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COMPANIES FORM No. 395

Sort advice from M. Darr + P. Jones.

Particulars of a mortgage or charge

395

Please do not write in this margin

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

To the Registrar of Companies

For official use Company number

57

2861345

Name of company

* FUIT Two 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)

Reinsurance Run-Off Contract

Amount secured by the mortgage or charge

All moneys and liabilities (including contingent liabilities) whatsoever which may be due, owing or payable by any Name or Closed Year Name under any contract of insurance or reinsurance which has been reinsured by Equitas Reinsurance Limited under the terms of the Reinsurance and Run-Off Contract, the terms "Name" and "Closed Year Name" having the meanings specified in the continuation sheet attached hereto.

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

Equitas Policyholders Trustee Limited (as trustee under a Declaration of Trust dated 3 September 1996)
of 20/22 Bedford Row, London

Postcode WC1R 4JS

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

Freshfields
65 Fleet Street
London EC4Y 1HS
DX 23 London
(Ref: AMS/BES)
(395FUIT)

For official use
Mortgage section

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

Refer to continuation sheet.

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)

Nil

Signed

Freshfields

Date 7 September 1996

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.

Particulars of a mortgage or charge (continued)

Please do not
write in this
margin

Continuation sheet No 1
to Forms Nos 395 and 410 (Scot)

Company number

2861345

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

Name of company

FUIT Two Limited

Limited*

*

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

Delete if
inappropriate

[Empty box for description of the instrument]

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

"Closed Year Names" means, in respect of any Closed Year Syndicate, those members of Lloyd's who were members of that Closed Year Syndicate acting in their capacity as members of the Closed Year Syndicate.

"Closed Year Syndicate" means any syndicate constituted for the 1992 or any prior year of account which has been reinsured to close either directly or indirectly into any Syndicate or Centrewrite Limited.

"Names" means, in respect of each Syndicate, the members of Lloyd's as set out in the relevant Syndicate List acting in their capacity as members of the Syndicate.

"syndicate" means a group of underwriting members of Lloyd's, to which a particular number is assigned by or under the authority of the Council of Lloyd's (including its delegates and any person by whom it acts), for whose account an active underwriter accepted or accepts insurance business at Lloyd's.

"Syndicate" means each of the syndicate years of account listed in schedule 1 to the Reinsurance and Run-off Contract.

"Syndicate List" means, in respect of each Syndicate and Closed Year Syndicate, (a) the last schedule prepared in respect of that Syndicate or Closed Year Syndicate specifying the Names who were members of that Syndicate or Closed Year Syndicate, the members syndicate premium limit of each such member of that Syndicate or Closed Year Syndicate, the basis and level of the managing agent's remuneration and containing such other particulars as may for the time being be required by the Council of Lloyd's, and (b) any other such schedule or document certified by Lloyd's and showing any other member as having participated on that Syndicate or Closed Year Syndicate.

Please do not write in this margin

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

Please do not write in this margin Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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

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Short particulars of all the property mortgaged or charged (continued)

Please do not write in this margin

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

All right, title, benefit and interest which the Company has or may have against Equitas Reinsurance Limited in relation to:

(a) the performance of the obligation of Equitas Reinsurance Limited to reinsure the 1992 and Prior Business subject to and in accordance with the terms of clause 3 of the Reinsurance and Run-off Contract, including without limitation:

(i) any right to receive damages for breach of that obligation; and

(ii) any rights in relation to that obligation in a winding up of Equitas Reinsurance Limited or pursuant to any scheme or composition entered into between Equitas Reinsurance Limited and its creditors including any scheme of arrangement or compromise made under section 425 of the Companies Act 1985 and any voluntary arrangement made between Equitas Reinsurance Limited and its creditors under sections 1 to 8 of the Insolvency Act 1986; and

(b) any return of any premium payable on a winding up or pursuant to any scheme or composition entered into between Equitas Reinsurance Limited and its creditors to the extent that the Secured Obligations have not been satisfied in full,

but not including any cash, assets or other rights to the extent held subject to the trust of the EATD, the ECTD or any Overseas Deposit Deed for the benefit, directly or indirectly, of the Insurance Creditors.

As used herein:

"1992 and Prior Business" means all liabilities under contracts of insurance underwritten at Lloyd's (other than life business) 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 any later year of account but excluding any liabilities re-signed, or re-allocated pursuant to a premium transfer, into the 1993 or any later year.

"EATD" means the deed of trust dated 3 September 1996 entered into by Equitas and ERL with Citibank, N.A. as trustee, in favour of the trustee of the LATD, as may be amended from time to time.

"ECTD" means the deed of trust dated 3 September 1996 entered into by Equitas and ERL with the Royal Trust Corporation of Canada as trustee, in favour of the trustee of the LCTD, as may be amended from time to time.

"Insurance Creditor" means any policyholder under any contract of insurance underwritten by a Syndicate or Closed Year Syndicate liabilities under which are comprised in 1992 and Prior Business other than a member or former member of Lloyd's who is such a policyholder in his capacity as an underwriter of insurance business at Lloyd's.

"LATD" means the instrument dated 21 December 1995 constituting the amended and restated Lloyd's American Trust Deed, as amended from time to time.

"LCTD" means the instrument dated 26 September 1995 constituting the amended and restated Lloyd's Canadian Trust Deed, as amended from time to time.

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

"Overseas Deposit Deed" means any trust deed, security or custody agreement or other agreement required to be established by ERL and/or Equitas by any regulatory authority in any jurisdiction other than Canada, the United Kingdom or the United States of America (excluding for the State of Illinois) for the purpose of protecting the rights of Insurance Creditors.

"Secured Obligations" means all moneys and liabilities (including contingent liabilities) whatsoever which may be due, owing or payable by any Name or any Closed Year Name under any contract of insurance or reinsurance which has been reinsured by Equitas Reinsurance Limited under the terms of the Reinsurance and Run-off Contract.

Terms defined under the heading "Amount secured by the mortgage or charge" have the same meaning herein.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02861345

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A REINSURANCE RUN-OFF CONTRACT DATED THE 3rd SEPTEMBER 1996 AND CREATED BY FUIT TWO LIMITED FOR SECURING IN FAVOUR OF EQUITAS POLICYHOLDERS TRUSTEE LIMITED (AS TRUSTEE UNDER A DECLARATION OF TRUST DATED 3RD SEPTEMBER 1996) ALL MONEYS AND LIABILITIES (INCLUDING CONTINGENT LIABILITIES) WHATSOEVER WHICH MAY BE DUE, OWING OR PAYABLE BY ANY NAME (AS DEFINED) OR CLOSED YEAR NAME (AS DEFINED) UNDER ANY CONTRACT OF INSURANCE OR REINSURANCE WHICH HAS BEEN REINSURED BY EQUITAS REINSURANCE LIMITED UNDER THE TERMS OF THE REINSURANCE AND RUN-OFF CONTRACT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 20th SEPTEMBER 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th SEPTEMBER 1996 . —

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

RICHARD NEIL OWENS

for the Registrar of Companies

LC Sh
24-9-96



COMPANIES HOUSE

HC026B