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COMPANIES FORM No. 403b

Declaration that part of the property or undertaking charged (a) has been released from the charge; (b) no longer forms part of the company's property or undertaking

403b

CHFP025

Please do not write in this margin

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

*insert full name of company

Pursuant to section 403(1) (b) of the Companies Act 1985

To the Registrar of Companies
(Address overleaf)

For official use

Company number

12

6081055

Name of company

Ark Corporate Member Limited

I, Neil Smith

of Ark Corporate Member Limited

† delete as appropriate

[a director] ~~XXXXXX~~ of the above company, do

† insert a description of the instrument(s) creating or evidencing the charge, eg 'Mortgage', 'Charge', 'Debenture' etc

solemnly and sincerely declare that with respect to the charge described below the part of the property or undertaking described [has been released from the charge] ~~XXXXXXXXXXXXXXXXXXXX~~

~~XXXXXXXXXXXXXXXXXXXX~~

Date and description of charge † See Parts II and III of the attached Schedule

Date of registration 30 March 2007

‡ the date of registration may be confirmed from the certificate

Name and address of [chargee] ~~XXXXXXXXXXXXXXXXXXXX~~ † Lloyds TSB Bank plc
25 Gresham Street
London EC2V 7HN

§ insert brief details of property or undertaking no longer subject to the charge

Short particulars of property or undertaking released or no longer part of the company's property or undertaking § See Parts IV and V of the attached Schedule

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835

Declared at Undercliff, London, EC3A 9EE Declarant to sign below

NEIL SMITH

Day Month Year

on 11 02 2008

before me Georgina Jacobs

A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor having the powers conferred on a Commissioner for Oaths

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

Lovells LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

C4DS/1919726 01

For official use
Mortgage section

TUESDAY



A33

12/02/2008

159

COMPANIES HOUSE

Notes

The address for companies registered in England and Wales or Wales is -

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

SCHEDULE TO FORM 395

PART I

Definitions

"Agreement" means the £20,000,000 standby facility agreement of even date herewith made between (1) the Syndicate 4020 2007 Borrower Group, (2) the Managing Agent and (3) the Bank

"Charged Assets" means the assets for the time being charged to the Bank by or pursuant to the Deed

"Cash Call" means a request for the payment of funds made by a managing agent to an underwriting member of Lloyd's under the terms of the standard managing agent's agreement (general) or the standard managing agent's agreement (corporate member) (within the meaning of the Agency Agreements Byelaw (No 8 of 1988))

"Company" means Ark Corporate Member Limited, a limited company incorporated in England and Wales (registered number 6081055), the underwriting member of Lloyd's comprising Syndicate No 4020 as constituted for the 2007 year of account

"Encumbrance" means

- (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person,
- (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person, or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect

"Enforcement Event" means any of the following events

- (a) any event or circumstance specified as an Event of Default in Clause 20 of the Agreement,
- (b) the breach by any party (other than the Bank) of any provision of the Deed which, if capable of remedy, is not remedied within five business days after the Bank has given notice thereof to the Managing Agent, and
- (c) an event or the receipt by the Bank of any information or the coming to the attention of the Bank of any matter or thing whatsoever which causes the Bank to believe that all or part of the security by the Deed constituted, or intended to be constituted, is for any reason whatsoever in jeopardy

"Fee Letter" means any letter or letters dated on or about the date of the Agreement from the Bank to the Managing Agent setting out the arrangement fee referred to in clause 14 of the Agreement

"Finance Document" means the Agreement, any Fee Letter and any other document designated as such by the Bank and the Managing Agent

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

"Lloyd's Premiums Trust Deed" means the Lloyd's Premiums Trust Deed for general business of the Company

"Obligations" means, in relation to the Company, all sums and liabilities to be paid and discharged by the Company, the subject of the covenant contained in Clause 2.1 of the Deed

"Receiver" means any person appointed to be a receiver, manager or receiver and manager (and any other person appointed in his place or to act together with or independently of him) by the Bank under or pursuant to the Deed

"Reinsurance Programme" means, in relation to the Syndicate, a reinsurance programme comprising contracts of reinsurance taken out on behalf of the Syndicate, whether before or at any time after the date of the Agreement, under which risks insured by the Company are reinsured

"Sterling Special Account" means a separate trust account opened on behalf of the Sterling Trustees pursuant to the Deed

"Sterling Trust Fund" means the trust fund constituted by the Lloyd's Premiums Trust Deed (General Business) of the Company in accordance with the provisions thereof

"Syndicate" means Syndicate No. 4020, being an underwriting member of Lloyd's or a group of underwriting members of Lloyd's underwriting insurance business at Lloyd's through the agency of the Managing Agent, to which the syndicate number aforesaid is assigned by the Council of Lloyd's

"Syndicate 4020 2007 Borrower Group" means the underwriting member of Lloyd's comprising Syndicate No. 4020 as constituted for the 2007 year of account

Any reference to

- (a) **"assets"** is to be construed so as to include all and any right, title, interest and chose in action whatsoever,
- (b) the **"Bank"** is to be construed so as to include its and any subsequent successors in accordance with their respective interests,
- (c) the **"Managing Agent"** is to be construed so as to include any person who is for the time being acting as managing agent for the Company in place of the Managing Agent pursuant to an appointment under the Underwriting Byelaw (No. 2 of 2003) and any person to whom all or any of the services to be provided, the duties to be performed and the powers to be exercised by the Managing Agent may have been delegated at any time,
- (d) a **"person"** is to be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing, and
- (e) **"sterling"** denotes lawful currency of the United Kingdom

PART II

Description of the instrument creating or evidencing the charge

A Deed of Charge dated 14 March 2007 (the "**Deed**") and made between (1) the Company, (2) the trustees for the time being of the Lloyd's Premiums Trust Deed (General Business) of the Company, designated in respect of the Managing Agent as the Managing Agent's Trustees (the "**Sterling Trustees**"), (3) Ark Syndicate Management Limited (the "**Managing Agent**") and (4) Lloyds TSB Bank plc (the "**Bank**")

PART III

Amount secured by the mortgage or charge

By Clause 2 1 of the Deed, the Managing Agent on behalf of the Company covenants with the Bank that the Company will on demand of the Bank discharge when the same falls due each and every liability which the Company may at any time have to the Bank under or pursuant to the Agreement as a member of the Syndicate 4020 2007 Borrower Group and will pay to the Bank every sum (of principal, interest or otherwise) now or thereafter owing, due or incurred by the Company to the Bank in respect of any such liability

PART IV

Short particulars of the property mortgaged or charged

- 1 By Clause 3 1 of the Deed, the Sterling Trustees charge to the Bank with the payment and discharge of the Company's Obligations, if and to the extent that such assets are or are liable in the future to become comprised in that part of the Sterling Trust Fund in relation to which the Managing Agent has power to give directions
 - (a) by way of first fixed charge, all right, title and interest of the Sterling Trustees in and to the moneys at any time standing to the credit of any Sterling Special Account (including any chose in action representing the right of the Sterling Trustees to be paid the same), and
 - (b) by way of first floating charge, all right, title and interest of the Sterling Trustees in and to the reinsurance recoveries which are at any time due under the Syndicate's Reinsurance Programme in respect of gross claims paid on behalf of the Company
- 2 By Clause 3 2 of the Deed, the Managing Agent on behalf of the Company charges to the Bank with the payment and discharge of the Company's Obligations, by way of first fixed charge, all right, title and interest of the Company in and to
 - (a) the benefit of any contract of reinsurance at any time comprised in the Syndicate's Reinsurance Programme not otherwise expressed to be charged by the Deed or any other Finance Document, and
 - (b) the benefit of any letter of credit, guarantee, deposit or security issued, made or given at any time in respect of the performance of a reinsurer's obligations under any such contract of reinsurance

PART V

Covenants and restrictions

- 1 By Clause 6 1 of the Deed, the Sterling Trustees and the Managing Agent on its own behalf and on behalf of the Company covenant with the Bank from time to time, upon request, to do any act or thing and to execute such further deeds or other documents (in such form as the Bank or such Receiver may specify) as the Bank or any Receiver may reasonably require for the improvement or perfection of the security intended to be conferred on the Bank by the Deed
- 2 By Clause 6 2 of the Deed, without prejudice to the generality of Clause 6 1 thereof, the Managing Agent is, if so requested by the Bank, to give or concur in the giving
 - (a) to Lloyd's,
 - (b) to such banks with which any account of the Syndicate denominated in any currency is opened or maintained from time to time (moneys at any time standing to the credit of which are charged under or pursuant to the Deed) as it may require,
 - (c) to such reinsurers liable to pay reinsurance recoveries (to the extent charged under the Deed) as it may require, and
 - (d) to such insurance brokers of the Syndicate liable to receive payment of the same in the ordinary course of business as it may require,notice (in such form as the Bank may specify) of the security constituted by the Deed
- 3 By Clause 7 1 of the Deed, the Sterling Trustees and the Managing Agent on its own behalf and on behalf of the Company undertake that at no time during the subsistence of the security constituted by the Deed will they, otherwise than in favour of the Bank or with the Bank's prior written consent and in accordance with any conditions which the Bank may attach thereto, create or grant (or direct the creation or grant of), extend or permit to subsist any Encumbrance (howsoever ranking or purporting to rank in relation thereto) on or over the Charged Assets or any part thereof
- 4 By Clause 7 2 of the Deed, the Sterling Trustees and the Managing Agent on its own behalf and on behalf of the Company undertake that at no time during the subsistence of the security constituted by the Deed will they, otherwise than with the Bank's prior written consent, sell or otherwise dispose of or agree to sell or otherwise dispose of all or any part of the Charged Assets or create or agree to create any equitable interest in or over the same
- 5 By Clause 8 1 of the Deed, the Managing Agent is at all times during the subsistence of the security hereby constituted to deal with all or any such funds as may be raised on a Cash Call made pursuant to Clause 19 6 of the Agreement in accordance with any directions which the Bank may give to the Managing Agent including a direction that the Managing Agent procure that the same are paid into such account or accounts (whether or not with the Bank) as the Bank may require
- 6 By Clause 8 2 of the Deed, the Managing Agent is at any time after an Enforcement Event to deal with all or any reinsurance recoveries which are at any time due or anticipated

under the Syndicate's Reinsurance Programme in respect of gross claims paid or gross notified outstanding claims payable on behalf of the Company, to the extent that the same are charged under or pursuant to the Deed, in accordance with any directions which the Bank may give to the Managing Agent including a direction that the Managing Agent procure that the same are paid into such account or accounts (whether or not with the Bank) as the Bank may require

- 7 By Clause 9 2(c) of the Deed, the Managing Agent is not, during the subsistence of the security constituted by the Deed, to do or omit to do any thing which would or might render any contract of reinsurance comprised in the Syndicate's Reinsurance Programme invalid, void, voidable or unenforceable, or any moneys payable thereunder repayable in whole or in part, under the laws of any jurisdiction
- 8 By Clause 9 2(d) of the Deed, the Managing Agent is not at any time during the subsistence of the security constituted by the Deed, on behalf of the Company, otherwise than with the Bank's prior written consent (such consent not to be unreasonably withheld) and in accordance with any conditions which the Bank may attach thereto, to
 - (i) make or agree to any variation or amendment of any contract of reinsurance comprised in the Syndicate's Reinsurance Programme which may reduce the amount of any reinsurance recoveries becoming payable thereunder,
 - (ii) enter into any arrangement with a reinsurer for the discharge or release of all or part of the reinsurer's obligations or liabilities under any such contract of reinsurance, or
 - (iii) settle, compromise or abandon any claim under any such contract of reinsurance
- 9 By Clause 10 2 of the Deed, the Managing Agent undertakes that at no time during the subsistence of the security thereby constituted will it, otherwise than with the Bank's prior consent and in accordance with any conditions as to additional security or otherwise which the Bank may attach thereto, exercise on behalf of the Company any right of set-off or deduction which the Company may have in respect of any reinsurance recoveries which the Managing Agent has been directed to procure be paid into an account pursuant to Clause 10 1 of the Deed