payable to or for the benefit of any lawyer accountant stockbroker or financial adviser or other adviser whatsoever except in relation to (i) any reinsurance effected by or on behalf of the Company or (ii) the payment or settlement of any claims made in connection with the Underwriting (including the processing compromise payment repudiation and litigation of any such claims and all matters ancillary thereto) (d) any salary wages fee or other remuneration payable by or on behalf of the Company to or for the benefit of any employee of the Company or to or for the benefit of any other person (except Lloyd's itself or one of the Company's Agents acting in that capacity) for the provision of the services of that other person's employees (e) any outgoings whatsoever payable by or on behalf of the Company in connection with its incorporation or with the setting up of the underwriting business of the Company at Lloyd's (f) any outgoings whatsoever arising out of the acquisition or disposal or occupation of any premises by or on behalf of the Company or the acquisition or disposal or use of any equipment by or on behalf of the Company and (g) any other outgoings of an overhead nature payable by or on behalf of the Company

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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. 02949532

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE (IN THE TERMS OF THE LLOYD'S AMERICAN TRUST DEED (THE "TRUST DEED") ITSELF CONSTITUTED BY AN INSTRUMENT DATED 3 SEPTEMBER 1996 AMENDING AND RESTATING THE LLOYD'S AMERICAN TRUST DEED ORIGINALLY ADOPTED ON 26 AUGUST 1939) DATED THE 3rd SEPTEMBER 1996 AND CREATED BY MLIT (NO.2) LIMITED FOR SECURING ALL LOSSES, CLAIMS, RETURNS OF PREMIUMS, REINSURANCE PREMIUMS, EXPENSES AND OTHER OUTGOINGS AND ALL LIABILITIES INCURRED OR ARISING OR WHICH MAY AT ANY TIME BE INCURRED OR ARISE IN CONNECTION WITH THE AMERICAN BUSINESS OF THE COMPANY (AS DEFINED IN THE TRUST DEED) AND FOR SECURING TRANSFERS OF CASH AND OTHER PROPERTY AS MAY BE REQUIRED (I) BY THE INSURANCE REGULATORY BODIES OF ONE OR MORE OF THE UNITED STATES, (II) TO MEET ONE OR MORE CONTRIBUTIONS LEVIED ON THE COMPANY IN RESPECT OF THE AMERICAN BUSINESS PURSUANT TO REQUIREMENTS AND DIRECTIONS OF THE COUNCIL OF LLOYD'S, (III) TO SECURE AND/OR TO PAY EACH LETTER OF CREDIT ISSUER ANY OF THE COMPANY'S SEVERAL LETTERS OF CREDIT OBLIGATIONS AND (IV) TO SECURE AND/OR TO PAY THE COMPANY'S SEVERAL OBLIGATIONS ARISING WITH RESPECT TO ANY SURETY OR OTHER BONDING ARRANGEMENT IN CONNECTION WITH ANY LITIGATION BY A POLICYHOLDER OF THE COMPANY; AND FOR SECURING TRANSFERS TO THE FUND HELD SUBJECT TO THE PROVISIONS OF THE LLOYD'S PREMIUMS TRUST DEED, 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 24th SEPTEMBER 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 25th FEBRUARY 1997.

A handwritten signature in ink, appearing to read 'P. Davis'.

MEL PARKER

for the Registrar of Companies



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