

## Particulars of a mortgage or charge

395

A fee of £10 is payable to Companies House in respect  
of each register entry for a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 6)

For official use Company number

[1619]

02949536

Name of company

\* MLIT (No.1) Limited

Date of creation of the charge

24 December 2002

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

A composite debenture dated 24 December 2002 between MLIT (No.1) Limited, Goshawk Insurance Holdings PLC and certain other of its subsidiaries as Chargors, and Barclays Bank PLC as Trustee for the Secured Parties.

Amount secured by the mortgage or charge

See Schedule 1 for definitions

See Schedule 2 for details of the amount secured by the mortgage or charge

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

Barclays Bank PLC with registered office at 54 Lombard Street, London as Trustee for the Secured Parties.

Postcode EC3P 3AH

*Via London Counter*  
Presenter's name address and  
reference (if any):

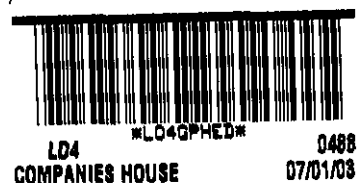
Clifford Chance LLP  
200 Aldersgate Street  
London  
EC1A 4JJ  
KAXS/B1227/27029/RES

Return via CH London Counter

Time critical reference

For official Use  
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See Schedule 1 for definitions

See Schedule 3 for short particulars of all the property mortgaged or charged.

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed

*Clifford Chance*

Date

7/1/03

On behalf of [company] [mortgagee/chargee] †

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

†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.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

## Schedules to Form 395

relating to a Debenture dated 24 December 2002 entered into by  
Goshawk Insurance Holdings PLC and certain of its subsidiaries.

### SCHEDULE 1

#### Definitions

In this Form 395:

**"Agent"** means Barclays Bank PLC as agent of the other Finance Parties and trustee for the Secured Parties.

**"Arranger"** means Barclays Capital as mandated lead arranger.

**"Borrower"** means Goshawk Insurance Holdings PLC

**"Charged Property"** means all the assets of each Chargor which from time to time are the subject of the security created or expressed to be created in favour of the Trustee by or pursuant to the Debenture.

**"Chargors"** means Goshawk Insurance Holdings PLC, Goshawk Syndicate Management Ltd, Proof Second Limited, Goshawk Securities Limited, GHK Asset Management Limited, Goshawk Underwriting Limited, Goshawk Capital Limited, GK Consortium Management Limited, Matheson Lloyd's Investment Trust PLC, MLIT Holdings Limited, MLIT (No.1) Limited, MLIT (No.2) Limited, MLIT (No.3) Limited, MLIT (No.4) Limited, MLIT (No.5) Limited, MLIT (No.6) Limited, MLIT (No.7) Limited, Goshawk Dedicated Limited and Goshawk Dedicated (No.2) Limited.

**"Debenture"** means the composite debenture dated 24 December 2002 between Goshawk Insurance Holdings PLC, certain of its subsidiaries and Barclays Bank PLC.

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Agent.

**"Event of Default"** means any event or circumstance specified as such in Clause 22 (*Events of Default*) of the Facility Agreement.

**"Facility Agreement"** means the facility agreement dated 24 December 2002 made between Goshawk Insurance Holdings PLC as borrower, the other Chargors as guarantors, Barclays Capital as Arranger, the financial institutions therein named and Barclays Bank PLC as Agent as amended, varied, novated or supplemented from time to time.

**"Fee Letter"** means any letter or letters dated on or about the date of the Facility Agreement between the Arranger and the Borrower (or the Agent and the Borrower) setting out any of the fees referred to in Clause 11 (*Fees*) of the Facility Agreement.

**"Finance Document"** means the Facility Agreement, any Fee Letter, the Security Documents and any other document designated as such by the Agent and the Borrower.

**"Finance Party"** means the Agent, the Arranger or a Lender.

**"Group"** means the Borrower and its Subsidiaries for the time being.

**"Insurance Policy"** means any policy of insurance in which each Chargor may from time to time have an interest.

**"Intellectual Property"** means any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use and monies deriving from such intellectual property now or hereafter belonging to each Chargor and all Related Rights.

**"Investments"** means any stocks, shares, debentures, securities and other investments, assets, rights or interests falling within Part I of Schedule 1 to the Financial Services Act 1986 (as in force at the date hereof but so that the exceptions in the notes to paragraphs 2 and 5 and note (1) to paragraph 8 of that Part shall not apply) (but not including the Shares) whether held directly by or to the order of each Chargor or by any trustee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, fiduciary or clearance system).

**"Lender"** means:

- (a) the Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 2.3 (*Additional Lenders*) or Clause 23 (*Changes to the Lenders*) of the Facility Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the Facility Agreement.

**"Loan"** means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

**"Monetary Claims"** means any book and other debts and monetary claims owing to a Chargor and any proceeds thereof (including any claims or sums of money deriving from or in relation to any Intellectual Property, the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which that Chargor is a party and any other assets, property, rights or undertaking of that Chargor).

**"Original Lender"** means Barclays Bank PLC.

**"Party"** means a party to the Facility Agreement.

**"Permitted Security"** means:

- (a) the Security Documents;
- (b) any Lloyd's Security as referred to in the Facility Agreement;
- (c) any security interest now or hereafter granted or subsisting under any deed or agreement executed or to be executed by or on behalf of any member of the Group which is required by the Treasury/Financial Services Authority in connection with its or their insurance or reinsurance business;

- (d) any security interest over or affecting any asset acquired by a member of the Group after the date hereof to which such asset is subject on the date it is acquired, and any security interest over or affecting any asset owned by a company which becomes a member of the Group on or after the date of the Agreement which security interest was created prior to the date of the acquisition of such company by the Group but not in anticipation of the acquisition; and
- (e) the Barclays Security as referred to in the Facility Agreement;
- (f) any lien arising by operation of law;
- (g) set-off rights on market terms contained in derivative contracts made by any member of the Group;
- (h) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements; and
- (i) any Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (a) to (e) above) does not exceed \$5,000,000 (or its equivalent in other currencies).

**"Real Property"** means:

- (a) any freehold, leasehold or unmoveable property; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property.

**"Receiver"** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

**"Related Rights"** means, in relation to any asset,

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset.

**"Secured Obligations"** means all present and future obligations and liabilities (whether actual or contingent) covenanted to be discharged by each Chargor in Clause 2.1 (*Covenant to Pay*) of the Debenture.

**"Secured Parties"** means the Trustee, any Receiver or Delegate, the Agent, and each Lender from time to time party to the Facility Agreement.

**"Security"** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Documents"** means the Debenture and the Share Pledge and **"Security Document"** means either of them.

**"Shares"** means all of the shares held by, or to the order or on behalf of each Chargor from time to time including the shares specified in Schedule 2 (*Shares*) of the Debenture.

**"Share Pledge"** means the share pledge in the agreed form executed by the Borrower over the shares in Goshawk Re in favour of the Agent as trustee for the Secured Parties as security for the obligations of the Borrower under the Finance Documents.

**"Subsidiary"** means a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985.

**"Tangible Moveable Property"** means any plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of each Chargor's stock in trade or work in progress) and all Related Rights.

**"Trustee"** means Barclays Bank PLC as Trustee for the Secured Parties on the terms and conditions set out in the Facility Agreement, which expression shall include any person for the time being appointed as trustee or as an additional trustee for the purpose and in accordance with, the Facility Agreement.

## **SCHEDULE 2**

### **Amount secured by the mortgage or charge**

Each Chargor has covenanted with the Trustee as trustee for the Secured Parties that it shall on demand of the Trustee in accordance with the terms of the Finance Documents discharge all obligations which that Chargor may at any time have to the Trustee (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties under or pursuant to the Finance Documents (including the Debenture) including any liability in respect of any further advances made under Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity) in accordance with the terms of the Finance Documents and each Chargor shall pay to or to the order of the Trustee when due and payable every sum at any time owing, due or incurred by that Chargor under or pursuant to the Finance Documents to or to the order of the Trustee or any of the other Secured Parties in respect of any such liabilities.

## **SCHEDULE 3**

### **Short particulars of all the property mortgaged or charged**

#### **1. Fixed Charges**

1.1 Each of the Chargors has charged with full title guarantee in favour of the Trustee as trustee of the Secured Parties as security for the payment and discharge of the Secured Obligations, by way of fixed charge all such Chargor's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consents to such mortgage or fixed charge from any third party);

1.1.1 the Real Property;

1.1.2 the Tangible Moveable Property;

1.1.3 any goodwill and rights in relation to the increased capital of the Chargors;

1.1.4 all Monetary Claims other than any claims which are otherwise subject to an assignment (at law or in equity) pursuant to the Debenture and all Related Rights;

1.1.5 each Investment; and

1.1.6 the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference option, substitution, conversion or otherwise).

#### **2. Assignments**

Each Chargor has assigned by way of security with full title guarantee to the Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations each Chargor's right, title and interest from time to time in and to each of the following assets (subject to (i) obtaining any necessary consent to that assignment from any third party and (ii) the rights of Barclays Bank PLC under the Barclays Security) the proceeds of any Insurance Policy and all Related Rights.

#### **3. Floating Charge**

Each Chargor has charged with full title guarantee in favour of the Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations by way of floating charge the whole of each Chargor's undertaking and assets, present and future, other than any assets validly and effectively charged or assigned (whether at law or in equity) by way of fixed security under the laws of England and Wales, or of the jurisdiction in which that asset is situated, in favour of the Trustee as trustee for the Secured Parties as security for the Secured Obligations.

#### **4. Crystallisation of floating charge**

##### **4.1 Crystallisation: By Notice**



The Trustee may at any time by notice in writing to each of the Chargors convert the floating charge created by Clause 3 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- 4.1.1 an Event of Default has occurred and is continuing, unremedied or unwaived;
- 4.1.2 the Trustee consider that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- 4.1.3 the Trustee considers that it is desirable in order to protect the priority of the security.

#### **4.2 Crystallisation: Automatic**

Notwithstanding Clause 4.1 (*Crystallisation: By Notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- 4.2.1 a Chargor creates or attempts to create any Security other than Permitted Security over any of the Charged Property other than pursuant to the Loan Documents; or
- 4.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- 4.2.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of all or any one of the Chargors.

#### **5. Further assurances**

The debenture contains covenants for further assurance.

#### **6. Negative Pledge and Disposals**

Clause 7 (*Negative Pledge and Disposals*) of the Debenture contains a negative pledge.

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02949536

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE DEBENTURE DATED THE 24th DECEMBER 2002 AND CREATED BY MLIT (NO.1) LIMITED FOR SECURING ALL MONIES AND LIABILITIES DUE OR TO BECOME DUE FROM EACH CHARGOR TO BARCLAYS BANK PLC, LONDON AS TRUSTEE FOR THE SECURED PARTIES OR ANY OF THE OTHER SECURED PARTIES UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 7th JANUARY 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 9th JANUARY 2003.



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —