

Particulars of a mortgage or charge

395

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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
(Address overleaf)

For official use

Company number

15

3265777

Name of company

* COTESWORTH CAPITAL Limited

("the Company")

Date of creation of the charge

01/01/97

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

Lloyd's Canadian Trust Deed ("the Trust Deed") dated 26 September 1995 made or expressed to be made between the Society incorporated by the Lloyd's Act 1871 under the laws of the UK by (See Continuation Sheet No 1, page 1)

Amount secured by the mortgage or charge

1. In respect of the Company's Trust Fund:

(a) The payment or discharge in such order and manner and at such respective times and to such extent respectively as the Agent may from time to time direct of any:

(i) losses, claims, returns of premiums, reinsurance premiums and other outgoings payable as at the date of the Trust Deed or at any time thereafter to become payable by the Company in connection with the Canadian Business of the Company including the payment of any amount into an escrow fund or account to be held in respect of a particular claim of a policyholder or any other person;

(ii) expenses whatsoever from time to time incurred by the Company in connection with or arising out of the Canadian Business of the Company including any salary, commission, other remuneration and reimbursement of outlays payable by the Company to the Agent or to any other person in connection with the conduct or winding up of the Canadian Business, the repayment of any outstanding indebtedness incurred by the Company to meet valid expenses of the Canadian Business of such Company, the Company's due proportion of the remuneration and

(See Continuation Sheet No 1, page 2)

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

Royal Trust Corporation of Canada of Royal Trust Tower PO Box 7500, Station A Toronto,

Ontario M5W 1Pg Canada, its successors and permitted assigns (See Continuation Sheet No 1, page 3)

Postcode

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

Lloyd's of London
One Lime Street
London
EC3M 7HA

Ref: Legal Services Dept

For official Use

Mortgage Section

Post room



PMO *P7X5ISFN* 264
COMPANIES HOUSE 17/01/97

Time critical reference

Short particulars of all the property mortgaged or charged

The Lloyd's Canadian Trust Fund.

All property which may be (or should be) assigned or transferred to or received by the Canadian Trustee under the Trust Deed and any accumulations and increments from any such property.

All premiums monies and other assets whatsoever belonging or payable at the date of the Trust Deed or thereafter at any time belonging or becoming payable to the Company in connection with the Canadian Business and received on behalf of the Company by the Agent or any other person.

All premiums, monies and other assets whatsoever belonging or payable or hereafter at any time belonging or becoming payable to the Company in connection with the Canadian Business and any right to receive any of the foregoing.

Any monies drawn on any letter of credit deposited by Lloyd's and drawn on a bank in terms satisfactory to the Superintendent pursuant to Article 2.4 of the Trust Deed.

Any property assigned transferred or conveyed by the Company from time to time through an Agent or otherwise to the Canadian Trustee or its nominee(s) and designated to be held in trust as part of the Trust Capital of the Company's Personal Reserve Fund.

(See Continuation Sheet No 1, page 4)

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed

Date

16 JANUARY 1997

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.

Please do not
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binding margin

Particulars of a mortgage or charge (continued)

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

Please complete
legibly, preferably
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bold block lettering

Company number

3265777

Name of company

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delete if
inappropriate

COTB WORTH CAPITAL LIMITED
Limited*

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

the name of Lloyd's ("Lloyd's"), the Underwriting Members of Lloyd's (the "Names") (including the Company) and Royal Trust Corporation of Canada, a trust company incorporated under the laws of Canada and its successors and permitted assigns (the "Canadian Trustee"); and the Superintendent of Financial Institutions for Canada (the "Superintendent").

The instrument amends and restates the instrument (dated November 9 1977 amended by further instrument dated March 8 1978 and further amended and restated by deed dated June 11 1989) of the same description and made between Lloyd's and the Canadian Trustee. These particulars under section 395, and the resultant registration under Part XII Chapter 1 of the Companies Act 1985, are additional to the existing particulars and registration of the instrument amended and restated by deed dated June 11 1989 (which existing particulars and registration remain effective).

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reimbursement of expenses of the Canadian Trustee, the Company's due proportion of any shortfall in the Lloyd's Canadian Business Fund (including any costs or expenses in respect thereto) and including also any taxes incurred in or by reason of the Canadian Business;

(b) The transfer to the Company's Premiums Trust Fund or the Company's Personal Reserve Fund, if requested by the Agent or if mandated by any Council's Direction, of such assets of the Company's Trust Fund as are certified or reported by auditors approved by the Council to exceed the amount required, in accordance with the Council's Direction, to be held in the Company's Trust Fund to discharge the liabilities of the Company in respect of the Canadian Business;

(c) The payment of any levies or assessments assessed at any time against the Company pursuant to any Council's Direction; and

(d) The payment of or funding of any deposit or asset requirement as may be imposed on the Names (including the Company) at any time by any federal, provincial or territorial law, regulation or authority in respect of the Canadian Business.

2. In respect of the Company's Personal Reserve Fund:

(a) The transfer to the Company's Premiums Trust Fund or the Company's Trust Fund of such assets as the relevant Agent may from time to time direct; and

(b) The payment of or funding of any deposit or asset requirement as may be imposed on the Names (including the Company) at any time by any federal, provincial or territorial law, regulation or authority in respect of the Canadian Business.

3. Transfers of assets or funds of the Company's Trust Fund and Company's Personal Reserve Fund into the Lloyd's Canadian Business Fund (or any sub account thereof) at any time in accordance with the terms of the Trust Deed.

4. In respect of the Federal Deposit Fund:

The payment of all and any liabilities or obligations (payable at any time) in respect of which or in connection with which the Insurance Companies Act of Canada, SC 1991 (including any amendments or regulations made pursuant thereto) requires that assets be vested in trust and (subject thereto) payment to the Names of sums due to the Names

"Agent" means, as applicable, any one or more of:

(a) the Company's managing agent meaning the agent duly appointed for the purpose of conducting the Company's underwriting business at Lloyd's including any successor thereto and such agent's employees and appointees;

(b) the Regulating Trustee; or

(c) any Representative of the Agent;

save and except in a context referring solely to the Company's Personal Reserve Fund in which context "Agent" may also mean, as applicable:

(a) the Company's members' agent duly appointed for the purpose of conducting the Company's affairs at Lloyd's and any successor thereto and such agent's employees and appointees; or

(b) any Regulating Trustee.

"Canadian Business" means such part of the Company's underwriting business at Lloyd's as is from time to time either:

(a) business written in Canadian dollars, that is to say business in respect of which the premium payable to the Company has been paid or is payable in Canadian dollars and the liability of the Company in respect thereof is expressed in Canadian dollars; or

(b) business, other than marine and reinsurance business, not written in Canadian dollars, in respect of which the risks covered by the policy or contract of insurance are or will be ordinarily situated in a province or territory of Canada.

"Council" means the Council of Lloyd's constituted by the Lloyd's Act 1982 and such persons as shall from time to time be authorised by the Council to exercise any power of the Council.

"Council's Direction" means any direction or requirement of the Council (whether comprised in any byelaw, regulation, direction or other written instrument issued by the Council to the Agent or other person concerned).

(see Continuation Sheet No 2, page 2)

Please complete
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Lloyd's, those to whom any losses, claims, returns of premiums, reinsurance premiums and other outgoings were payable at the date of the Trust Deed or may at any time after the date of the Trust Deed become payable by the Company in connection with the Canadian Business of the Company including the payment of any amount into an escrow fund or account to be held in respect of a particular claim of a policyholder or any other person, those to whom any expenses whatsoever from time to time incurred by the Company in connection with or arising out of the Canadian Business of the Company are at any time payable (including any salary, commission, other remuneration and reimbursement of outlays payable by the Company to the Agent or to any other person in connection with the conduct or winding up of the Canadian Business, the repayment of any outstanding indebtedness incurred by the Company to meet valid expenses of the Canadian Business of such Company, the Company's due proportion of the remuneration and reimbursement of expenses of the Canadian Trustee, the Company's due proportion of any shortfall in the Lloyd's Canadian Business Fund (including any costs or expenses in respect thereto) and including also any taxes incurred or by reason of the Canadian Business), those for whose benefit any levies or assessments are assessed at any time against the Company pursuant to any Council's Direction, those for whose benefit any requirement or direction for the payment of or funding of any deposit or asset requirement may be imposed or given, the Names, those for whose benefit the Insurance Companies Act of Canada, SC 1991 (including any amendments or regulations made pursuant thereto) requires that assets be vested in trust, (subject always to the terms of the Lloyd's Premiums Trust Deed) the Premiums Trustees, and (subject always to the terms of the Trust Deed and of the Lloyd's Premiums Trust Deed):

(a) those to whom any losses claims returns of premium reinsurance premiums and other outgoings are payable as at the date of the Lloyd's Premiums Trust Deed or at any time thereafter become or may become payable in connection with the Underwriting; and

(b) those to whom any expenses whatsoever from time to time incurred in connection with or arising out of the Underwriting are payable or become or may become payable (such expenses excluding any Non-deductible Item but including any annual fee, commission, other remuneration and reimbursement of outlays payable by the Company to any of the Company's Agents or Lloyd's or the Regulating Trustee or except where so excluded to any other person in connection with the conduct or winding-up of the Underwriting and including also any fiscal liabilities incurred in or by reason of the Underwriting or in respect of the property mortgaged or charged by the Lloyd's Premiums Trust Deed or its income).

"the Premiums Trustees" means the trustees for the time being of the Lloyd's Premiums Trust Deed including the Regulating Trustee the Members' Agent's Trustees of any Members' Agent and the Managing Agent's Trustees of any Managing Agent (but excluding any separate trustees of any Overseas Fund).

"Member's Agent" means a Member's Agent at Lloyd's appointed by the Company as the Company's Members' Agent in respect of all or any part of the Underwriting and including any successors so acting of the Members' Agent so appointed (and "Members' Agent's Trustees" means in regard to any Members' Agent the trustees for the time being of the Lloyd's Premiums Trust Deed who have been designated under Clause 5 of the Lloyd's Premiums Trust Deed as the Member's Agent's Trustees).

"Managing Agent" means an underwriting agent at Lloyd's appointed by the Company (either directly or by any Members' Agent acting in exercise of any authority given by the Company to that Members' Agent or by any means derived from any authority so given) to act as an agent or sub-agent of the Company for the purpose of conducting all or any part of the Underwriting and including any successors so acting of the underwriting agent to be appointed (and "Managing Agent's Trustees" means in regard to any Managing Agent the trustees for the time being of the Lloyd's Premium Trust Deed who have been designated under Clause 5 of the Lloyd's Premium Trust Deed as the Managing Agent's Trustees).

"the Company's Agents" are any (or if more than one every):

(a) Member's Agent at Lloyd's appointed by the Company to act as the Company's Members' Agent in respect of all or any part of the Underwriting and including any successors so acting of the Members' Agent so appointed

(b) Underwriting Agent at Lloyd's appointed by the Company (either directly or by any Members' Agent referred to at (a) above acting in exercise of any authority given by the Company to that Members' Agent or by any means derived from any authority so given) to act as an agent or sub-agent of the Company for the purpose of conducting all or any part of the Underwriting and including any successors so acting of the Underwriting Agent so appointed.

(but for the avoidance of any doubt not any person who is merely a Lloyd's Adviser or a sponsor of the Company at Lloyd's).

"the Underwriting" means the underwriting business (whether current or past or future) of the Company at Lloyd's, but excluding any long term business of the Company and also excluding any business of the Company conducted for any year of account commencing after the sixtieth anniversary of the date of the Lloyd's Premiums Trust Deed.

(see Continuation Sheet No 2, page 3)

Any Trust Income derived from the Company's Trust Fund or the Company's Personal Reserve Fund and directly transferred to or from Trust Capital of the Company's Trust Fund, the Company's Premiums Trust Fund or the Company's Personal Reserve Fund, at such times and in such amounts as the Agent may direct or otherwise transferred or paid as the Agent may direct (subject to any restrictions imposed by the Superintendent), and in respect of which there are express instructions that the Trust Income shall be accumulated and held as Trust Capital.

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The assets now or at any time hereafter vested in trust by the Company pursuant to the Vested Assets (Foreign Companies) Regulations made pursuant to the Insurance Companies Act SC 1991 c47 including any amendments or regulations made pursuant thereto.

"Trust Capital" means at the relevant time all of the property comprising the relevant trust fund other than any portion thereof that is Trust Income that has not been accumulated and added by the Canadian Trustee to the Trust Capital in accordance with Article 3 of the Trust Deed.

"Trust Income" means the income (including net capital gains) of the relevant trust fund but excludes any portion thereof that at the time the expression is applied, had previously been accumulated and added by the Canadian Trustee to the Trust Capital in accordance with Article 3 of the Trust Deed.

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Particulars of a mortgage or charge (continued)

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

Please complete
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Company number

3265777

Name of company

COTESWORTH CAPITAL LIMITED

Limited*

*
delete if
inappropriate

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

"Lloyd's Canadian Business Fund" means one or more common accounts to which separate and identifiable amounts of funds from the various trust funds comprising the Lloyd's Canadian Trust Fund may be placed in connection with the Canadian Business but are not inconsistent with the terms hereof.

"Lloyd's Canadian Trust Fund" means the aggregate of:

- (a) the aggregate of the Names' Trust Funds (including the Company's Trust Fund);
- (b) the aggregate of the Names' Personal Reserve Funds (including the Company's Personal Reserve Fund); and
- (c) the Lloyd's Federal Deposit Fund.

"Lloyd's Federal Deposit Fund" means the assets required to be vested in trust pursuant to the Vested Asset (Foreign Companies) Regulations made pursuant to the Insurance Companies Act, S.C. 1991, c.47 (including any amendments or regulations made pursuant thereto) and any income derived therefrom.

"Lloyd's Premiums Trust Deed" means the Lloyd's Premiums Trust Deed, approved pursuant to the Insurance Companies Act 1982 executed by the Company, in respect of insurance business at Lloyd's, in accordance with the provisions of which are held, the premiums, monies and other assets received by or on behalf of the Company, in connection with such business.

"Name" means an underwriting member of Lloyd's and includes such underwriting member's administrator, administrative receiver, committee, curator bonis, executor, liquidator, manager, personal representative, supervisor, or trustee in bankruptcy, or any other person by law entitled or bound to administer the affairs of the member concerned;

"Personal Reserve Fund" means (in the case of any Name, including the Company) the assets vested in the Canadian Trustee pursuant to Article 2.5 of the Trust Deed.

"Name's Trust Fund" or "Company's Trust Fund" means (in the case of any Name, including the Company) the aggregate of:

- (a) the premiums, monies and other assets vested in the Canadian Trustee on the date of the Trust Deed as such Name's Trust Fund (or as the Company's Trust Fund as the case may be) or to be vested in the Canadian Trustee pursuant to Article 2.2 of the Trust Deed;
- (b) the premiums, monies and other assets to be vested in the Canadian Trustee pursuant to Article 2.3 of the Deed; and
- (c) any Trust Income which the Canadian Trustee is directed to add or accumulate to the Name's Trust Fund (or the Company's Trust Fund, as the case may be) pursuant to Article 3 of the Trust Deed or any further property or assets transferred to the Canadian Trustee and designated for vesting in the Name's Trust Fund (or the Company's Trust Fund, as the case may be).

"Company's Premiums Trust Fund" means the assets vested in trust by the Company, pursuant to the Lloyd's Premiums Trust Deed.

"Regulating Trustee" means the person for the time being designated as the Company's Regulating Trustee pursuant to the Lloyd's Premiums Trust Deed.

"Representative of the Agent" means any person authorised by the Agent to act for and on behalf of the Agent and with the same authority and effect as the Agent itself may act pursuant to the Trust Deed.

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

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"Non-deductible Item" means:

- (a) any fee or other remuneration payable by or on behalf of the Company to or for the benefit of any Lloyd's adviser or sponsor of the Company (except in a case where such Lloyd's adviser or sponsor is also one of the Company's Agents and the fee or other remuneration in question is paid to him or it solely in that latter capacity)
- (b) any fee or other remuneration payable by or on behalf of the Company to or for the benefit of any director or other officer of the Company or of any other body corporate (except in a case where such other body corporate is one of the Company's Agents and the fee or other remuneration in question is paid to a director or other officer of it acting in that capacity)
- (c) any fee or other remuneration payable to or for the benefit of any lawyer accountant stockbroker or financial adviser or other adviser whatsoever in relation to (i) any reinsurance effected by or on behalf of the Company or (ii) the payment or settlement of any claims made in connection with the Underwriting (including the processing compromise payment repudiation and litigation of any such claims and all matters ancillary thereto)
- (d) any salary wages fee or other remuneration payable by or on behalf of the Company to or for the benefit of any employee of the Company or to or for the benefit of any other person (except Lloyd's itself or one of the Company's Agents acting in that capacity) for the provision of the services of that other person's employees
- (e) any outgoings whatsoever payable by or on behalf of the Company in connection with its incorporation or with the setting up of the underwriting business of the Company at Lloyd's
- (f) any outgoings whatsoever arising out of the acquisition or disposal or occupation of any premises by or on behalf of the Company or the acquisition or disposal or use of any equipment by or on behalf of the Company and
- (g) any other outgoings of an overhead nature payable by or on behalf of the Company.

Short particulars of all the property charged (Continued)

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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. 03265777

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE (IN THE TERMS OF THE LLOYD'S CANADIAN TRUST DEED "THE TRUST DEED" DATED 26 SEPTEMBER 1995. THE INSTRUMENT AMENDS AND RESTATES THE INSTRUMENT DATED 9 NOVEMBER 1977, AS FURTHER AMENDED BY DEEDS DATED 8 MARCH 1978 AND 11 JUNE 1989) DATED THE 1st JANUARY 1997 AND CREATED BY COTESWORTH CAPITAL LIMITED FOR SECURING ALL LOSSES, CLAIMS, EXPENSES, RETURNS OF PREMIUMS, RE-INSURANCE PREMIUMS AND OTHER OUTGOINGS PAYABLE AT THE DATE OF THE TRUST DEED OR AT ANY TIME THEREAFTER TO BECOME PAYABLE IN CONNECTION WITH THE CANADIAN BUSINESS OF THE COMPANY, INCLUDING (1) THE PAYMENT OF ANY AMOUNT INTO AN ESCROW FUND OR ACCOUNT TO BE HELD IN RESPECT OF A PARTICULAR CLAIM OF A POLICYHOLDER OR ANY OTHER PERSON AND (2) ALL EXPENSES WHATSOEVER FROM TIME TO TIME INCURRED BY THE COMPANY IN CONNECTION WITH OR ARISING OUT OF THE CANADIAN BUSINESS OF THE COMPANY INCLUDING ANY SALARY, COMMISSION, OTHER REMUNERATION AND REIMBURSEMENT OF OUTLAYS PAYABLE BY THE COMPANY TO THE AGENT OR TO ANY OTHER PERSON IN CONNECTION WITH THE CONDUCT OR WINDING UP OF THE CANADIAN BUSINESS, THE REPAYMENT OF ANY OUTSTANDING INDEBTEDNESS INCURRED BY THE COMPANY TO MEET VALID EXPENSES OF THE CANADIAN BUSINESS OF SUCH COMPANY, THE COMPANY'S DUE PROPORTION OF REMUNERATION AND REIMBURSEMENT OF EXPENSES OF THE CANADIAN TRUSTEE, THE COMPANY'S DUE PROPORTION OF ANY SHORTFALL IN THE LLOYD'S CANADIAN BUSINESS FUND (INCLUDING ANY COSTS OR EXPENSES IN RESPECT THERETO) AND INCLUDING ALSO ANY TAXES INCURRED IN OR BY REASON OF THE CANADIAN BUSINESS WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 17th JANUARY 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 4th DECEMBER 1997.


for the Registrar of Companies



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