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COMPANIES FORM No. 155(6)a

**Declaration in relation to
assistance for the acquisition
of shares.**

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

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

To the Registrar of Companies

For official use

Company number

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572840

Note
Please read the notes
on page 3 before
completing this form

Name of company

* COTESWORTH & CO LIMITED

*Insert full name
of company†Insert name(s) and
address(es) of all
the directors

I/We† Peter John Aitchison of Bolton House, Windmill Hill, Hampstead,
London, Hugh Rupert Rivington of Old Oak Barn, Shelley
Supfolk, Graham Davies of Adeline
House, 76 Hazlemere Road, Penn, High Wycombe, Bucks, Bernard George
Devereese of Deverick House, Fir Tree Lane, Little Baddow,
Chelmsford, Essex, William Scott of 89 Maldon Road, Colchester
Essex, Norman Walter Britten of 19 Collope Gardens, Dulwich, John Selwyn
Hale of 37 Chandlers Road, St Albans, Herts,
London

§Delete as
appropriate

being, together with Ernest John Fenton and Tony Robert Berry
(~~the sole director~~) [all the directors]§ of the above company do solemnly and sincerely declare that:

The business of the company is:

‡Delete whichever
is inappropriate

- (a) ~~that of a [recognised bank] [licensed institution]§ within the meaning of the Banking Act 1979†~~
(b) ~~that of a person authorised under section 8 or 4 of the Insurance Companies Act 1982 to carry on~~
~~insurance business in the United Kingdom†~~
(c) something other than the above‡

The company is proposing to give financial assistance in connection with the acquisition of shares in the
(~~company~~) [company's holding company] COTESWORTH GROUP LIMITED

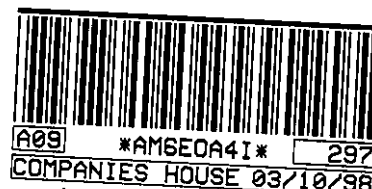
Limited)‡

The assistance is for the purpose of (~~that acquisition~~) (~~reducing or discharging a liability incurred for the~~
~~purpose of~~ that acquisition)§

The number and class of the shares acquired or to be acquired is: the whole of the issued
share capital of the Company's holding company, Cotesworth Group Limited

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

Manches & Co
3 Worcester Street
Oxford
OX1 2PZ
(01865) 722106
Ref: PMB

For official use
General Section

The assistance is to be given to: (note 2) HIH European Holding Company Limited
whose registered office is at 85 Gracechurch Street, London EC3V 0AA

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lettering

The assistance will take the form of:

The Company entering into employment contracts ("the Service Contracts") pursuant to which it undertakes to make bonus payments to certain employees of the Company and in such amounts (which it is anticipated shall not exceed in the aggregate of £450,000) as are set out under the terms of each of the Service Contracts. The bonus payments are referable to the profit commissions receivable by the Company under the terms of the Managing Agents Agreements between the Company and each of the underwriting members of Syndicates 228, 535, 536 and 1069 at Lloyd's in relation to the 1996 and 1997 underwriting years of account at Lloyd's and which, subject to reinsurance to close, will become payable (in accordance with Lloyd's current regulations) to the Company in 1999 and 2000 respectively.

The person who ~~(has acquired)~~ (will acquire)* the shares is:

HIH European Holding Company Limited

*Delete as
appropriate

The principal terms on which assistance will be given are:

provided the relevant employee is on the date the Company receives the profit commissions referred to above in respect of 1996 to 1997 underwriting years of account either still employed by a member of the "HIH Group" or is a "Good Leaver" (both terms as defined in the Service Contracts) then the Company shall pay to the employee a bonus of such sum as shall, when added to any Employer's National Insurance payable thereon, equal the amount set out, in respect of that employee, in his particular service contract, payable seven days after the date on which the Company receives the profit commissions for the relevant underwriting year of account.

The amount of cash to be transferred to the person assisted is £ nil

The value of any asset to be transferred to the person assisted is £ N/A

The date on which the assistance is to be given is on 12 October

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†Delete either (a) or
(b) as appropriate

I/We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) [I/We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]† (note 3)

(b) [~~It is intended to commence the winding up of the company within 12 months of that date, and I/We have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.~~]† (note 3)

And I/we 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 77 GRACECHURCH STREET
LONDON

the 28th day of September

One thousand nine hundred and ninety eight

before me [Signature]

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

Declarants to sign below

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
N.W.
[Signature]

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

BINDER HAMLYN

Andersen Worldwide

20 Old Bailey
London EC4M 7BH

Auditors' report to the directors of Cotesworth & Co Limited pursuant to section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 28 September 1998 in connection with the proposal that the company should give financial assistance for the purchase of the rights under options over the ordinary shares in Cotesworth Group Limited.

Respective responsibilities of directors and auditors

The company's directors are responsible for the statutory declaration. It is our responsibility to review the bases for the declaration, based on our enquiries into the state of the company's affairs, and to provide a report to the directors.

Basis of opinion

We have enquired into the state of the company's affairs so far as necessary for us to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Binder Hamlyn

Binder Hamlyn
Chartered Accountants
20 Old Bailey
London
EC4M 7BH

28 September 1998