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COMPANIES FORM No. 395
Particulars of a mortgage or charge

395

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Pursuant to section 395 of the Companies Act 1985

CHA 233

To the Registrar of Companies

For official use

Company Number

18

3381519

Name of company

Commercial Union Corporte Member Limited

*insert full
name of
company

Date of creation of the charge

22 June 1998

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

Amendment and Restatement Lloyd's American Credit for Reinsurance Joint Asset Trust Deed ("the Trust Deed") dated 7/9/1995 (as supplemented by a Deed of Accession dated 22 June 1998 made or expressed to be made among
(continued on Continuation Sheet).

Amount secured by the mortgage or charge

1. The payment of all expenditure 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 this amount shall not exceed US\$4,000,000 or 4% of the value of the Trust, whichever is less. The Company irrevocably grants to the Trustee a first priority security interest and a lien upon the lesser of (i) US\$4,000,000 or (ii) 4% of the value of the Trust.

(continued on Continuation Sheet).

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, all Ceding Insurers, and
(continued on Continuation Sheet).

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

Lloyd's
One Lime Street
London
EC3M 7HA

ref: Legal Services Department

For official use
Mortgage Section

Post room

Time critical reference



Short particulars of all the property mortgaged or charged

1. The Trust Fund.
2. Cash in US currency or specifically designated Readily Marketable Securities substituted by Current Contributors at any time for any cash or assets then forming part of the Trust Fund.
3. 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.
4. 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.
5. Any investments or other assets held by the Trustee under the Trust Deed in the name of a nominee.
6. All interest, dividends and other income resulting from the investment of the property in the Trust Fund, so far as necessary to maintain the Trust Fund Minimum Amount and honour the Trustee's interests provided in the Trust Deed.

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

Particulars as to commission allowance or discount (note 3)

J. T. C. Butler

Signed

Date

24 June 1998

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.

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COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

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

CHA 233

Company Number

3381519

Name of company

Commercial Union Corporte Member Limited

*insert full
name of
company

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

(i) Lloyd's, having its principal office at One Lime Street, London, England (ii) each of the Grantors, and including the Company and (iii) 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"), as may at any time or times be amended by the Council with the prior written consent of the Domiciliary Commissioner.

"Grantor" means a person who is a Current Contributor to the Trust Fund at the date of the Trust Deed and a person becoming a Current Contributor to the Trust Fund after the date of the Trust Deed.

"Trust Fund" or "Trust" means the cash, Readily Marketable Securities and Letters of Credit, or any combination thereof, in the actual and sole possession of the Trustee and held under the provisions of the Trust Deed.

"Current Contributors" means those persons (whether individuals or bodies corporate and whether or not Underwriters) whose contributions to the Trust Fund constitute the principal of the Trust Fund for the time being.

"Underwriter" means underwriters at Lloyd's London and such former underwriters at Lloyd's London as continue to have underwriting business at Lloyd's not fully wound up and the personal representatives or trustee in bankruptcy of any such underwriter or former underwriter who has died or become bankrupt.

"Readily Marketable Securities" means 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.

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).

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COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

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

CHA 233

Company Number

3381519

*insert full
name of
company

Name of company

Commercial Union Corporte Member Limited

Amount due or owing on the mortgage or charge (continued)

2. The payment of any amount in excess of the amount necessary to satisfy Trustee Priority Claims (as limited by the proviso in (1) above), in respect of Matured Claims.
3. The payment of Losses.
4. Transfers by the Trustee at the direction from time to time of the Council of any funds in excess of the Trust Fund Minimum Amount to each trust fund relating to the Lloyd's underwriting business of the Current Contributors from which one or more Current Contributions have been made and to each Current Contributor who has made one or more direct Current Contributions.
5. 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.
6. 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 3.18 of the Trust Deed.

"American Reinsurance Policy" shall mean

- (i) any contract or policy of reinsurance issued or any agreement to reinsure made by one or more Underwriters which is issued to a Ceding Insurer, as defined herein, providing reinsurance with respect to property or risks situated in a state, district, territory, commonwealth or possession of the United States, provided that, with the exception of such Policies attaching on or prior to November 15, 1995 underwritten under any binding authority incepting prior to August 1, 1995, and subject to (ii) below, such Policy shall not include any contract or policy of reinsurance (or any agreement to reinsure) incepting on or after August 1, 1995, which is (or is to be) underwritten by Underwriters on or after August 1, 1995; or
- (ii) any contract or policy of reinsurance or any agreement to reinsure which satisfies the definition of an American Reinsurance Policy as set forth in Lloyd's United States Situs Credit for Reinsurance Trust Deed dated 7 September 1995 (as amended from time to time).

Amount due or owing on the mortgage or charge (continued)

"Ceding Insurer" shall mean an insurer domiciled in a state, district, territory, commonwealth or possession of the United States which has ceded insurance risks underwritten by such insurer to one or more Underwriters pursuant to an American Reinsurance Policy.

"Claim" shall mean: (i) a claim against one or more Underwriters by a Ceding Insurer for a loss under an American Reinsurance Policy excluding punitive and/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 one or more Underwriters 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").

"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 such other person or persons (including Lloyd's Signatory) 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 Chief Regulatory Officer for Insurance of the United States jurisdiction in which the Trust Fund is principally maintained and administered (namely the State of New York).

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

"Trust Fund Minimum Amount" shall mean the minimum amount which Underwriters are required by law to maintain in the Trust Fund, as notified by the Council to the Trustee in writing and in the minimum sum of US\$104,000,000.

"Lloyd's Signatory" means the person or persons for the time being authorised by the Council of Lloyd's for that purpose and designated in writing to the Trustee (pursuant to authority given by the Underwriters) to act on behalf of Underwriters and Current Contributors under the Trust Deed and to give or receive any notice or certification to Underwriters and Current Contributors under the Trust Deed.

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COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

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

CHA 233

Company Number

3381519

Name of company

*insert full
name of
company

Commercial Union Corporte Member Limited

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

- (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 trust fund relating to the Lloyd's underwriting business of Current Contributors is at any time held, and the trustees of any such trust 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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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03381519

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DATED 22ND JUNE 1998 IN THE TERMS OF THE AMENDMENT AND RESTATEMENT LLOYD'S AMERICAN CREDIT FOR REINSURANCE JOINT ASSET TRUST DEED (THE "TRUST DEED") ITSELF CONSTITUTED BY AN INSTRUMENT DATED 7TH SEPTEMBER 1995 (AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME) AND AS SUPPLEMENTED BY A DEED OF ACCESSION DATED THE 22nd JUNE 1998 AND CREATED BY COMMERCIAL UNION CORPORATE MEMBER LIMITED FOR SECURING (A) THE PAYMENT OF LOSSES UNDER: (i) ANY CONTRACT OR POLICY OF REINSURANCE ISSUED BY ONE OR MORE MEMBERS OR PAST MEMBERS OF LLOYD'S TO A CEDING INSURER DOMICILED IN A STATE, DISTRICT, TERRITORY, COMMONWEALTH OR POSSESSION OF THE UNITED STATES PROVIDING REINSURANCE WITH RESPECT TO PROPERTY OR RISKS SITUATED IN A STATE, DISTRICT, TERRITORY, COMMONWEALTH OR POSSESSION OF THE UNITED STATES PROVIDED THAT, WITH THE EXCEPTION OF SUCH CONTRACTS OR POLICIES ATTACHING ON OR PRIOR TO 15TH NOVEMBER 1995 UNDERWRITTEN UNDER ANY BINDING AUTHORITY INCEPTING PRIOR TO 1ST AUGUST 1995 AND SUBJECT TO (ii) BELOW, SUCH CONTRACTS OF POLICIES SHALL NOT INCLUDE ANY CONTRACT OR POLICY OF REINSURANCE INCEPTING ON OR AFTER 1ST AUGUST 1995 WHICH IS UNDERWRITTEN BY MEMBERS ON OR AFTER THAT DATE, OR (iii) ANY CONTRACT OR POLICY WHICH SATISFIES THE DEFINITION OF AN AMERICAN REINSURANCE POLICY IN LLOYD'S UNITED STATES SITUS CREDIT FOR REINSURANCE TRUST DEED (AS AMENDED FROM TIME TO TIME), (AN "AMERICAN REINSURANCE POLICY"); (B) RETURNS OF UNEARNED PREMIUM UNDER AN AMERICAN REINSURANCE POLICY; (C) 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.); (D) REPAYMENT OF CASH OR SECURITIES ADVANCED BY THE TRUSTEE TO THE TRUST HELD UNDER THE PROVISIONS OF THE TRUST DEED; (E) CERTAIN TRANSFERS BY THE TRUSTEE TO OTHER TRUST FUNDS OR TO THE CHIEF REGULATORY OFFICER FOR 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 25th JUNE 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 30th JUNE 1998.

A handwritten signature in dark ink, appearing to read "R. N. Owens".

RICHARD NEIL OWENS

for the Registrar of Companies



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