



HM Treasury

2025 Retrocession Agreement

Retrocession Agreement between Pool Reinsurance Company Limited and The Lords Commissioners of His Majesty's Treasury

February 2025

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Presented to Parliament pursuant to section 1(2) of the
Reinsurance (Acts of Terrorism) Act 1993.

February 2025



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RETROCESSION AGREEMENT

between

POOL REINSURANCE COMPANY LIMITED

and

THE LORDS COMMISSIONERS OF HIS MAJESTY'S TREASURY

Date: 14th JANUARY 2025

RETROCESSION AGREEMENT

THIS RETROCESSION AGREEMENT is made on 14th January 2025, with effect in respect of Covered Loss arising under Relevant Instruments (each as defined in the Reinsurance Treaties) reinsured by the Retrocedant pursuant to the Reinsurance Treaties

BETWEEN

- (1) POOL REINSURANCE COMPANY LIMITED (registered in England under number 02798901) whose registered office is at 7 Savoy Court, London, United Kingdom, WC2R 0EX ("the Retrocedant"); and
- (2) THE LORDS COMMISSIONERS OF HIS MAJESTY'S TREASURY of 1 Horse Guards Road, London SW1A 2HQ ("the Retrocessionaire")

WHEREAS

- (A) The Retrocedant and the Retrocessionaire are parties to the 2022 Retrocession Agreement pursuant to which the Retrocessionaire provides protection to the Retrocedant in respect of its liability under Class A Reinsurance Agreements and Class B Reinsurance Agreements.
- (B) The Retrocessionaire has previously provided protection to the Retrocedant pursuant to the 2019 Retrocession Agreement, the 2015 Retrocession Agreement and the 1993 Retrocession Agreement.
- (C) The Retrocedant has proposed that the Class A Reinsurance Agreements and the Class B Reinsurance Agreements be replaced by the Reinsurance Treaties with effect from 1 April 2025. The Parties have agreed to enter into this Retrocession Agreement to reflect certain amendments to the terms of the 2022 Retrocession Agreement to make necessary consequential changes to reflect such replacement and certain other changes agreed by the Parties.
- (D) The terms of this Retrocession Agreement apply in relation to Relevant Instruments reinsured by the Retrocedant pursuant to the Reinsurance Treaties. Certain terms of the 2022 Retrocession Agreement will continue to apply in relation to Relevant Instruments incepting or renewing in the period between the 2022 Agreement Effective Date and the Effective Date, to the extent that amounts would become payable by one Party to the other under those terms after the Effective Date.
- (E) Neither Party has any ongoing rights or obligations under any of the 1993 Retrocession Agreement, the 2015 Retrocession Agreement or the 2019 Retrocession Agreement.

IT IS AGREED

ARTICLE 1 - SCOPE

- 1.1 This Retrocession Agreement applies to Covered Loss (as defined in the Reinsurance Treaties) arising under Relevant Instruments reinsured by the Retrocedant pursuant to the Reinsurance Treaties.
- 1.2 In accordance with Article 3 of this Retrocession Agreement, certain terms of the 2022 Retrocession Agreement shall continue to apply to Covered Loss (as defined in the Class A Reinsurance Agreements or, as applicable, the Class B Reinsurance Agreements) arising under Relevant Instruments incepting or renewing before the Effective Date and accepted by the Retrocedant pursuant to the Reinsurance Agreements ("2022 Agreement Covered Loss").
- 1.3 For the avoidance of doubt, each of the 1993 Retrocession Agreement, 2015 Retrocession Agreement and 2019 Retrocession Agreement is hereby terminated on the basis neither Party has any ongoing rights or obligations thereunder.

ARTICLE 2- LIMITS OF INDEMNITY

- 2.1 The Retrocessionaire hereby undertakes (subject to the provisions of this Retrocession Agreement) to indemnify the Retrocedant for the amount of the Retrocedant's Ultimate Net Loss (as defined in Article 4 of this Retrocession Agreement) which exceeds the Retention, which indemnity shall be calculated as at the end of each Quarter.
- 2.2 The Retrocedant shall, subject to availability and the prior written approval of the Retrocessionaire (such approval being at the Retrocessionaire's absolute discretion), effect such additional retrocessions to protect business falling within the scope of this Retrocession Agreement as are considered by the Retrocedant to be appropriate, provided that:
- (a) for the purposes of its determination of whether any additional retrocession is required, the Retrocedant shall, if requested to do so by the Retrocessionaire, obtain at its own cost, share with the Retrocessionaire, and take into account independent actuarial advice;
 - (b) the Retrocessionaire shall only be liable hereunder for the amount of the Retrocedant's Ultimate Net Loss which exceeds the Retention, which includes the amount or amounts paid and payable under any such additional retrocessions; and
 - (c) notwithstanding paragraph (b), the Retention shall not include any amount payable under any additional retrocession to the extent that:
 - (i) the Third Party Retrocessionaire has defaulted in payment; or
 - (ii) the Retrocedant has made a provision in its management accounts against non-payment by the Third Party Retrocessionaire;
- and Article 4.3 shall apply in respect of any such amounts.

ARTICLE 3 - PERIOD OF APPLICATION AND INTERACTION WITH 2022 RETROCESSION AGREEMENT

- 3.1 This Retrocession Agreement shall be deemed to have commenced on the Effective Date and shall continue in full force and effect unless and until terminated pursuant to and in accordance with the provisions of Article 14 ("the Period of Application").
- 3.2 Subject to Articles 3.3 and 3.4, and notwithstanding Article 14.1, the 2022 Retrocession Agreement shall be deemed to have terminated with effect from the Effective Date and, without prejudice to any rights and obligations under this Retrocession Agreement, neither Party shall have any further rights or obligations under the 2022 Retrocession Agreement.
- 3.3 The Retrocedant shall continue to have an obligation to make payment to the Retrocessionaire of the Retrocessionaire's Maximum Premium Entitlement in respect of the Underwriting Periods (each as defined in the 2022 Retrocession Agreement) to which the 2022 Retrocession Agreement applied, calculated in accordance with Schedule 2 to the 2022 Retrocession Agreement, as if the 2022 Retrocession Agreement had been terminated pursuant to Article 14.1 of the 2022 Retrocession Agreement. This obligation shall be subject to the terms of the 2022 Retrocession Agreement including, for the avoidance of doubt, the limitations in Article 6 and Schedule 2 of the 2022 Retrocession Agreement.
- 3.4 The Retrocessionaire shall continue to have an obligation to indemnify the Retrocedant in respect of 2022 Agreement Covered Loss in accordance with the 2022 Retrocession Agreement.
- 3.5 For the purpose of calculating the amount of the obligations of the Parties under Articles 3.3 and 3.4, the Retrocedant shall provide to the Retrocessionaire such reports and calculations referred to in Article 5 and Article 7 of the 2022 Retrocession Agreement as are necessary for the calculation of the Retrocessionaire's Maximum Premium Entitlement and the indemnity obligation of the Retrocessionaire.
- 3.6 The reports required to be provided under Article 3.5 shall be prepared using the updated forms set out in the Reinsurance Underwriting Manual from time to time, but shall be accompanied by a supplementary report showing a reconciliation of the information in those reports with the components of the calculations of the Retrocessionaire's Maximum Premium Entitlement and the indemnity obligation of the Retrocessionaire under the 2022 Retrocession Agreement.

ARTICLE 4 - ULTIMATE NET LOSS

- 4.1 In this Retrocession Agreement "Ultimate Net Loss" means the total sum actually paid by the Retrocedant in respect of Covered Loss (as defined in the Reinsurance Treaties) arising under Relevant Instruments including litigation and other expenses reasonably incurred by the Retrocedant in connection with the adjustment thereof, but excluding office expenses and salaries

of the Retrocedant attributable thereto and after deduction of all salvage payments and/or recoveries (including recoveries due from all other retrocessions inuring for the benefit of the Retrocedant whether collected or not, except to the extent that a Third Party Retrocessionaire has defaulted in payment or the Retrocedant has made a provision in its management accounts against non-payment by the Third Party Retrocessionaire).

- 4.2 For the purposes of Article 4.1, but subject to Article 4.3, all salvage, recoveries or payments recovered or received subsequent to any loss settlement hereunder shall be applied as if recovered or received prior to any such settlement and all adjustments as shall be necessary to reflect the above shall be made by the Parties.
- 4.3 To the extent that an amount paid by the Retrocessionaire was increased by reason of:
- (a) the previous non-payment by a Third Party Retrocessionaire; or
 - (b) the Retrocedant having made a provision in its management accounts against non-payment by a Third Party Retrocessionaire;

then, where such amounts are subsequently received from the Third Party Retrocessionaire they shall not be applied as if recovered or received prior to any such settlement but shall immediately be payable to the Retrocessionaire.

- 4.4 No liability shall be incurred by the Retrocessionaire to the Retrocedant unless and until the Retrocedant has made actual payment to the Reinsured or to its order under the Reinsurance Treaty; subject to the proviso, however, that nothing in this Article shall be construed to mean that recovery cannot be made by the Retrocedant from the Retrocessionaire until the Retrocedant's Ultimate Net Loss has been finally ascertained and the Retrocedant will be taken to have made actual payment for these purposes when it has complied with the requirements specified from time to time in the Reinsurance Treaty and/or the Reinsurance Underwriting Manual relating to the payment of a claim.
- 4.5 In the event that the Retrocedant shall not, for any reason, have paid the Reinsured (or to its order) within 60 days of payment becoming due and payable, the Retrocessionaire may at its option pay directly to the Reinsured (or to its order) such amount as would have been due to the Retrocedant under this Retrocession Agreement in respect of that Reinsured but for such non-payment; any such payment (if and when made by the Retrocessionaire) shall operate as a pro tanto discharge of the Retrocessionaire's liability to the Retrocedant.

ARTICLE 5 - CLAIMS CO-OPERATION AND REPORTING

- 5.1 Notwithstanding anything contained to the contrary in this Retrocession Agreement (with the exception of Article 15 to the provisions of which this Article is subject) it is a condition precedent to the Retrocessionaire's liability in respect of the Retrocedant's Ultimate Net Loss arising as a consequence of each and every claim under a Reinsurance Treaty that:
- (a) the Retrocedant shall render quarterly (or at such other intervals greater than or equal to a calendar month as may be agreed between the Parties from time to time) to the Retrocessionaire bordereaux in the form set out in the Reinsurance Underwriting Manual containing such information as is reasonably required by the Retrocessionaire in relation to the claim concerned and the circumstances which could give rise to such claim;
 - (b) the Retrocedant shall have notified the Retrocessionaire in accordance with Article 22 of the Reinsurance Treaties of the event or events giving rise to the claim which in the opinion of the Retrocedant or the Reinsured constitutes an Act of Terrorism; and either a Certificate (as defined in the Reinsurance Treaties) has been issued by the Retrocessionaire pursuant to those provisions or the event or events in question has or have been determined to be an Act of Terrorism by the Tribunal;
 - (c) the Retrocedant if requested by the Retrocessionaire co-operates fully with the Retrocessionaire and any other person or persons designated by the Retrocessionaire to oversee the investigation, adjustment and settlement of the claim notified to the Retrocessionaire as aforesaid and the Retrocedant shall not if so requested by the Retrocessionaire litigate the claim without consulting the Retrocessionaire or such person or persons;
 - (d) save to the extent that the payment is made pursuant to paragraph 5.2 of this Article, or the Parties and the Reinsured otherwise agree in writing, the total amount of the Retrocedant's liability to the relevant Reinsured in respect of the Covered Loss shall have been finally determined either by judgment or award against the Retrocedant made by a competent court or arbitration tribunal of competent jurisdiction; and

- (e) the Retrocedant obtains the written consent of the Retrocessionaire prior to making any payment in respect of the claim pursuant to the Retrocedant's option (regarding payment to an Original Insured (as defined in the Reinsurance Treaties) in the event of non-payment by the Reinsured) contained in paragraph 8.3 of Article 8 of the Reinsurance Treaties.
- 5.2 The Retrocedant shall be entitled to settle claims pursuant to Reinsurance Treaties, and claims so paid shall form part of the Retrocedant's Ultimate Net Loss, if either:
- (a) the Retrocedant reasonably considers at the time of payment of the claim that its Ultimate Net Loss (as defined in this Retrocession Agreement but for the purposes of this Article only, excluding recoveries due from all retrocessions with Third Party Retrocessionaires) arising from a single Act of Terrorism does not exceed the sum as may be specified in the Reinsurance Underwriting Manual; or
 - (b) the claim is paid in accordance with arrangements or procedures relating to the handling of claims set out from time to time in the Reinsurance Underwriting Manual; and in both cases
 - (c) the Retrocedant shall have complied with its notification obligations referred to in Article 5.1(b) above.

ARTICLE 6 - PREMIUM

- 6.1 The Retrocessionaire shall be entitled in respect of each Underwriting Period to receive premium equal to the amount of the Retrocessionaire's Maximum Premium Entitlement together with interest thereon calculated as set out in Schedule 2. Premium and interest shall be paid to the Retrocessionaire in accordance with the provisions of paragraphs 6.2 to 6.5 inclusive of this Article.
- 6.2 Notwithstanding the Retrocessionaire's entitlement to premium as provided for in Article 6.1 the Retrocessionaire shall not, subject to the provisions of Article 6.4, seek payment of the Retrocessionaire's Maximum Premium Entitlement unless and until there is a Surplus and so that, at any time when there is a Surplus and notwithstanding termination of this Retrocession Agreement, the Retrocessionaire shall be entitled by notice in writing to the Retrocedant to require the Retrocedant to pay to the Retrocessionaire forthwith the Payment Required as defined in paragraph 6.5(a) of this Article.
- 6.3 In the event of the termination of this Retrocession Agreement pursuant to paragraph 14.1 of Article 14 the Retrocessionaire shall be paid premium and interest in accordance with the provisions of paragraph 6.2 of this Article.
- 6.4 In the event of the termination of this Retrocession Agreement pursuant to paragraph 14.2 of Article 14 the Retrocessionaire shall be paid by the Retrocedant forthwith upon calculation all premium and interest to which the Retrocessionaire is entitled pursuant to paragraph 6.1 of this Article and for these purposes paragraph 1 of Schedule 2 shall be disregarded and such calculation shall be made immediately following and as at the effective date of termination provided that no later than 30th June in the Fourth Year of the Underwriting Period in which this Retrocession Agreement is terminated, the Retrocessionaire's Maximum Premium Entitlement shall be calculated again in accordance with Schedule 2 and either:
- (a) all premium and interest to which the Retrocessionaire is then entitled shall be paid forthwith to the Retrocessionaire; or
 - (b) the Retrocessionaire shall repay to the Retrocedant all premium and interest already paid to the Retrocessionaire in excess of that actually due in respect of that Underwriting Period, together with interest thereon calculated to the date of payment on the same basis as set out in Schedule 2.
- 6.5
- (a) For the purposes of paragraph 6.2 of this Article the "Payment Required" shall mean, subject to (b) below, such aggregate amount of premium to which the Retrocessionaire is entitled under paragraph 6.1 of this Article ("Premium") and interest on such Premium (as calculated under Schedule 2) ("Interest") as does not exceed the Surplus.
 - (b) If the Retrocessionaire's Maximum Premium Entitlement plus interest thereon exceeds the Surplus then the Premium comprised in the Payment Required as defined in 6.5(a) above shall be taken to be the following elements of the Retrocessionaire's Maximum Premium Entitlement in the following order:

- (i) the amount of the Retrocessionaire's Maximum Premium Entitlement based on premium received by the Retrocedant from Reinsureds as referred to in paragraph 2 of Schedule 2 in respect of the Underwriting Period commencing on the Effective Date; and then (as to any balance)
- (ii) the amount of the Retrocessionaire's Maximum Premium Entitlement based on the Retrocessionaire's Payments if any made in that Underwriting Period and represented in the Excess (as such terms are defined in paragraph 2 of Schedule 2); and then (as to any balance)
- (iii) paragraph (i) and (ii) shall each be applied in turn in respect of each subsequent Underwriting Period in chronological order up to and including the Underwriting Period for which the calculation is being made.

ARTICLE 7 – ACCOUNTS AND ACCOUNTING REQUIREMENTS

7.1 The Retrocedant shall prepare and deliver to the Retrocessionaire no later than sixty (60) calendar days after the end of each Quarter (or at such other intervals greater than or equal to a calendar month as may be agreed between the Parties from time to time) and in respect of such Quarter (or other interval greater than or equal to a calendar month as may be agreed between the Parties from time to time), Revenue Statements in the form reasonably required by the Retrocessionaire (which form shall, inter alia, be consistent with the form in which its annual accounting balance sheet is prepared in accordance with applicable accounting standards, and will set out the items required to calculate the Retrocessionaire's liability hereunder).

7.2 In the event that at the end of any Quarter the Retrocedant notifies the Retrocessionaire of its opinion that there is a Qualifying Underwriting Loss in respect of an Underwriting Period; and

- (a) the Retrocessionaire agrees (such agreement not to be unreasonably withheld or delayed) on the basis of the information contained in the Revenue Statements and any further information which it may reasonably require, that there is a Qualifying Underwriting Loss in respect of that Underwriting Period and is in agreement (such agreement not to be unreasonably withheld or delayed) with the amount of such Qualifying Underwriting Loss; and
- (b) as at the end of that Quarter the Retrocedant has insufficient Funds to meet such Ultimate Net Losses as will be payable by the Retrocedant during the next Quarter (regardless of the Underwriting Period to which such Ultimate Net Losses relate),

then the Retrocessionaire shall upon request by the Retrocedant pay to the Retrocedant on account the amount or amounts by which Aggregate Liabilities payable during the next Quarter are estimated to exceed 120% of Aggregate Premium in relation to the Underwriting Period concerned less the aggregate of all amounts already paid by the Retrocessionaire pursuant to this Article 7.2 in respect of that Underwriting Period.

7.3 Thereafter to the extent that the Revenue Statements evidence the Ultimate Net Loss of the Retrocedant in respect of an Underwriting Period paid in accordance with the provisions of Article 5 either:

- (a) the Retrocessionaire shall pay to the Retrocedant the Retrocessionaire's liability pursuant to Article 2 in respect of the Underwriting Period concerned after deduction of the aggregate of amounts paid by the Retrocessionaire on account pursuant to Article 7.2; or
- (b) the Retrocedant shall pay to the Retrocessionaire by no later than 31st July in the Fourth Year such amount by which the aggregate amounts paid on account pursuant to Article 7.2 in respect of the Underwriting Period concerned exceed the amount of the Retrocessionaire's liability pursuant to Article 2 in respect of that Underwriting Period;

and so that for the purposes of this paragraph, the liability of the Retrocessionaire pursuant to Article 2 shall be allocated to Underwriting Periods at the end of each Quarter pro rata to the Ultimate Net Losses taken into account in respect of that Quarter for such Underwriting Periods.

7.4 Following payment by either of the Parties pursuant to paragraph 7.3 above, to the extent that the Revenue Statements evidence additional Ultimate Net Loss incurred by the Retrocedant not taken into account in the calculation pursuant to that paragraph in respect of the same Underwriting Period, the Retrocessionaire shall pay to the Retrocedant the Retrocessionaire's liability pursuant to Article 2 in respect of that Underwriting Period at the end of each Quarter.

ARTICLE 8 – DISCUSSION REGARDING TIMING OF PAYMENTS

- 8.1 Following the occurrence of an Act of Terrorism, which may reasonably be expected to result in the Ultimate Net Loss exceeding the Retention at the end of the next Quarter, representatives of the Parties shall discuss the details upon which the Retrocedant will repay the Retrocessionaire any amounts paid to and repayable by the Retrocedant under this Retrocession Agreement.

ARTICLE 9 - UNDERTAKINGS

- 9.1 The Retrocedant hereby undertakes to the Retrocessionaire that it shall:
- (a) operate its business and conduct its affairs in accordance with the provisions of the Reinsurance Underwriting Manual and in a bona fide and business-like manner;
 - (b) not commit any dishonest, fraudulent or criminal act or omission relating to the operation of this Retrocession Agreement;
 - (c) comply with the Reinsurance Underwriting Manual in all respects, including all alterations and/or amendments to it from time to time pursuant hereto;
 - (d) give written notice to the Retrocessionaire of any material breach of any of the terms of the Reinsurance Treaties and/or Membership Agreement by any of the Reinsureds and/or its Members as soon as practicable after becoming aware of any such breach;
 - (e) save to the extent that the Parties otherwise agree in writing, take all available steps at all times to enforce its contractual rights under Article 9, Article 10, Article 11, Article 15.1, Article 17.2 and Schedule 5 of the Reinsurance Treaties as soon as practicable after becoming aware that it is entitled to exercise such rights;
 - (f) ensure that there is in force at all times for its directors and other officers, directors and officers liability insurance in relation to their position as directors and officers of the Retrocedant; and
 - (g) purchase and maintain insurance (to the extent that such insurance is available at reasonable cost) indemnifying the Retrocedant and its employees against liability which it or they may incur as a consequence of any error or omission on behalf of any of them in the course of the operation of the business or the conduct of the affairs of the Retrocedant.

ARTICLE 10 - SECURITY

- 10.1 The Retrocedant shall, if so required and when required by the Retrocessionaire, enter into and create a floating charge in favour of the Retrocessionaire in the terms of the draft set out in Schedule 7, and shall from time to time whenever requested by the Retrocessionaire execute (whether under hand or under seal) in favour of the Retrocessionaire or as the Retrocessionaire may direct such further or other legal assignments, transfers, mortgages, legal or other charges, securities or documents as in each such case the Retrocessionaire shall stipulate over the Retrocedant's estate or interest in all or any property (including over property acquired after the date hereof) and wheresoever situate whether for the purpose of perfection or protection of the security constituted by the said floating charge or for more effectively providing security for the payment or discharge of the obligations hereunder or for the better realisation of any property or for the exercise or more effective exercise of the powers authorities directions rights or remedies vested in the Retrocessionaire or any receiver appointed pursuant to the said floating charge or any other security.
- 10.2 The Retrocedant shall be entitled to request the Retrocessionaire to enter into a guarantee or guarantees in respect of the Retrocedant's obligations to its bankers from time to time, whereupon the Retrocessionaire may, if the Retrocessionaire considers it appropriate, enter into one or more guarantees for such purposes.
- 10.3 The Retrocedant shall forthwith upon receipt of a written demand from the Retrocessionaire indemnify the Retrocessionaire in full in respect of any and all sums which the Retrocessionaire is liable to pay or has paid pursuant to a demand (whether valid or not) under a guarantee entered into pursuant to this Article, such indemnity to include interest, costs and expenses incurred by the Retrocessionaire and any other sums whatsoever payable by the Retrocessionaire in relation to the said guarantee and interest shall accrue to such sum or sums at the rate and on the basis specified in paragraph 3(b), 3(c) and 3(d) of Schedule 2 from the date of payment of the same by the Retrocessionaire.
- 10.4 The benefit of this Retrocession Agreement shall not be assigned whether in whole or in part by the Retrocedant whatsoever other than in favour of any bankers from time to time of the

Retrocedant by way of security for any banking facility made available by such bankers to the Retrocedant and then only to the extent of such facilities and with the prior written consent of the Retrocessionaire.

ARTICLE 11 - MATTERS REQUIRING PRIOR WRITTEN CONSENT OF RETROCESSIONAIRE

- 11.1 Unless the prior written consent of the Retrocessionaire is obtained, or where expressly permitted in Articles 11.6 or 11.8 or otherwise by this Retrocession Agreement, the Retrocedant shall not:
- (a) sell, transfer, lease, assign or otherwise dispose of a material part of the undertaking property and/or assets of the Retrocedant or contract so to do;
 - (b) delegate any part of the management of its business to a third party or agent;
 - (c) borrow any sum (except from the Retrocedant's bankers in the ordinary and usual course of the Retrocedant's business) in excess of a maximum aggregate sum outstanding at any time of £10 million;
 - (d) save for a floating charge required by the Retrocessionaire pursuant to Article 10.1 create any fixed or floating charge, liens (other than a lien arising by operation of law) or other encumbrance over the whole or any part of the undertaking, property and/or assets of the Retrocedant;
 - (e) give any guarantee or indemnity to secure the liabilities or obligations of another person other than:
 - (i) under the Reinsurance Treaties;
 - (ii) by reason of the renewal or extension in time of any guarantee or indemnity for which consent has previously been given;
 - (iii) an indemnity which arises by operation of law by reason of the execution of a document that the Retrocedant is otherwise permitted to execute, provided that any such indemnity is promptly notified to the Retrocessionaire; or
 - (iv) an indemnity which is contained in any commercial agreement issued by the Minister for the Cabinet Office as represented by the Crown Commercial Service, or any successor body, provided that such indemnity is promptly notified to the Retrocessionaire;
 - (f) invest in any class of asset other than in accordance with investment guidelines approved by the Board;
 - (g) enter into any contract or transaction except in the ordinary and usual course of the Retrocedant's business at arms' length terms;
 - (h) enter into any partnership or profit-sharing agreement with any person;
 - (i) do or so far as it is within its power, permit or suffer to be done any act or thing whereby the Retrocedant may be wound up (whether voluntarily or compulsorily) save as otherwise expressly provided for in this Retrocession Agreement or required by its Articles of Association or applicable law;
 - (j) enter into any variation of or amendment of the Membership Agreement;
 - (k) lend money other than in the normal course of operating bank accounts or as the holder of a security or investment;
 - (l) participate in any transaction which, if the Retrocedant (or any Subsidiary of the Retrocedant) were listed on the London Stock Exchange, would constitute a "significant transaction" as defined for the purposes of the Listing Rules;
 - (m) so far as it is within its power, permit or cause to be proposed any amendment to the Retrocedant's memorandum and articles of association;
 - (n) withdraw or cease to offer as a class of business, reinsurance cover in respect of losses occurring as a result of Acts of Terrorism, other than as a result of a decision to cease to effect any new contracts of insurance; or
 - (o) save as provided in Article 11.8, incur expenditure, enter into an agreement or otherwise incur a commitment involving expenditure in connection with a Terrorism Risk Mitigation Project where:
 - (i) the aggregate amount (including any amounts no longer available for the payment of claims as a result of spending or ring-fenced investments) involved in

a single Terrorism Risk Mitigation Project is in excess of the value of 0.5 per cent of the Retrocedant's assets as set out in the Retrocedant's most recent audited annual accounts; and/or

- (ii) the aggregate amount (including any amounts no longer available for the payment of claims as a result of spending or ring-fenced investments) involved in all of the Retrocedant's Terrorism Risk Mitigation Projects in any one year period ending on 31 March of each year is in excess of the value of 1 per cent of the Retrocedant's assets as set out in the Retrocedant's most recent audited annual accounts,

in each case exclusive of VAT.

11.2 Save as provided in Article 11.3, the Retrocedant shall not distribute among its Members or to Reinsureds, or take any step which would immediately thereafter result in the distribution among its Members or to Reinsureds of, any property of the Retrocedant unless:

- (a) the prior written consent of the Retrocessionaire is obtained; and
- (b) the basis of any such distribution complies with the Articles of Association of the Retrocedant.

11.3 Notwithstanding Article 11.2, unless the Retrocedant, with the Retrocessionaire's prior written consent, such consent not to be unreasonably withheld or delayed, decides not to do so, the Retrocedant shall, in respect of each Financial Year:

- (a) subject to the requirements of the Companies Act 2006; and
- (b) provided that, on the date on which its annual accounts are submitted to the Registrar in respect of that Financial Year, there is a Surplus;

pay a dividend to its Members equal to the Return Percentage of the Annual Profit in respect of that Financial Year. Where applicable, the dividend in respect of a Financial Year shall be paid within 60 Business Days after submission to the Registrar of the audited accounts of the Retrocedant relating to that Financial Year.

11.4 If, at any date on which the Retrocedant's annual accounts are submitted to the Registrar, there is no Surplus for any reason, Article 11.3 shall be suspended unless and until otherwise agreed between the Parties in writing.

11.5 The Reinsurance Treaties and the Reinsurance Underwriting Manual shall not be amended otherwise than by agreement in writing by the Parties, save that the Retrocedant may amend the Reinsurance Treaties or the Reinsurance Underwriting Manual without the consent of the Retrocessionaire where it gives 21 days' prior written notice to the Retrocessionaire of its intention to make the amendment if the amendment is not an Excluded Amendment. For the avoidance of doubt the setting of premiums payable to the Retrocedant or retentions held by Reinsureds under the Reinsurance Treaties with effect from the beginning of each Underwriting Period (as defined in the Reinsurance Treaties) or pursuant to the material change provisions of Article 14 of the Reinsurance Treaties shall not be treated as amendments of the Reinsurance Treaties for the purpose of this Article.

11.6 The Retrocedant may do any act or thing which would otherwise be a breach of paragraphs (a), (c), (d), (e) or (k) of Article 11.1 (each a "Restricted Act") without the prior consent of the Retrocessionaire where the Board reasonably anticipates that the aggregate amount involved in all such Restricted Acts that will be or have been done without the prior written consent of or subsequent ratification by the Retrocessionaire in the then-current Underwriting Period is less than 2.5 per cent of the total premium received or to be received by the Retrocedant from Reinsureds in respect of Relevant Instruments in respect of the current Underwriting Period.

11.7 Without prejudice to Article 11.6, if at any time during an Underwriting Period, the Board reasonably anticipates that, or it subsequently becomes apparent to the Board that, the aggregate amount involved in all Restricted Acts that will be or have been done without the prior consent of or subsequent ratification by the Retrocessionaire in that Underwriting Period is greater than 1.25 per cent of the total premium received or to be received by the Retrocedant from Reinsureds in respect of Relevant Instruments in respect of the current Underwriting Period, the Retrocedant shall promptly notify the Retrocessionaire in writing of each applicable and subsequent Restricted Act that it has done or will do during that Underwriting Period.

11.8 Unless the prior written consent of the Retrocessionaire is obtained, the Retrocedant shall not incur expenditure, enter into agreements or otherwise incur commitments involving expenditure alongside the British Business Bank's National Security Strategic Investment Fund strategy where

the aggregate amount (including any amounts no longer available for the payment of claims as a result of spending or ring-fenced investments) incurred (or would be, if incurred) is in excess of the value of three per cent of the Retrocedant's assets as set out in the Retrocedant's most recent audited annual accounts at the time the expenditure is incurred or an irrevocable agreement or commitment is entered into to incur such expenditure. Any expenditure or agreement or commitment involving expenditure in accordance with this Article 11.8 shall not be taken into account when calculating the aggregate amounts of expenditure permitted without the consent of the Retrocessionaire under Article 11.1(o).

ARTICLE 12 - INSPECTION OF RECORDS

- 12.1 For as long as either Party remains under any liability hereunder the Retrocedant shall, upon request by the Retrocessionaire and at the Retrocedant's expense, make available at the Retrocedant's head office or wherever the same may be located, for inspection at any reasonable time by such representatives as may be authorised by the Retrocessionaire for that purpose (being employees of a government body, or an independent person or persons engaged for the purpose), all information relating to and generated pursuant to the Reinsurance Treaties in the Retrocedant's possession or under its control and shall supply the Retrocessionaire with such copies of any of the records containing the aforesaid information as the Retrocessionaire may require.
- 12.2 The Retrocessionaire shall at all times (whether before or after the expiry or sooner determination of this Retrocession Agreement) use its best endeavours to keep confidential (and to ensure that its agents (if any) shall keep confidential) any information which it may acquire in relation to the business, assets or affairs of the Retrocedant and/or its Members and shall not without the written consent of the Retrocedant use or disclose such information or make such information available to any other person, unless disclosure of any such information is required by law (whether statutory or otherwise) or to enable the Retrocessionaire to fulfil its obligations to Parliament.

ARTICLE 13 - ALTERATIONS

- 13.1 No variation in this Retrocession Agreement shall be effective unless in writing and duly signed on behalf of the Parties. Variations sent by instantaneous means of communication are also effective provided they are capable of being shown by means of permanent or retrievable record to have been agreed by both Parties.

ARTICLE 14 - TERMINATION

- 14.1 This Retrocession Agreement may be terminated by either Party giving the other Party not less than one hundred and twenty (120) days' notice in writing expiring at midnight on 31st March in any year.
- 14.2 The Retrocessionaire shall be entitled to terminate this Retrocession Agreement immediately and upon notice given to the Retrocedant in the event that:
- (a) the performance of the whole or any part of this Retrocession Agreement is either prohibited or rendered impossible de jure or de facto in particular and without prejudice to the generality of the preceding words in consequence of any law or regulation which is or shall be in force in any jurisdiction or in the event that any law or regulation in any jurisdiction shall prevent directly or indirectly the remittance of any payments due to or from either of the Parties provided that, if the Competition and Markets Authority (or any other relevant competition authority) informs any of the Parties that, in its view, any provision of the Pool Agreements (as defined in Article 19.2) infringes the Chapter I prohibition of the Competition Act 1998 (or, where relevant, any other applicable competition rules), or that the conclusion, performance or enforcement of any provision of any of them would constitute an abuse of a dominant position contrary to the Chapter II prohibition of the Competition Act 1998 (or, where relevant, any other applicable competition rules), then neither Party shall be entitled, under this Article 14.2(a), to terminate this Retrocession Agreement by virtue of any infringement of the Chapter I or Chapter II prohibitions of the Competition Act 1998 (or, where relevant, any other applicable competition rules) to which that information relates unless and until termination is required to comply with a legally binding order or direction given by the Competition and Markets Authority (or the other relevant competition authority);
 - (b) the Retrocedant is unable to pay its debts or a petition is presented (which is not withdrawn or set aside within 30 days) or a resolution passed to wind up the Retrocedant;
 - (c) the Retrocedant shall have failed to comply in any material respect with any of the provisions of this Retrocession Agreement;

- (d) the Retrocedant's Memorandum and Articles of Association are amended without the Retrocessionaire's prior written consent;
 - (e) the Retrocessionaire becomes liable to pay or has paid any sum pursuant to a demand (whether valid or not) under a guarantee entered into pursuant to Article 10.2;
 - (f) there has been an Event of Default (as defined therein) under any floating charge given by the Retrocedant under Article 10.1.
- 14.3 The Retrocessionaire shall notify the Retrocedant of termination pursuant to paragraph 14.2 of this Article, failing which such termination shall not be effective but so that such notice may, in the absolute discretion of the Retrocessionaire, determine that termination shall be effective as from and including the date of the relevant event giving rise to the right to terminate, or as from such later date as the Retrocessionaire may determine.
- 14.4 The Retrocessionaire shall (save to the extent that the Parties have specifically agreed otherwise) remain liable in respect of the Retrocedant's Ultimate Net Loss arising only in respect of:
- (a) Relevant Instruments which incepted or renewed prior to the effective date of termination of this Retrocession Agreement;
 - (b) all quotations issued by Reinsureds in compliance with the Reinsurance Treaties which cannot be withdrawn and which are outstanding on the effective date of termination of this Retrocession Agreement; and
 - (c) the full extent and duration of all run-off cover purchased by Reinsureds under Article 17.6 of the Reinsurance Treaties.
- 14.5 The provisions of this Retrocession Agreement which either are expressed to survive termination of this Retrocession Agreement or by implication of their terms would or should survive termination of this Retrocession Agreement (including but not limited to Article 5, Article 6, Article 7, Article 8, Article 9, Article 10, Article 11 other than paragraph 11.1(n), Article 12, Article 13, Article 14, Article 16, Article 17 and Article 18) shall continue in full force and effect notwithstanding termination of this Retrocession Agreement provided that all Articles and all other paragraphs of Article 11.1 shall cease to have force and effect once the Retrocessionaire has no further liability to indemnify the Retrocedant hereunder.
- 14.6 In the event of termination of this Retrocession Agreement pursuant to paragraphs 14.1 or 14.2 of this Article, the Retrocessionaire shall not exercise any rights which the Retrocessionaire may have to recover from the Retrocedant or its directors or former directors, officers or employees any amount of the Retrocessionaire's Maximum Premium Entitlement which remains unpaid, save to the extent that the Retrocedant has funds in excess of the aggregate of its Ordinary Business Expenses, technical reserves relating to liability under Reinsurance Treaties the subject of this Retrocession Agreement and retrocession expenses so far as they relate to additional retrocessions taken out pursuant to Article 2.2 which are available to be applied in payment of such amount of the Retrocessionaire's Maximum Premium Entitlement which is outstanding for payment.

ARTICLE 15 - ERRORS AND OMISSIONS

- 15.1 It is hereby understood and agreed between the Parties that any inadvertent or immaterial delays, omissions or errors made in connection with this Retrocession Agreement shall not (save to the extent that the Retrocedant has persisted in making such delays, omissions or errors) be held to entitle the Retrocessionaire to exercise any right of termination or to relieve the Parties from any liability which would have attached to them hereunder if such delay, omission or error had not occurred, provided that if rectification is possible, it is made as soon as practicable upon discovery.

ARTICLE 16 - NOTICES AND LANGUAGE

- 16.1 Save as provided in Schedule 3, a notice, approval, consent or other communication in connection with this Retrocession Agreement:
- (a) must be in writing;
 - (b) in the case of the Retrocessionaire, must be marked for the attention of The Head of Insurance, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ
 - (c) in the case of the Retrocedant, must be marked for the attention of General Counsel, Pool Reinsurance Company Limited, 7 Savoy Court, London, United Kingdom, WC2R 0EX; and

- (d) must be left at the address of the addressee, or sent by prepaid ordinary post (airmail if posted to or from a place outside the United Kingdom) to the address of the addressee, or if the addressee notifies another address then to that address.
- 16.2 A notice, approval, consent or other communication shall take effect from the time it is received (or, if earlier, the time it is deemed to be received in accordance with paragraph 16.3 of this Article 16) unless a later time is specified in it.
- 16.3 A letter is deemed to be received, unless actually received earlier, on the third (seventh, if posted to or from a place outside the United Kingdom) day after posting.
- 16.4 Each document, notice or other communication given, delivered or made by one Party to the other or to any other person under or in connection with this Retrocession Agreement shall be in English or, if not in English, be accompanied by a formal English translation (and the party or other person which receives such a translation shall be entitled to assume its accuracy and to rely upon it).

ARTICLE 17 – ARBITRATION

- 17.1 All matters of difference between the Parties arising under, out of or in connection with this Retrocession Agreement, with the exception of a dispute in relation to the Certification Issue (which shall be dealt with in accordance with the provisions of Schedule 3) including formation and validity, and whether arising during or after the period of this Retrocession Agreement, shall be referred to an arbitration tribunal in the manner hereinafter set out.
- 17.2 Unless the Parties appoint a sole arbitrator within 14 days of one receiving a written request from the other for arbitration, the claimant (the Party requesting arbitration) shall appoint its arbitrator and give written notice thereof to the respondent. Within 30 days of receiving such notice the respondent shall appoint its arbitrator and give written notice thereof to the claimant, failing which the claimant may apply to the appointor hereafter named to nominate an arbitrator on behalf of the respondent.
- 17.3 Before they enter upon a reference the two arbitrators shall appoint a third arbitrator. Should they fail to appoint such a third arbitrator within 30 days of the appointment of the respondent's arbitrator then either of them or either of the Parties may apply to the appointor for the appointment of the third arbitrator. The three arbitrators shall decide by majority. If no majority can be reached the verdict of the third arbitrator shall prevail. He shall also act as chairman of the tribunal.
- 17.4 Unless the Parties otherwise agree the arbitration tribunal shall consist of persons (including those who have retired) with not less than ten years' experience at senior management level in the insurance industry itself or as lawyers or other professional advisers with relevant experience.
- 17.5 The arbitration tribunal shall, so far as is permissible under the law and practice of the place of arbitration, have power to fix all procedural rules for the holding of the arbitration including discretionary power to make orders as to any matters which it may consider proper in the circumstances of the case with regard to pleadings, disclosure, inspection of the documents, examination of witnesses and any other matter whatsoever relating to the conduct of the arbitration and may receive and act upon such evidence whether oral or written strictly admissible or not as it shall in its discretion think fit.
- 17.6 The appointor shall be the Chairman for the time being of ARIAS (UK) or, if he is unavailable or it is inappropriate for him to act for any reason, such person as may be nominated by the Committee of ARIAS (UK).
- 17.7 All costs of the arbitration shall be determined by the arbitration tribunal who may, taking into account the law and practice of the place of arbitration, direct to and by whom and in what manner they shall be paid.
- 17.8 The place of arbitration may be chosen by the Parties, but in default of such choice, the place of arbitration shall be London, England.
- 17.9 The award of the arbitration tribunal shall be in writing and binding upon the Parties who consent to carry out the same.

ARTICLE 18 – GOVERNING LAW AND JURISDICTION

- 18.1 The proper law of this Retrocession Agreement shall be and its terms shall be construed in accordance with the laws of England and Wales.
- 18.2 In the event that Article 17 becomes or is found null, void or otherwise unenforceable for any reason each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the English Courts and each Party waives any right that it may have to object to an action being brought in

those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

- 18.3 Without preventing any other mode of service, any document in an action (including but not limited to any writ of summons or other originating process or any third or other party notice) may (in the event that paragraph 18.2 of this Article applies) be served on either Party by being delivered to or left for that Party at its address for service of notices under Article 16.

ARTICLE 19 - COMPETITION LAW COMPLIANCE

- 19.1 If the Competition and Markets Authority or any other relevant competition authority issues a legally binding decision to the effect that the Pool Agreements (or any provision of any of them) infringes the Chapter I prohibition of the Competition Act 1998 (or, where relevant, any other applicable competition rules), or that the conclusion, performance or enforcement of the Pool Agreements (or any provision of any of them) infringes the Chapter II prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules), then the Parties shall use all reasonable endeavours to amend the Pool Agreements (or shall execute new agreements) so as to ensure that the objectives of the Pool Agreements are achieved and that the Pool Agreements as so amended (or any such new agreements) will not infringe the Chapter I prohibition of the Competition Act 1998 (or, where relevant, any other applicable competition rules) and that the conclusion, performance and enforcement of the Pool Agreements as so amended (or those new agreements) by any party thereto will not infringe the Chapter II prohibition of the Competition Act 1998 (or, where relevant, any other applicable competition rules) and, save to the extent that it is reasonable to do so, and/or it is no longer possible to achieve the objectives of the Pool Agreements or to amend the Pool Agreements or enter into new agreements which do not give rise to an infringement of the Chapter I or Chapter II prohibitions of the Competition Act 1998 (or, where relevant, any other applicable competition rules), neither Party shall withhold its consent (to the extent to which it is required) to the making of any such amendment or the execution of any such new agreement.

- 19.2 In this Article 19 "Pool Agreements" means:

- (a) the Memorandum and Articles of Association of the Retrocedant;
 - (b) the Membership Agreement (and each Accession Agreement executed pursuant thereto);
 - (c) each Reinsurance Treaty to which the Retrocedant is or becomes party; and
 - (d) this Retrocession Agreement (including the Reinsurance Underwriting Manual)
- each as from time to time amended or supplemented.

ARTICLE 20 – ENTIRE AGREEMENT

- 20.1 This Retrocession Agreement constitutes the entire agreement and understanding between the Parties in respect of the matters dealt with in it and supersedes any previous agreement between the Parties relating to such matters. It is noted that, in accordance with Article 3 of this Retrocession Agreement, certain terms of the 2022 Retrocession Agreement will continue to apply in respect of the 2022 Agreement Covered Loss.
- 20.2 Each of the Parties acknowledges and agrees that in entering into this Retrocession Agreement, and the documents referred to in it, it does not rely on, and will have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Retrocession Agreement or not) other than as expressly set out in this Retrocession Agreement.
- 20.3 Subject to Article 20.4, each Party:
- (a) agrees to the exclusion of the other Party's duty or obligation to make, in anticipation of entering into this Retrocession Agreement, any representation, warranty or disclosure relating to the subject matter of this Retrocession Agreement other than those set out in this Retrocession Agreement;
 - (b) waives any remedy it might have by reason of any breach by the other Party of any duty of utmost good faith or other duty to make any disclosure in relation to the subject matter of this Retrocession Agreement, other than as set out in this Retrocession Agreement; and
 - (c) acknowledges that it has not been induced to enter into this Retrocession Agreement by any representation which is not expressly contained in this Retrocession Agreement and that it shall not have any remedy, whether in equity, contract or tort, under the Misrepresentation Act 1967 for any such representation.

- 20.4 Nothing in Article 20.3 is intended to affect and/or waive and/or otherwise exclude any rights or remedies in respect of fraud on the part of the other Party or which are otherwise incapable of being waived or excluded as a matter of law or public policy (as determined by reference to the governing law and jurisdiction of this Retrocession Agreement).

ARTICLE 21 – COMPLIANCE WITH LAWS AND REGULATIONS

- 21.1 Without prejudice to Article 14.2, in exercising its rights and performing its obligations under this Retrocession Agreement, each Party shall comply with all applicable laws and regulation including those concerning:

- (a) UN, EU and UK economic sanctions;
- (b) the processing or controlling of personal data (including the General Data Protection Regulation (2016/679) as incorporated into United Kingdom law by virtue of section 3 of the European Union (Withdrawal) Act 2018 (and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019), the UK Data Protection Act 2018 and the Privacy and Electronic Communications (EC Directive) Regulations 2003));
- (c) anti-money laundering and the detection or prevention of financial crime;
- (d) anti-bribery and anti-corruption (and neither Party shall offer or pay to, or solicit or accept from, any other party, any bribe, or cause or permit such an offer or payment to be made, or cause or permit such solicitation or acceptance), and

each Party must promptly notify the other in writing of any breach by it of this Article 21.1 (provided always that it shall not be obliged to make such notification if and to the extent that to do so would cause it to breach any applicable laws or regulation).

- 21.2 Each Party shall ensure that it implements and maintains in place during the term of this Retrocession Agreement appropriate policies and procedures to ensure its compliance with the laws and regulations specified in Article 21.1.

ARTICLE 22 – NO PARTNERSHIP OR AGENCY

- 22.1 Nothing in this Retrocession Agreement is intended to or shall operate to create a partnership between the Parties, or authorise either Party to act as agent for the other, and neither Party shall have the authority to act in the name or on behalf of or otherwise to bind the other in any way (including the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

ARTICLE 23 – BENEFIT OF THIS RETROCESSION AGREEMENT

- 23.1 This Retrocession Agreement is solely between the Parties, and in no instance shall any Reinsured or other third party have any rights in, to, or under this Retrocession Agreement. A person who is not a Party to this Retrocession Agreement shall have no rights pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any terms under this Retrocession Agreement. The Parties may amend, vary or terminate this Retrocession Agreement (to the extent permitted hereunder) without reference to, or the consent of, any person who is not a Party to this Retrocession Agreement.

ARTICLE 24 – WAIVERS AND REMEDIES

- 24.1 Any failure to exercise or any delay in exercising a right or remedy provided by this Retrocession Agreement or at law or in equity will not constitute a waiver of the right or remedy or a waiver of any other rights or remedies. A waiver of a breach of any of the terms of this Retrocession Agreement or of a default under this Retrocession Agreement will not constitute a waiver of any other breach or default and will not affect the other terms of this Retrocession Agreement.
- 24.2 The rights and remedies provided by this Retrocession Agreement are cumulative and (subject as otherwise provided in this Retrocession Agreement) are not exclusive of any rights or remedies provided at law or in equity.

ARTICLE 25 – SEVERABILITY

- 25.1 If any provision of this Retrocession Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.

- 25.2 If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provisions shall apply with whatever modification is necessary to give effect to the commercial intention of the Parties and the Parties shall use reasonable endeavours to modify those provisions accordingly.
- 25.3 The Parties agree to attempt to substitute for any invalid or unenforceable provision a valid and enforceable provision which achieves, to the greatest extent possible, the same effect as would have been achieved by the invalid or unenforceable provision.

ARTICLE 26 – SET OFF

- 26.1 Subject to Article 26.2, all amounts due under this Retrocession Agreement will be paid in full without any deduction or withholding other than as required by law and neither Party will be entitled to assert any credit, set-off or counterclaim against the other in order to justify withholding payment of any such amount in whole or in part.
- 26.2 Each Party may set off any sum which has become due and payable by it to the other Party under this Retrocession Agreement against any sum which has become due and payable to it by the other Party under this Retrocession Agreement provided that the obligation to pay each sum and the amount of each sum are not the subject of any on-going good faith dispute.

ARTICLE 27 – COUNTERPARTS

- 27.1 This Retrocession Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed for all purposes an original, but all of which shall constitute but one and the same instrument.

SCHEDULE 1

Definitions

1. In the Retrocession Agreement of which this Schedule 1 forms part the following definitions are used and shall have the respective meanings appearing alongside them:

"1993 Retrocession Agreement"	means the retrocession agreement dated 30 th July 1993 between the Parties (as amended and/or restated from time to time);
"2015 Retrocession Agreement"	means the retrocession agreement dated 25 th March 2015 between the Parties (as amended and/or restated from time to time);
"2019 Retrocession Agreement"	means the retrocession agreement dated 12 th February 2019 between the Parties (as amended and/or restated from time to time);
"2022 Agreement Covered Loss"	has the meaning given to it in Article 1.2;
"2022 Agreement Effective Date"	means 1st January 2022;
"2022 Retrocession Agreement"	means the retrocession agreement dated 5 th May 2022 between the Parties (as amended and/or restated from time to time);
"Accession Agreement"	means any agreement entered into from time to time between the Retrocedant and any new members in order to accede those new members to the Membership Agreement;
"Act of Terrorism"	means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of His Majesty's government in the United Kingdom or any other government de jure or de facto;
"Aggregate Liabilities"	shall have the meaning ascribed to it in Schedule 4 for the purposes of determining a Qualifying Underwriting Loss;
"Aggregate Premium"	shall have the meaning ascribed to it in Schedule 4 for the purposes of determining a Qualifying Underwriting Loss;
"Annual Profit"	means, in respect of a Financial Year, the lesser of: <ul style="list-style-type: none">(a) the amount by which the Retained Earnings of the Retrocedant increased between the beginning and the end of that Financial Year, as shown in the audited accounts of the Retrocedant in respect of that Financial Year; and(b) the distributable reserves of the Retrocedant as at the date on which a dividend is declared in respect of that Financial Year for payment under Article 11.3, as determined by the directors of the Retrocedant; in either case excluding the effect of any dividend paid under Article 11.3 or further premium paid under Schedule 2 paragraph 2(1)(b) in respect of the previous Financial Year;
"Board"	means the board of directors of the Retrocedant;

"Business Day"	means a day (not being a Saturday) on which banks are open for general banking business in the City of London;
"Certification Issue"	means the issue of whether or not there has been an Act of Terrorism;
"Class A Head of Cover"	<p>means any of the following four types of direct insurance cover:</p> <ul style="list-style-type: none"> (a) Buildings and Completed Structures; (b) Other property (including contents, engineering, contractors and computers); (c) Business Interruption; or (d) Book Debts; <p>provided always that each Class A Head of Cover shall be deemed to be a separate Class A Head of Cover whether the item is insured under separate policies, under separate terms of a policy or under separate sections of combined or package policies;</p>
"Class A Reinsurance Agreements"	means reinsurance agreements between the Retrocedant and direct insurers in respect of any Class A Head of Cover substantially in the terms of the agreement which appeared as Schedule 5 to the 2022 Retrocession Agreement, or in such other terms as were subsequently agreed in writing by the Parties or amended by the Retrocedant in accordance with Article 11.5 of the 2022 Retrocession Agreement;
"Class B Head of Cover"	means any direct Non-Damage Business Interruption insurance cover regardless of whether the item insured is insured under separate policies, under separate terms of a policy or under separate sections of combined or package policies;
"Class B Reinsurance Agreements"	means reinsurance agreements between the Retrocedant and direct insurers in respect of any Class B Head of Cover substantially in the terms of the agreement which appeared as Schedule 6 to the 2022 Retrocession Agreement, or in such other terms were subsequently agreed in writing by the Parties or amended by the Retrocedant in accordance with Article 11.5 of the 2022 Retrocession Agreement;
"Effective Date"	means 1 st April 2025;
"Excluded Amendment"	<p>means an amendment that on its own or in combination with one or more other amendments:</p> <ul style="list-style-type: none"> (a) makes changes to the Reinsurance Treaties or Reinsurance Underwriting Manual that would reasonably be expected to result in a change to the total premium received by the Retrocedant from Reinsureds in respect of Relevant Instruments in respect of an Underwriting Period of more than £5 million or other such amount as the Parties may from time to time agree (and for the avoidance of doubt the setting of premiums payable to the Retrocedant under the Reinsurance Treaties with effect from the beginning of each Underwriting Period or pursuant to the material change provisions of Article 14 of the Reinsurance Treaties shall not be taken into account for the purpose of this £5m threshold); or

	(b)	would alter any then applicable threshold or trigger relating to claims or accounting provisions under Reinsurance Treaties or the Reinsurance Underwriting Manual by more than 10 per cent;
"Financial Year"		means a financial year of the Retrocedant in respect of which the Retrocedant prepares audited accounts;
"Fourth Year"		means the Underwriting Period which commences on the third anniversary of the commencement date of an Underwriting Period;
"Funds"		means cash in hand or at bank and investments;
"Further Premium"		means a further premium which the Retrocedant becomes liable to pay in accordance with Schedule 2 paragraph 2(1)(b);
"Further Premium Percentage"		means 25 per cent or such other percentage of the Annual Profit as the Parties may agree in writing from time to time;
"Listing Rules"		means the Listing Rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000;
"Members"		means persons who are members of the Retrocedant from time to time;
"Membership Agreement"		means the agreement between the Retrocedant and its members dated 1 st April 2025, as supplemented by each Accession Agreement executed pursuant thereto;
"Non-Covered Expenses"		means any costs and expenses of the Retrocedant which are not: <ul style="list-style-type: none"> (a) Ordinary Business Expenses; or (b) expenses included in the definition of Ultimate Net Loss in Article 4;
"Ordinary Business Expenses"		means the reasonable costs and expenses incurred by the Retrocedant in operating its business and in conducting its affairs and shall include but shall not be limited to: <ul style="list-style-type: none"> (a) the costs and expenses of purchasing and/or maintaining insurances purchased or maintained by the Retrocedant pursuant to paragraphs (f) and (g) of Article 9.1; (b) any Taxation paid or provision or reserve for Taxation (other than Taxation on investment income); (c) costs and expenses incurred by the Retrocedant in the pursuit of any proceedings; (d) costs and expenses incurred by the Retrocedant in proceedings relating to the Retrocedant's obligation to indemnify a Reinsured under a Reinsurance Treaty; (e) costs and expenses incurred by the Retrocedant in the defence of proceedings which do not relate to the Retrocedant's obligation to indemnify a Reinsured under a Reinsurance Treaty where the principal sum in issue is £1 million or less; but shall not include: (f) costs and expenses incurred by the Retrocedant in the defence of proceedings which are not relating to the Retrocedant's obligation to indemnify a Reinsured under a Reinsurance

Treaty or to the Retrocedant's obligations hereunder where the principal sum in issue is £1 million or more and the amount of the sum in question which exceeds £1 million and the related costs and expenses incurred by the Retrocedant are not covered by another insurance policy, save to the extent that the Retrocessionaire has agreed to the treatment of such costs and expenses as Ordinary Business Expenses; or

- (g) any actual or contingent liability of the Retrocedant to pay the Retrocessionaire's Maximum Premium Entitlement;

"Parties"	means the Retrocessionaire and the Retrocedant and "Party" shall be construed accordingly;
"Period of Application"	has the meaning given to it in Article 3.1;
"Prior Retrocession Agreements"	means the 1993 Retrocession Agreement, the 2015 Retrocession Agreement, the 2019 Retrocession Agreement and the 2022 Retrocession Agreement;
"Qualifying Underwriting Loss"	means an underwriting loss determined in the manner set out in Schedule 4;
"Quarter"	means a three month period ending on 30 th June, 30 th September, 31 st December or 31 st March;
"Registrar"	means the Registrar of Companies of England and Wales;
"Reinsurance Agreements"	means the Class A Reinsurance Agreements and the Class B Reinsurance Agreements, and a Reinsurance Agreement means any of them;
"Reinsurance Treaties"	means reinsurance agreement treaties between the Retrocedant and direct insurers substantially in the terms of the agreement which appears as Schedule 5 to this Retrocession Agreement, or in such other terms as may be agreed in writing by the Parties or amended by the Retrocedant in accordance with Article 11.5;
"Reinsurance Underwriting Manual"	means the Reinsurance Underwriting Manual in the agreed terms containing the terms and conditions which are to be applied by the Retrocedant reinsuring and otherwise conducting the business retroceded hereunder;
"Reinsured"	means a reinsured under a Reinsurance Treaty;
"Relevant Instrument"	has the meaning given in the Reinsurance Treaties;
"Restricted Act"	has the meaning given in Article 11.6;
"Retained Earnings"	means the amount which, as at any particular date, would appear as the balance of the Retained Earnings Reserve which appears on the balance sheet in the statutory accounts of the Retrocedant properly drawn up at such date using Companies Act accounting policies and appropriate accounting conventions, principles, and practices, as disclosed in such statutory accounts, save that where a change made at any time after the Effective Date in the applicable accounting policies would result in a material change in the amounts payable under this Retrocession Agreement, the Retained Earnings will, unless the Parties otherwise agree in

writing, be determined using the accounting policies that applied as at the Effective Date;

"Retention"	<p>means, as regards all Relevant Instruments, the amount (whether positive or negative) that would be the balance of the Retained Earnings if the obligation of the Retrocedant to pay the Retrocessionaire's Maximum Premium Entitlement were fully provided for therein and no account were taken of any amount which the Retrocedant is entitled to receive from the Retrocessionaire or from any Third Party Retrocessionaire, plus:</p> <ul style="list-style-type: none">(a) the amount of any provision that has been made for unearned premiums (net of the Retrocessionaire's share and the share of any Third Party Retrocessionaire) in determining the Retained Earnings;(b) the amount of any provision that has been made in determining the Retained Earnings for any actual or contingent obligation of the Retrocedant to pay the Retrocessionaire's Maximum Premium Entitlement;(c) payments made by the Retrocedant in respect of Covered Loss from the Effective Date, together with any costs and expenses included in the definition of Ultimate Net Loss in Article 4 in respect of that Covered Loss which are not Ordinary Business Expenses and which have reduced the Retained Earnings;(d) the amount of any Non-Covered Expenses which have reduced the Retained Earnings; and(e) any amount payable to the Retrocedant under any other retrocession except to the extent that the Third Party Retrocessionaire has defaulted in payment or the Retrocedant has made a provision in its management accounts against non-payment by the Third Party Retrocessionaire;
"Retrocessionaire's Maximum Premium Entitlement"	means the maximum amount of premium to which the Retrocessionaire is entitled under the Retrocession Agreement and which is calculated as provided for in Schedule 2;
"Return Percentage"	means 25 per cent or such other percentage of the Annual Profit as the Parties may agree in writing from time to time;
"Revenue Statements"	means the form of quarterly (or at such other intervals greater than or equal to a calendar month as may be agreed between the Parties from time to time) treaty declarations and balance sheets provided for by the Reinsurance Underwriting Manual and to be delivered by the Retrocedant to the Retrocessionaire at the time and in respect of the Underwriting Periods specified in the Reinsurance Underwriting Manual;
"SONIA"	means the Sterling overnight index average rate as administered by the Bank of England (or any other person which takes over the administration of that rate) displayed on the Bank of England website or on the appropriate page of such other information service which publishes that rate from time to time in place of the Bank of England; provided that if such page or service ceases to be available, the Retrocessionaire may specify another page or service displaying the relevant rate after consultation with the Retrocedant;

"Subsidiary"	shall have the meaning ascribed to a subsidiary in Section 1159 of the Companies Act 2006;
"Surplus"	<p>means, as regards all Relevant Instruments, the amount by which:</p> <ul style="list-style-type: none"> (a) the sum of: <ul style="list-style-type: none"> (i) the amount (whether positive or negative) that would be the balance of the Retained Earnings if the obligation of the Retrocedant to pay the Retrocessionaire's Maximum Premium Entitlement were fully provided for therein and no account were taken of any amount which the Retrocedant is entitled to receive from the Retrocessionaire or from any Third Party Retrocessionaire; (ii) the amount of any provision that has been made for unearned premiums (net of the Retrocessionaire's share and the share of any Third Party Retrocessionaire) in determining the Retained Earnings; (iii) the amount of any provision that has been made in determining the Retained Earnings for any actual or contingent obligation of the Retrocedant to pay the Retrocessionaire's Maximum Premium Entitlement; (iv) the amount of any Non-Covered Expenses which have reduced the Retained Earnings; (v) any amount payable to the Retrocedant under any other retrocession except to the extent that the Third Party Retrocessionaire has defaulted in payment or the Retrocedant has made a provision in its management accounts against non-payment by the Third Party Retrocessionaire; <p>exceeds</p> <ul style="list-style-type: none"> (b) one billion pounds sterling, <p>and for the purposes of this Retrocession Agreement there is a "Surplus" at any given time if this amount is greater than zero at that time;</p>
"Taxation"	means any form of taxation levy duty charge contribution impost of whatever nature (including any fine, penalty, surcharge or interest in relation thereto) imposed by a local municipal governmental state federal or other body or authority in the United Kingdom or elsewhere;
"Third Party Retrocessionaire"	means any retrocessionaire other than the Retrocessionaire with whom the Retrocedant has entered into a retrocession in accordance with Article 2;
"Terrorism Risk Mitigation Projects"	means projects or programmes which aim to reduce the risk or severity of a terrorist act or terrorist acts, including in a specific area or caused by a specific method, either for the benefit of: (a) all or any of the Members; (b) any business located in or operating within the United Kingdom; and/or (c) all or any part of the United Kingdom's economy;
"Total Premium Received"	means the aggregate amount of premium already received by the Retrocessionaire from the Retrocedant since 1st January 1993 pursuant to Article 6 of this Retrocession Agreement and the equivalent article in each Prior Retrocession Agreement;

"Tribunal"	means the Tribunal established pursuant to Schedule 3 of this Retrocession Agreement for the purposes of determining whether an Act of Terrorism has taken place;
"Ultimate Net Loss"	has the meaning given to it in Article 4.1;
"Underwriting Period"	means a period of twelve calendar months commencing on 1 st April and ending on 31 st March or such lesser period as is appropriate in circumstances of termination pursuant to Article 14, and the first Underwriting Period for the purposes of this Retrocession Agreement shall commence on 1 st April 2025; and
"VAT"	means (a) within the UK, any value added tax imposed by the VAT Act 1994, and (b) outside the UK, any similar Taxation levied by reference to added value or sales.

2. In this Retrocession Agreement of which this Schedule 1 forms part, save where the context otherwise requires:

- (a) words in the singular shall include the plural, and vice versa;
- (b) a reference to a person shall include a reference to a firm, a body corporate, an unincorporated association or to a person's executors or administrators;
- (c) if a period of time is specified and dates from a given day or the day of an act or event, it shall be calculated exclusive of that day and both time and date shall be determined by reference to that prevailing in Great Britain at the relevant time;
- (d) references to any English legal term for any action, remedy, method or judicial proceedings, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England and Wales be deemed to include what most nearly approximates in that jurisdiction to the English legal term;
- (e) references to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (f) references to documents "in the agreed terms" shall be to documents agreed between the Parties and initialled and dated for the purposes of identification by or on behalf of the Parties;
- (g) references to this Retrocession Agreement or any other agreement or document shall be construed as a reference to this Retrocession Agreement (and the Schedules) or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated, supplemented or replaced;
- (h) references to a statute, statutory instrument, rule or regulation shall be construed as a reference to such statute, statutory instrument, rule or regulation as the same may have been, or may from time to time be, amended or supplemented or replaced or extended (including by subordinate legislation) or, in the case of a statute, re-enacted;
- (i) the headings in the Retrocession Agreement are for convenience only and shall not affect the interpretation of any provision of the Retrocession Agreement;
- (j) a reference to an Article, paragraph or schedule shall be a reference to an Article, paragraph or schedule (as the case may be) of or to this Retrocession Agreement; and
- (k) a reference to "includes" or "including" shall be construed as "includes without limitation" or "including without limitation" (as the case may be).

SCHEDULE 2

Retrocessionaire's Maximum Premium Entitlement and interest thereon

1. The Retrocessionaire's Maximum Premium Entitlement in respect of an Underwriting Period shall be calculated in arrears no later than 30th June in the Fourth Year and adjusted thereafter (if required) pursuant to paragraph 2 below.
2.
 - (1) The Retrocessionaire's Maximum Premium Entitlement in respect of the Underwriting Period for which the calculation is being made shall, subject to sub-paragraph (2) below, be
 - (a) such amounts being fifty per cent (50%) (or such other percentage as may be agreed in writing from time to time between the Parties) of the total premium received by the Retrocedant from Reinsureds in respect of Relevant Instruments in respect of each Underwriting Period from and including the Underwriting Period which commenced on the 1st April 2025 up to and including the Underwriting Period concerned;
 - (b) plus, in circumstances where a dividend has been paid under Article 11.3 in respect of a Financial Year, a Further Premium in an amount equal to the Further Premium Percentage of the Annual Profit in respect of that Financial Year, such Further Premium to be paid in accordance with and subject to the conditions of Article 11.4;
 - (c) minus the aggregate amount of Retrocessionaire's Maximum Premium Entitlement already received by the Retrocessionaire from the Retrocedant in respect of that or any earlier Underwriting Periods pursuant to Article 6
(the "Relevant Premium")
 - (2) To the extent that the sum of any payments by the Retrocessionaire to the Retrocedant pursuant to Articles 7.2, 7.3 or 7.4 of the 2022 Retrocession Agreement or pursuant to Articles 7.2, 7.3 or 7.4 from and including the Underwriting Period which commenced on 1st April 2025 (there being no possibility of such payments under the 1993 Retrocession Agreement, the 2015 Retrocession Agreement or the 2019 Retrocession Agreement) ("the Retrocessionaire's Payments") exceeds the sum of the Total Premium Received and the Relevant Premium, the Retrocessionaire's Maximum Premium Entitlement in respect of that Underwriting Period shall also include the amount of such excess ("the Excess").
 - (3) To the extent that the Retrocedant has not paid the Retrocessionaire's Maximum Premium Entitlement and interest thereon in respect of an Underwriting Period on or prior to the 31st December in the Fourth Year because, in the absence of a Surplus, the Retrocessionaire is not entitled to seek payment under Article 6.2, the Retrocedant shall cease to be liable to make any such payments in respect of that Underwriting Period.
 - (4) For the avoidance of doubt, in the event that, pursuant to sub-paragraph (3) above, the Retrocedant ceases to be liable to make any payment of Retrocessionaire's Maximum Premium Entitlement and interest thereon for an Underwriting Period:
 - (a) No further interest shall accrue on any Retrocessionaire's Maximum Premium Entitlement calculated in respect of that Underwriting Period;
 - (b) The Retrocessionaire's entitlement to interest on the Retrocessionaire's Maximum Premium Entitlement for that Underwriting Period shall cease absolutely;
 - (c) The Retrocessionaire's entitlement to Retrocessionaire's Maximum Premium Entitlement for that Underwriting Period shall cease absolutely;
 - (d) Notwithstanding that they have already been taken into account for the purposes of calculating the Retrocessionaire's Maximum Premium Entitlement for previous Underwriting Periods, part or all of which have since been extinguished pursuant to sub-paragraph (3) above:
 - (i) the premium received by the Retrocedant from Reinsureds in respect of previous Underwriting Periods;

- (ii) amounts of reinsurance premium paid by the Retrocedant pursuant to paragraph 2.2 of Article 2;
- (iii) amounts of Retrocessionaire's Maximum Premium Entitlement already received by the Retrocessionaire from the Retrocedant; and
- (iv) payments by the Retrocessionaire to the Retrocedant pursuant to Articles 7.2, 7.3 or 7.4,

may be taken into account for the purposes of calculating the Retrocessionaire's Maximum Premium Entitlement under paragraphs 2(1) to 2(3) above for the Underwriting Period for which a calculation is being made.

3.

- (a) For the purpose of and subject to paragraph 2 above, and subject to Article 15:
 - (i) interest shall accrue on the Relevant Premium in respect of the Underwriting Period for which the calculation is being made with effect from and including the first day of such Underwriting Period; and
 - (ii) interest shall accrue on any amount representing an Excess in respect of the Underwriting Period for which the calculation is being made with effect from the first day of such Underwriting Period or, if later, the date or dates on which any amount or amounts representing the Excess are paid by the Retrocessionaire.
- (b) Interest shall accrue from day to day based upon a year of 365 days upon the Retrocessionaire's Maximum Premium Entitlement at the rate which is two per cent (2%) above SONIA on the first Business Day of each Interest Period, as defined in paragraph 3(c) below, and interest shall be compounded quarterly on the last day of each Interest Period.
- (c) "Interest Period" means a period of three months commencing on 1st January, 1st April, 1st July or 1st October.
- (d) If in the Retrocessionaire's opinion SONIA is no longer calculated in a manner that is comparable with the manner in which it was calculated at the Effective Date it shall promptly notify the Retrocedant of such opinion. Thereafter the Retrocessionaire and the Retrocedant will negotiate in good faith an alternative rate. If such negotiations fail to agree such alternative rate within 30 days then the reference in paragraph 3(b) of this Schedule 2 to SONIA shall be construed as a reference to the bank base rate of such clearing bank as the Retrocessionaire shall nominate. If an alternative rate is agreed or if the rate prescribed by the preceding sentence is to be applied such rate shall (in either case) be applied from the first day of the relevant Interest Period until the first day of the next Interest Period where the Retrocessionaire accepts that SONIA resumes being calculated in a manner that is comparable to that at the Effective Date.

SCHEDULE 3

Disputes relating to the Certification Issue

All disputes and differences arising out of or in connection with the Certification Issue shall be referred to arbitration by a tribunal (the "Tribunal") in the manner and under the procedure set out below.

The Tribunal shall consist of three arbitrators, one to be appointed by the Retrocedant, one to be appointed by the Retrocessionaire and the third to be appointed by the President for the time being of the Chartered Institute of Arbitrators (the "CIA"), or (in his absence) by a Deputy President of the CIA nominated by the CIA for the purpose.

The reference shall be begun by either the Retrocedant or the Retrocessionaire, once 21 days have expired since notification to the Retrocessionaire by the Retrocedant that in its opinion there has been an Act of Terrorism, giving notice to the other Party that a dispute or difference has arisen between them over the Certification Issue, appointing an arbitrator and calling upon the other to appoint an arbitrator within 7 days, whereupon that other Party shall appoint its arbitrator within that period.

The third member of the Tribunal shall be appointed as soon as practicable, and in any event no later than 7 days, after the appointment of the two Party-appointed arbitrators, whereupon the Tribunal shall be constituted.

The two Party-appointed arbitrators shall be members of the Attorney-General's A Panel of Counsel who have Developed Vetting Security Clearance. The third arbitrator, who shall act as Chairman of the Tribunal but shall not have a casting vote, shall be a retired judge of the Supreme Court or of the Court of Appeal.

Where a Party fails to appoint an arbitrator within 7 days of being called upon to do so, the President for the time being of the CIA or (in his absence) a Deputy President of the CIA nominated by the CIA for the purpose, shall appoint an arbitrator meeting the qualifications set out above to fill the vacancy. At any time prior to the appointment by the Chairman or Committee member of the CIA, the Party in default may make such appointment.

If an arbitrator shall resign his appointment for any reason or be removed or die, the reference shall not terminate but a successor shall be appointed in the same manner as the arbitrator being replaced.

Once constituted, the Tribunal may in its sole discretion and subject only to the provisions of this Retrocession Agreement make such orders and directions as it considers necessary for the final determination of the Certification Issue. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.

If the Tribunal is not in unanimous agreement, the decision of the Tribunal shall be decided by a majority vote. In the event that there is no unanimous or majority decision (e.g. if one arbitrator refuses to make a decision), a new Tribunal shall be convened following the same procedure as outlined in this Schedule 3.

The seat of the arbitration shall be London, and the location a suitably sized and laid out Courtroom or Government building.

For the purposes of this Schedule 3, communication shall (except as referred to below) be by email, confirmed by hard copy. The individuals to be notified at each Party and their contact details are as follows:

The Retrocessionaire: The Head of Insurance, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ. Email: To be confirmed by the Retrocessionaire once any dispute or difference has arisen (and until such confirmation has been given, communication by hard copy only shall suffice); and

The Retrocedant: The Chief Executive, Pool Reinsurance Company Limited, 7 Savoy Court, London, United Kingdom, WC2R 0EX. Email: generalcounsel@poolre.co.uk

The proceedings of the Tribunal shall in any event be confidential and each and every individual participating in them in any manner shall undertake in writing to maintain that confidentiality.

The procedure adopted by the Tribunal shall be as follows, in the interests of speed of decision:

1. Given the narrow compass of the Certification Issue, there shall be no exchange of statements of case.
2. Within 7 days of the Tribunal being constituted each Party shall supply to the other copies of all documents relating to the Certification Issue which are within its possession, custody or control, together with any witness evidence on which it intends to rely, except for privileged documents and "Confidential Material" (as defined below). The Tribunal shall have the power to call upon either

Party to produce to it, within such timescale as is appropriate in the light of: the importance of the material; the length of time likely to be needed to produce it; and the need to progress the reference rapidly, such further documentary or witness evidence as in its discretion it considers may assist it in its consideration of the Certification Issue or its decision in relation thereto. The Retrocedant shall supply a copy of all the documents and witness statements thus exchanged or produced to each member of the Tribunal.

3. As soon as practicable after the exchange of evidence, the Tribunal shall convene a hearing at which it shall receive such oral or written representations and such live witness evidence as the Parties wish to present. Any witness whose evidence is put forward by a Party and is not Confidential Material shall be made available by that Party for cross-examination by the other.
4. In conjunction with such hearing the Tribunal shall also receive from either Party in the absence of the other any Confidential Material and any submission which the Party adducing it may wish to make in relation to it. For these purposes "**Confidential Material**" means evidence, whether documentary or witness evidence, which both the Party adducing it and the Tribunal consider after an examination of such evidence should not be disclosed to the other Party, or more widely, in the interests of national security. Where Confidential Material and related submissions are presented to, and accepted as such by, the Tribunal, an open summary of each shall be prepared by the Party presenting such Confidential Material and submissions, and approved by the Tribunal for supply to the other Party.
5. As soon as practicable after such hearing the Tribunal shall deliver its decision, and shall also give reasons for its decision, but such reasons may be given in summary form and need not be given at the same time as the decision. In its decision and reasons, the Tribunal shall make no reference to any Confidential Material beyond that which appears in the open summary of such Confidential Material.

The decision of the Tribunal shall be final and binding on the Parties, who expressly disclaim any right of appeal which they may otherwise have had.

The Parties agree to do all things practicable and appropriate to expedite any reference to the Tribunal.

Each Party shall bear one half of the costs of the Tribunal, and each Party shall bear its own legal and other costs arising out of or connected with a reference to the Tribunal.

SCHEDULE 4
Qualifying Underwriting Loss

If in relation to an Underwriting Period the aggregate of:

- (a) the aggregate of sums actually paid by the Retrocedant in respect of Covered Loss (as defined in the Reinsurance Treaties) arising under Relevant Instruments in respect of that Underwriting Period, including litigation and other expenses reasonably incurred by the Retrocedant in connection with the adjustment thereof, but excluding office expenses and salaries of the Retrocedant attributable thereto and after deduction of all salvage payments and/or recoveries (including all amounts paid and payable to the Retrocedant under additional retrocessions (entered into pursuant to Article 2.2)); and
- (b) the Retrocedant's technical reserves; and
- (c) the aggregate of the Retrocedant's Ordinary Business Expenses, retrocession expenses (incurred pursuant to Article 2.2) and such amount of the Retrocessionaire's Maximum Premium Entitlement as has been paid to the Retrocessionaire or of which the Retrocessionaire has sought payment pursuant to Article 6.2, properly allocated by the Retrocedant to that Underwriting Period

(items (a), (b) and (c) above together being referred to as "Aggregate Liabilities") exceeds one hundred and twenty percent (120%) of the Retrocedant's reasonable estimate of total premium paid and payable to it (less any return premium paid or payable) in respect of that Underwriting Period ("Aggregate Premium"), then there shall be a Qualifying Underwriting Loss in respect of that Underwriting Period.

SCHEDULE 5
Reinsurance Treaty

POOL^{Re} 

**AGGREGATE EXCESS OF LOSS TREATY
REINSURANCE AGREEMENT**

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AGGREGATE EXCESS OF LOSS TREATY
REINSURANCE AGREEMENT

THIS REINSURANCE AGREEMENT is made on the date set out in the Treaty Schedule
BETWEEN

- (1) **THE PERSON(S)** named as the Reinsured in the Treaty Schedule (“the Reinsured”);
and
- (2) **POOL REINSURANCE COMPANY LIMITED** whose registered office is at 7 Savoy Court, London WC2R 0EX (“the Reinsurer”).

ARTICLE 1 - SCOPE

- 1.1 This Reinsurance Agreement applies to Covered Loss.

ARTICLE 2 - LIMITS OF INDEMNITY

- 2.1 The Reinsurer hereby undertakes (subject to the provisions of this Reinsurance Agreement) to indemnify the Reinsured for the amount of the Reinsured’s Ultimate Net Loss which exceeds the applicable Retention(s) in respect of Covered Loss. The operation of the Retentions is addressed in Schedule 2.

ARTICLE 3 - PERIOD

- 3.1 This Reinsurance Agreement applies to the Underwriting Period specified in the Treaty Schedule.
- 3.2 Each twelve month period commencing 1 April shall be a separate Underwriting Period.
- 3.3 Unless terminated in accordance with the provisions of Article 17 or where notice is served by the Reinsured in accordance with Article 3.4, and provided that the Reinsured has complied with its obligations under Article 15.1, the Reinsurance Agreement will automatically renew on 1 April on the Reinsurer’s standard terms and conditions as at the date of renewal and subject to the Premium and Retentions determined by the Reinsurer unless an alternative Premium and Retentions are agreed between the Reinsured and the Reinsurer not less than 14 days prior to renewal.
- 3.4 The Reinsured may elect not to renew the Reinsurance Agreement by service on the Reinsurer of written notice of its intention not to renew the Reinsurance Agreement not less than 7 days before midnight on 31 March in the year in which the renewed Reinsurance Agreement is due to incept.

ARTICLE 4 - TERRITORY

- 4.1 This Reinsurance Agreement applies only to Property and/or premises located within the Territory.

- 4.2 Where a Relevant Instrument covers Property and/or premises both within and outside of the Territory, this Reinsurance Agreement will only apply to the Property and/or premises located within the Territory.

ARTICLE 5 - EXCLUDED LOSSES

- 5.1 The Reinsurer shall not be liable for any of the Excluded Losses set out in Schedule 1.

ARTICLE 6 - COVERED LOSS

- 6.1 "Covered Loss" in this Reinsurance Agreement means all losses under Relevant Instruments:
- (a) under any Class A Head of Cover, as a result of damage to or the destruction of Property in the Territory, the proximate cause of which is an Act of Terrorism that commences during the Underwriting Period; or
 - (b) under the Class B Head of Cover, as a result of interruption or interference with the business of the Original Insured in consequence of:
 - (i) access to, exit from or use of any premises located within the Territory owned or occupied by an Original Insured being impaired or prevented due to the actions of the police, competent authority or any other statutory authority, the proximate cause of which is an Act of Terrorism that commences during the Underwriting Period; and/or
 - (ii) an Act of Terrorism that commences during the Underwriting Period in the vicinity of, but in no event further than one (1) mile from, any premises within the Territory owned or occupied by the Original Insured which results in the business carried on at such premises having a diminished attraction to customers and solely in consequence thereof, an identifiable reduction in the business of an Original Insured, but in no event shall the maximum period of indemnity for such interruption or interference with the business exceed three months.

ARTICLE 7 - RELEVANT INSTRUMENTS

- 7.1 A "Relevant Instrument" in this Reinsurance Agreement means a contract of General Cover in force during the Underwriting Period underwritten by the Reinsured for a term not exceeding twelve calendar months in total, or part(s) thereof, that provides:
- (a) as a minimum, fire or explosion cover (but that can provide cover for other perils in addition) in respect of one or more of the Class A Head of Cover or the Class B Head of Cover; and
 - (b) cover in respect of an Act of Terrorism on the same terms and conditions as the General Cover (save in respect of the premium).
- 7.2 Where a contract of direct insurance is effected on a continuous basis or for a period longer than twelve calendar months every additional period of twelve calendar

months in excess of the original twelve calendar months shall be deemed for the purposes of this Reinsurance Agreement to constitute a new Relevant Instrument incepting on the anniversary date of the original date of inception.

- 7.3 For the avoidance of doubt, the “same terms” in Article 7.1(b) includes, but is not limited to, the applicable sum(s) insured, limit(s) of indemnity and the deductible(s) applicable to the Original Insured.

ARTICLE 8 - ULTIMATE NET LOSS

- 8.1 In this Reinsurance Agreement “Ultimate Net Loss” means the total sum actually paid by the Reinsured in respect of Covered Loss, including litigation and other expenses reasonably incurred by the Reinsured in connection with the adjustment thereof, excluding office expenses and salaries of the Reinsured attributable thereto and after deduction of all salvage payments and/or recoveries (including recoveries due from all other reinsurances inuring for the benefit of the Reinsured whether collected or not, other than reinsurance purchased by the Reinsured in respect of any underwriting period commencing on or after 1st January 1993 (or in respect of the Class B Head of Cover, on or after 1st January 2019) to the extent that such reinsurance is specifically to limit the Reinsured’s exposure within the Retentions and other than recoveries due or received under Reinsurance to Close Contracts). Subject to Article 12.2, no liability shall be incurred by the Reinsurer to the Reinsured unless and until the Reinsured has made actual payment to the Original Insured or to its order under the original contract of direct insurance; subject to that proviso, however, nothing in this Article shall be construed to mean that recovery cannot be made by the Reinsured from the Reinsurer until the Reinsured’s Ultimate Net Loss has been finally ascertained and the Reinsured will be taken to have made actual payment for these purposes when it has complied with the requirements specified in Article 10 of this Reinsurance Agreement relating to the payment of a claim.
- 8.2 For the purposes of Article 8.1 all salvage, recoveries or payments recovered or received subsequent to any loss settlement hereunder shall be applied as if recovered or received prior to the aforesaid settlement and all adjustments as shall be necessary to reflect such changes shall be made by the Reinsurer and the Reinsured.
- 8.3 In the event that the Reinsured shall not, for any reason, have paid the Original Insured (or to its order) within 60 days of payment becoming due and payable, the Reinsurer may at its option pay directly to the Original Insured (or to its order) such amount as would have been due under this Reinsurance Agreement but for such non-payment; any such payment (if and when made by the Reinsurer) shall operate as a pro tanto discharge of the Reinsurer’s liability to the Reinsured.
- 8.4 The Reinsurer may set off any monies due to it from the Reinsured against any claim payable under this Reinsurance Agreement.

ARTICLE 9 - GENERAL CONDITIONS PRECEDENT

- 9.1 Notwithstanding anything contained to the contrary in this Reinsurance Agreement (with the exception of Article 14 to the provisions of which this Article is subject) it is a condition precedent to the Reinsurer’s liability that:

- (a) there has been no dishonest, fraudulent or criminal act or omission or involvement in any financial crime on the part of the Reinsured relating to the operation of this Reinsurance Agreement; and
- (b) the Reinsured will notify the Reinsurer in writing as soon as reasonably practicable of any of the events and/or circumstances which would entitle the Reinsurer to terminate this Reinsurance Agreement pursuant to Article 17.2 below.

ARTICLE 10 - CLAIMS CO-OPERATION AND REPORTING

10.1 Notwithstanding anything contained to the contrary in this Reinsurance Agreement (with the exception of Article 14 to the provisions of which this Article is subject) it is a condition precedent to the Reinsurer's liability that:

- (a) the Reinsured gives written notice to the Reinsurer as soon as reasonably practicable, or within such timeframe as the Reinsurer otherwise directs, after the Reinsured has:
 - (i) been notified of any claim against the Reinsured under a Relevant Instrument which may give rise to a claim against the Reinsurer;
 - (ii) become aware of circumstances which could give rise to a claim under a Relevant Instrument including any circumstances which the Reinsured considers might constitute an Act of Terrorism or where the Reinsured seeks certification of an Act of Terrorism in accordance with the process set out at Article 22; or
 - (iii) become aware of any claim by an Original Insured against the Reinsured that is, or has become, a Large Loss Claim;
- (b) the Reinsured furnishes the Reinsurer with all reasonable information in respect of claims or circumstances notified in accordance with Article 10.1 (a) above and thereafter keeps the Reinsurer informed of developments as soon as practicable after they occur, including but not limited to providing the Reinsurer with a Claims Information Summary and any further information reasonably requested by the Reinsurer within 30 days of an event occurring which the Reinsured believes may constitute an Act of Terrorism;
- (c) the Reinsured if requested by the Reinsurer, and in any case in respect of a Large Loss Claim, co-operates fully with the Reinsurer and any other person or persons designated by the Reinsurer to oversee the investigation, adjustment and settlement of any claim notified to the Reinsurer relating to an event or events that is / are certified as an Act of Terrorism and the Reinsured shall not, if so requested by the Reinsurer, litigate or settle any such claim without obtaining the written consent of the Reinsurer or such person or persons;

- (d) the Reinsured must appoint a Loss Adjuster on all claims that have, or the Reinsured reasonably expects will have, a 100% gross reserve in excess of £100,000; and
 - (e) save as otherwise provided in this Reinsurance Agreement or to the extent that the Parties and an Original Insured otherwise agree in writing, the total amount of the Reinsured's liability to an Original Insured in respect of the Covered Loss concerned has been finally determined either by judgment or award against the Reinsured made by a court or arbitration tribunal of competent jurisdiction.
- 10.2 Unless otherwise provided for in this Reinsurance Agreement or directed by the Reinsurer, and strictly in accordance with the other terms and conditions of this Reinsurance Agreement, the Reinsured may negotiate and settle any claims with a 100% gross reserve below £100,000 itself or delegate this function to third party contractors, provided it is the Reinsured's usual practice to adjust claims of this value in this manner and that such adjustment is undertaken in accordance with Article 11.1(d).
- 10.3 Where the Reinsured has complied with the terms of this Reinsurance Agreement, including this Article 10, all settlements entered into by the Reinsured in respect of Covered Loss shall be binding upon the Reinsurer and erode the relevant Retention(s) provided such settlements fall to be indemnified under the terms and conditions of the subject Relevant Instrument(s) and fall within the terms and conditions of this Reinsurance Agreement. For the avoidance of doubt, ex gratia payments do not fall within the terms and conditions of this Reinsurance Agreement.

ARTICLE 11 - REINSURANCE WARRANTY

- 11.1 The Reinsured hereby warrants and undertakes to the Reinsurer that:
- (a) if it offers to provide General Cover to a person in respect of any Class A Head of Cover or Class B Head of Cover, it shall also, if so requested by that person, offer to provide to that person insurance against Acts of Terrorism within the Territory in respect of the same Class A Head of Cover or Class B Head of Cover (as applicable), subject to Article 11.2;
 - (b) it shall not provide direct insurance against an Act of Terrorism within the Territory in respect of any Class A Head of Cover or Class B Head of Cover in respect of which it does not provide General Cover;
 - (c) it shall not provide reinsurance against the risk of Acts of Terrorism within the Territory unless either:
 - (i) the reinsurance is a Reinsurance to Close Contract; or
 - (ii) the cedant to which it provides such reinsurance maintains for its own account a significant proportion of such risk, and such reinsurance is not being provided to enable the Reinsured to circumvent a restriction which would have prevented it from accepting such risk by way of direct insurance or to avoid the

requirement to cede such risk to the Reinsurer under this Reinsurance Agreement;

- (d) it will apply no lower standards of internal audit, systems and controls to the issue of cover, adjustment of claims and documentation generally than it applies to other aspects of its business. Such systems and controls must be at least broadly comparable with the standards laid down in the UK by the Prudential Regulation Authority and the Financial Conduct Authority.
- 11.2 Subject to Articles 11.3 and 11.4, the Reinsured shall procure that the obligations undertaken by it in paragraphs (a) to (d) inclusive of paragraph 11.1 of this Article shall also be observed by any Connected Person of the Reinsured either by procuring that such Connected Person:
- (a) (if eligible) provides to the Reinsurer the information and documents necessary to satisfy the criteria set out in sub-clause 3 of the Membership Agreement and signs an Accession Agreement pursuant to sub-clause 3.1 thereof; or
 - (b) does not provide direct insurance against an Act of Terrorism in respect of any Class A Head of Cover or Class B Head of Cover in the Territory.
- 11.3 The obligation of the Reinsured in Article 11.2 shall not apply to the Reinsured during the period of three months following a third party becoming a Connected Person of the Reinsured where competition law prevents the Reinsured and the Connected Person from discussing whether the Connected Person should provide direct insurance against an Act of Terrorism pursuant to sub-clause 3.1 of the Membership Agreement.
- 11.4 If, following a merger, acquisition or other change in the group structure of the Reinsured (whether or not that transaction predated this Reinsurance Agreement) (in this Article, a “Relevant Transaction”) the Reinsured and its Ultimate Parent Undertaking (as defined in Schedule 5) shall prove to the satisfaction of the Reinsurer (acting in its sole discretion) that:
- (a) an entity which has become a Connected Person of the Reinsured as a result of such Relevant Transaction is de facto operationally independent of the Reinsured; and
 - (b) as a result of that operational independence the Reinsured and/or its Connected Person would, if required to comply with Article 11.2, need to make changes to the operation of its business which:
 - (i) are Commercially Impracticable; and
 - (ii) if not implemented could lead to the termination of this Reinsurance Agreement in accordance with Article 17 resulting in severe hardship to the entity or entities in question and/or substantial adverse impact on the available market for direct insurance against any Class A Head of Cover or Class B Head of Cover,

the Reinsured shall be deemed to comply with Article 11.2 if and for so long as:

- (c) it delivers to the Reinsurer on dates no longer than a calendar year apart an undertaking in the form set out in Schedule 5 duly executed by the Reinsured and its Ultimate Parent Undertaking (as defined in Schedule 5); and
- (d) both it and its Ultimate Parent Undertaking (as defined in Schedule 5) comply fully with that undertaking,

and any breach of either Article 11.4(c) or (d) above shall be deemed to be a breach of Article 11.2 and shall have the same consequences as such a breach.

For the purposes of this Article 11.4 a change (or the changes together) is/are “Commercially Impracticable” if it is (or they are) so expensive and/or burdensome that it or they would cause severe hardship to the entity which is required to make the change(s).

- 11.5 The Reinsured warrants and undertakes to the Reinsurer that it shall account and pay in full to the Reinsurer all Premium instalments by no later than the dates specified in the Treaty Schedule. The Reinsured may not offset claims under this Reinsurance Agreement against the Premium payable under this Reinsurance Agreement.
- 11.6 Where the Reinsured fails to pay one or more instalment(s) of the Premium by the date specified in the Treaty Schedule in breach of the warranty and undertaking set out in Article 11.5, the Reinsurer shall have no liability under this Reinsurance Agreement unless or until the Reinsured has paid in full all of the instalment(s) of the Premium that have become payable under Article 11.5.
- 11.7 The Reinsurance Agreement comprises this Reinsurance Agreement, the Treaty Schedule, Schedules 1, 2, 3, 4, 5 and 6 and any variations thereto in accordance with the terms of the Reinsurance Agreement. If any provision of this Reinsurance Agreement is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this Reinsurance Agreement which will remain in full force and effect.
- 11.8 The Reinsured hereby warrants and undertakes to the Reinsurer that:
 - (a) In any Relevant Instrument, it shall ensure that there is no selection against the Reinsurer. For this purpose ‘no selection against’ the Reinsurer shall mean that where an Original Insured obtains insurance against Acts of Terrorism under a Relevant Instrument, it must do so in respect of all Property, premises and business for which it effects General Cover and which is so eligible save in respect of the Permitted Departures. Worked examples as to how this ‘Adverse Selection Principle’ applies in practice are set out at paragraph 1 of Schedule 3.
 - (b) Where the Reinsured becomes aware that an Original Insured has not complied with this Adverse Selection Principle and has no intention of doing

so, the Reinsured must ensure that insurance against Acts of Terrorism is discontinued as soon as practicable.

- (c) It will reinsure with the Reinsurer such part(s) of all contracts of direct insurance under which the Reinsured provides insurance against Acts of Terrorism within the Territory in respect of any Class A Head of Cover or Class B Head of Cover save where the relevant risk falls within the Incidental Terrorism Exposure Policy exception or with the agreement of the Chief Underwriting Officer of the Reinsurer.

ARTICLE 12 - ACCOUNTS

12.1 Subject as provided in Schedule 2, amounts payable by the Reinsurer under Article 2.1 shall be paid within 30 days of the Reinsured providing to the Reinsurer the evidence and information as specified in Article 10 relating to the payment of the relevant claim and evidence that the applicable Retention(s) have been fully eroded.

12.2 Notwithstanding Article 8.1 above, upon:

- (a) written request by the Reinsured; and
- (b) submission of documentary evidence of (i) the amount to be paid under any original policy(ies) and (ii) the erosion of the applicable Retention(s), as specified from time to time by the Reinsurer, acting reasonably,

the Reinsurer may (at its sole discretion, acting reasonably) effect any payment due by it under this Reinsurance Agreement prior to or at the same time as the payment shall be made under the original policy(ies), on such terms and conditions as the Reinsurer considers necessary or appropriate.

12.3 In exercising its discretion pursuant to Article 12.2 the Reinsurer may take into account factors including (but not limited to):

- (a) the amount of the claims to be paid by the Reinsured under the original policy(ies);
- (b) the proportion of those claims to the applicable Retention(s) determined pursuant to Article 2.1; and/or
- (c) the Reinsured's overall financial position, including its ability to make payments under the original policy(ies) prior to payment by the Reinsurer under this Reinsurance Agreement.

ARTICLE 13 - CURRENCY

13.1 All payments made or accounts rendered hereunder shall be in the lawful currency of the United Kingdom from time to time. All claims by the Reinsured hereunder shall be in such currency, converted into such currency by the Reinsured from any other relevant currency at such rate as may be reasonably appropriate (subject to Article 13.2).

- 13.2 In the event that the lawful currency of the United Kingdom ceases to be sterling, then all monetary amounts provided for in sterling shall be converted into such currency at the official rate of exchange recognised by the central bank for the conversion of that currency unit into the other, rounded up or down by the Reinsurer (acting reasonably).

ARTICLE 14 - ERRORS AND OMISSIONS /MATERIAL CHANGE

- 14.1 The Reinsured shall notify the Reinsurer as soon as reasonably practicable if it becomes aware of any material errors or omissions made in connection with this Reinsurance Agreement, including but not limited to, in respect of the provision of information and records to the Reinsurer prior to the Underwriting Period.
- 14.2 In the event that there was a material error or omission in the information provided by the Reinsured prior to the Underwriting Period such that the Reinsurer would, had it been provided with accurate information, have materially increased or decreased (i) the Premium and/or (ii) the Minimum Retention(s) for the Underwriting Period, the Reinsurer shall at its discretion be entitled (but not obliged) to:
- (a) charge the Reinsured an additional or reduced Premium; and/or
 - (b) increase or decrease one or both of the Minimum Retention(s),
- to reflect the Premium and/or Minimum Retention(s) that would have been imposed by the Reinsurer had the Reinsured provided accurate information.
- 14.3 The Reinsured shall promptly notify the Reinsurer of any material change, or (to the extent consistent with law or regulation) of any proposed material change that the Reinsured has decided to make, in any information previously provided to the Reinsurer in relation to its risk exposure, authorisation, legal form and status, business, ownership and jurisdiction of incorporation or residence.
- 14.4 In the event that there is in the reasonable opinion of the Reinsurer a material change to the Reinsured's risk exposure before or during the Underwriting Period, the Reinsurer shall at its discretion be entitled (but not obliged) to:
- (a) charge the Reinsured an additional or reduced Premium; and/or
 - (b) increase or decrease one or both of the Minimum Retention(s),
- to reflect the material change in the Reinsured's risk profile.
- 14.5 The Reinsurer shall be entitled to vary the Minimum Retention and/or the Premium under Article 14.2 or Article 14.4 by notifying the Reinsured as to the details of the Minimum Retention and/or the Premium as so varied. In the event that the Minimum Retention(s), Retention(s) and/or the Premium are varied the Reinsurer will issue an updated Treaty Schedule setting out the revised Minimum Retention(s), Retention(s) and/or Premium information.
- 14.6 Any changes to the Minimum Retentions and/or Premium made under this Article 14 shall, to the extent reasonably practicable, be calculated in the same way as the original Minimum Retentions and/or Premium. If the Reinsured elects to terminate

the Reinsurance Agreement in accordance with Article 17 after the Reinsurer has varied the Minimum Retentions and/or Premium under this Article 14, the Reinsured shall remain:

- (a) liable to pay the increased (or decreased) Premium; and
- (b) subject to the revised Retentions,

for the Underwriting Period up to the date of termination.

- 14.7 It is hereby understood and agreed that any inadvertent or immaterial delays, omissions or errors made in connection with this Reinsurance Agreement shall not (save to the extent that the Reinsured has persisted in making such delays, omissions or errors) entitle the Reinsurer to exercise any right of termination or relieve either of the Parties from any liability which would have attached to them hereunder if such delay, omission or error had not occurred provided that, if rectification is possible, it is made as soon as practicable upon discovery.
- 14.8 A failure by the Reinsured to pay an amount due to the Reinsurer which is less than £100 shall not entitle the Reinsurer to exercise any right of termination or relieve either of the Parties from any liability which would have attached to them if such failure had not occurred.

ARTICLE 15 - PROVISION OF INFORMATION / INSPECTION OF RECORDS

- 15.1 By 15 August prior to inception and/or renewal and at such further intervals as the Reinsurer may determine, the Reinsured shall provide to the Reinsurer such information as is required by the Reinsurer to assess the Reinsured's risk exposure. The information that the Reinsured is required to provide to the Reinsurer under this Article 15.1 shall be provided in an Annual Exposure Return and/or in such other format(s) as are notified to the Reinsured by the Reinsurer from time to time.
- 15.2 The Reinsured shall:
- (a) retain all records in relation to the direct insurance that it writes for at least the minimum legal requirement as set out by the relevant regulatory bodies and for no less than three years, from the date of expiry of the subject direct insurance, and for at least two years after the settlement and closure of a claim. These records should include, where a Permitted Departure is made, the written rationale for the Permitted Departure; and
 - (b) upon request by the Reinsurer and at the Reinsured's expense, make available at the Reinsured's head office or wherever the same may be located, for inspection at any reasonable time by such representatives as may be authorised by the Reinsurer for that purpose (being employees of the Reinsurer or a government body, or an independent person engaged for the purpose), all information relating to contracts of direct insurance reinsured hereunder (including, but not limited to, a breakdown of the gross written premium in respect of the contracts of direct insurance reinsured hereunder) and any claims thereunder in the Reinsured's possession or under its control and shall supply the Reinsurer with such copies of any of the records

containing the aforesaid information as the Reinsurer may require and the Reinsured shall reimburse to the Reinsurer all the Reinsurer's disbursements (if any) incurred by the Reinsurer in connection with such inspection.

- 15.3 The Parties shall each at all times (whether before or after the expiry or sooner determination of this Reinsurance Agreement) use its best endeavours to keep confidential (and to ensure that its officers, employees, agents, advisers or contractors shall keep confidential) any information which it (or any such person aforesaid) may acquire in relation to the business (including risk and pricing information), assets or affairs of the Reinsurer and/or its clients (in the case of the Reinsured) and the Reinsured and/or its clients (in the case of the Reinsurer) and shall not, without the written consent of the other Party, use or disclose such information or make such information available to any other person, unless disclosure of any of such information is information:
- (a) disclosed to HM Treasury (in the case of the Reinsurer only);
 - (b) which now or hereafter comes into the public domain otherwise than as a result of a breach of such undertaking of confidentiality;
 - (c) which is required by law to be disclosed to any person who is authorised by law to receive the same;
 - (d) which ought reasonably to be disclosed in order to enforce rights under any of the Membership Agreement, this Reinsurance Agreement, the Retrocession Agreements, or any agreement forming part of any of such agreements or entered into pursuant thereto;
 - (e) required to be disclosed to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the Reinsurer and/or the Reinsured is a party in a case where such disclosure is required by such proceedings;
 - (f) required to be disclosed by a Party to a regulatory or supervisory authority to which such Party is or may become subject;
 - (g) disclosed to any professional advisers to the Reinsurer or the Reinsured (as applicable) who are bound to the applicable Party by a duty of confidence which applies to any information disclosed; or
 - (h) disclosed pursuant to the terms of this Reinsurance Agreement.

ARTICLE 16 - ALTERATIONS

- 16.1 Subject to Articles 16.2 and 16.3 below, no variation in this Reinsurance Agreement shall be effective unless in writing and duly signed on behalf of the Parties. Variations sent by instantaneous means of communication are also effective provided they are capable of being shown by means of permanent or retrievable record to have been agreed by both Parties.

- 16.2 The Reinsurer shall be entitled to amend the Retentions and/or the Premium in accordance with clauses 14.2, 14.4 and/or 14.5 without the agreement of the Reinsured.
- 16.3 The Reinsurer shall be entitled to make amendments to this Reinsurance Agreement as at and with effect from midnight on 31 March in any year by notifying the Reinsured as to the details of such amendments; provided that:
- (a) no amendment may be made which would, in the reasonable opinion of the Reinsurer, adversely affect the interests of reinsureds generally who have entered into agreements for reinsurance in substantially the same terms as this Reinsurance Agreement;
 - (b) notice of any such amendments shall be given to the Reinsured not later than 1st March in the year that the Reinsurance Agreement incept; and
 - (c) the Reinsured shall be entitled, following receipt of such notice, by not less than 7 days' notice expiring at midnight on 31 March in the year in which the changes are to take effect, to terminate this Reinsurance Agreement.

ARTICLE 17 - TERMINATION

- 17.1 This Reinsurance Agreement may be terminated by:
- (a) either Party giving to the other Party at any time not less than ninety (90) days' notice in writing; or
 - (b) the Reinsured giving to the Reinsurer notice complying with paragraph (c) of Article 16.3 in the circumstances set out in Article 16.3.
- 17.2 The Reinsurer shall be entitled to terminate this Reinsurance Agreement immediately upon notice given to the Reinsured in the event that:
- (a) the performance of the whole or any part of this Reinsurance Agreement is either prohibited or rendered impossible de jure or de facto in particular and without prejudice to the generality of the preceding words in consequence of any law or regulation which is or shall be in force in any jurisdiction or in the event that any law or regulation in any jurisdiction shall prevent directly or indirectly the remittance of any payments due to or from either of the Parties. For the avoidance of doubt if:
 - (i) the relevant United Kingdom authority (or any other relevant Competition Authority) decides that any provision of the Pool Re Agreements infringes the Chapter I prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules), or that the conclusion, performance or enforcement of any provision would constitute an abuse of a dominant position contrary to the Chapter II prohibitions of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules),

then the Reinsurer shall be entitled to exercise its right of termination under this Article 17.2 (a) at any time after the date of such decision. If the Reinsurer elects to appeal against any such decision, then the Reinsurer may exercise its right of termination under this Article 17.2 (a) at any time during the currency of any appeal proceedings (including any further appeal proceedings against the decision of any body to which any initial appeal is made), or on or after the withdrawal of such appeal proceedings, or on or after the final disposition of such appeal proceedings;

- (b) the Reinsured (other than a Reinsured who is a member of a Lloyd's syndicate) or the managing agent of a Reinsured who is a member of a Lloyd's syndicate ceases to hold any licence or permission (whether it has been withdrawn by the relevant regulatory authorities or has terminated and not been renewed, or for any other reason) which results in the Reinsured (other than a Reinsured who is a member of a Lloyd's syndicate) or the managing agent of a Reinsured who is a member of a Lloyd's syndicate not having:
 - (i) in the case of a Reinsured (other than a Reinsured who is a member of a Lloyd's syndicate), permission under Part 4A of the Financial Services and Markets Act 2000 ("FSMA") to effect and/or carry out contracts of insurance as principal within the classes of general business set out in paragraphs 3, 4, 7, 8, 9 and 16 of Part 1, Schedule 1 of FSMA (Regulated Activities) Order 2001; or
 - (ii) in the case of a managing agent appointed by a Reinsured who is a member of a Lloyd's syndicate, permission under Part 4A of the FSMA to carry out regulated activities in performance of its duties as a managing agent;
- (c) in the case of either paragraphs 17.2 (b) (i) or 17.2 (b) (ii) above, any other relevant authorisation from a relevant regulatory authority in the United Kingdom or any other country in which it carries on business as described in paragraphs 17.2 (b) (i) or 17.2 (b) (ii) above;
- (d) the 2025 Retrocession Agreement is terminated pursuant to Article 14 of that agreement;
- (e) the Reinsured has entered into a composition with its creditors, filed a petition for a suspension of payments, admitted in writing that it cannot pay its debts generally as they become due, initiated a proceeding in bankruptcy or insolvency, been the subject of an application for a write-down order, been adjudicated bankrupt or insolvent, ceased to carry on all or a substantial part of its business or commerce, applied for a moratorium of debts, has had an administrator or an administrative or other receiver or manager or other similar officer appointed in respect of the whole or any part of the business, assets or undertaking of the Reinsured, has been dissolved or entered into liquidation or be authorised by a vote of its supervisory board or board of directors, as the case may be, to commence proceedings to do any of the foregoing or any similar act or proceeding in any relevant jurisdiction has

occurred, save that this paragraph (e) shall not apply to a Reinsured who is a member of a Lloyd's syndicate unless he is the sole member of such syndicate;

- (f) subject to Article 17.4, any person becomes a controller of the Reinsured (other than with the prior written consent of the Reinsurer);
- (g) the Reinsured shall have failed to comply with any of the terms and conditions of this Reinsurance Agreement;
- (h) any power of attorney granted or purported to be granted by the Reinsured in favour of the Reinsurer is or becomes revocable and is revoked by the Reinsured (other than with the prior written consent of the Reinsurer); or
- (i) where the Reinsured:
 - (i) is not a member of a Lloyd's syndicate, such Reinsured ceases to be a member of the Reinsurer in accordance with the Membership Agreement; or
 - (ii) is a Lloyd's syndicate, the managing agent of that Lloyd's syndicate ceases to be a member of the Reinsurer in accordance with the Membership Agreement and is not replaced as a member of the Reinsurer by a replacement Lloyd's managing agent duly authorised and appointed as managing agent of that Lloyd's syndicate within ninety days.

17.3 For the purpose of Articles 17.2 and 17.4:

“controller” has the meaning ascribed in section 422 of the FSMA.

17.4 The Reinsurer consents to any person becoming a controller of the Reinsured without the Reinsurer's specific prior written consent provided that:

- (a) the Reinsured notifies the Reinsurer immediately upon any person becoming a controller of the Reinsured;
- (b) the Reinsurer does not notify the Reinsured that it objects to such person becoming or continuing to be a controller of the Reinsured within 14 days of receiving the notification in paragraph (a) above; and
- (c) in the event that the Reinsurer notifies the Reinsured that it does object to any person becoming or continuing to be a controller of the Reinsured in accordance with paragraph (b) above, the Reinsured procures that such person ceases to be a controller of the Reinsured within 14 days of the Reinsurer giving such notification to the Reinsured and notifies the Reinsurer of such cessation immediately thereafter,

failing which the Reinsurer will be entitled to terminate the Reinsurance Agreement in accordance with Article 17.2(f).

- 17.5 The Reinsurer shall notify the Reinsured of termination pursuant to Article 17.2 (failing which such termination shall not be effective). Any such notice may, in the absolute discretion of the Reinsurer, determine that termination shall be effective as from and including the date of the relevant event giving rise to the right to terminate, or as from such later date as the Reinsurer may determine.
- 17.6 On the termination of this Reinsurance Agreement the Reinsured shall automatically receive the benefit of run-off cover from the Reinsurer under an endorsement to this Reinsurance Agreement on the terms set out at Schedule 4, that provides the same scope of coverage as this Reinsurance Agreement for:
- (a) the remaining duration of Relevant Instruments that inception or renewed during the Underwriting Period and remain in force at the date of termination of this Reinsurance Agreement; and
 - (b) the in force period of all quotations for Relevant Instruments issued by the Reinsured during the Underwriting Period that cannot be withdrawn and that are outstanding on the date of termination of this Reinsurance Agreement,
- in return for payment of an additional premium specified by the Reinsurer in the Additional Premium Notification. If such additional premium is not paid within 14 days of the deemed date of receipt by the Reinsured of the Additional Premium Notification (the deemed date of receipt being calculated in accordance with Article 18 of this Reinsurance Agreement) or such other date as advised by the Reinsurer, the Reinsurer shall be entitled immediately upon notice to the Reinsured to terminate such automatic run-off cover ab initio (as if no run-off cover had been provided).
- 17.7 The additional premium payable for run-off cover obtained under Article 17.6 shall reflect the benefit provided by such run-off cover for which Premium has not previously been paid or provided for under this Reinsurance Agreement and the Treaty Schedule and shall, to the extent reasonably practicable, be calculated in the same way as the original Premium.
- 17.8 For the avoidance of doubt, the run-off cover provided under Article 17.6 of this Reinsurance Agreement will not provide coverage for:
- (a) any Relevant Instruments entered into after the date of termination of the Reinsurance Agreement, unless Article 17.6(b) applies; or
 - (b) any quotations for Relevant Instruments issued by the Reinsured during the Underwriting Period that can be withdrawn by the Reinsured, or are not outstanding, on the date of termination of this Reinsurance Agreement or quotations issued by the Reinsured after the date of termination of this Reinsurance Agreement.

ARTICLE 18 - NOTICES AND LANGUAGE

- 18.1 A notice, approval, consent or other communication in connection with this Reinsurance Agreement:
- (a) must be in writing;

- (b) in the case of the Reinsurer, must be marked for the attention of the General Counsel and Company Secretary and sent to Equitable House, 47 King William Street, London EC4R 9AF or by email to generalcounsel@poolre.co.uk or such other address and/or email addresses as may be notified by the Reinsurer to the Reinsured from time to time in accordance with this Article 18;
 - (c) in the case of the Reinsured, must be marked for the attention of the person named, and sent to the address or email address, specified in paragraph 1 of Schedule 6 or such other address and/or email address as may be notified by the Reinsured to the Reinsurer from time to time in accordance with this Article 18; and
 - (d) must be left at the address of the addressee or sent by prepaid ordinary post (airmail if posted to or from a place outside the United Kingdom) to the address of the addressee or sent by email to the email address of the addressee as specified above, or if the addressee notifies another address and/or email address then to that address and/or email address.
- 18.2 A notice, approval, consent or other communication shall take effect from the time it is received (or, if earlier, the time it is deemed to be received in accordance with Article 18.3) unless a later time is specified in it.
- 18.3 A letter or email is deemed to be received:
- (a) in the case of a posted letter, unless actually received earlier, on the third (seventh, if posted to or from a place outside the United Kingdom) day after posting; and
 - (b) in the case of email, at the time and date that the email was sent. This applies provided that the sender does not within four hours receive a delivery failure or delay notification in respect of the email address.
- 18.4 Each document, notice or other communication given, delivered or made by one Party to the other or to any other person under or in connection with this Reinsurance Agreement shall be in English or, if not in English, be accompanied by a certified English translation (and the Party or other person which receives such a translation shall be entitled to assume its accuracy and to rely upon it).

ARTICLE 19 - MEDIATION

- 19.1 If a dispute of any kind whatsoever (with the exception of a dispute in relation to whether there has been an Act of Terrorism (which shall be dealt with in accordance with the provisions of Article 22), or whether an Act of Terrorism is a Conventional Act of Terrorism or a Non-Conventional Act of Terrorism (which shall be dealt with in accordance with the provisions of Article 23)) arises between the Parties, then either Party shall notify the other in writing of the nature of the dispute and, following the date of such written notice, there shall be a period of forty (40) days during which the Parties shall use all reasonable endeavours to settle the dispute prior to the expiry

of which neither Party shall be entitled to request arbitration pursuant to Article 20 below.

ARTICLE 20 - ARBITRATION AND TRIBUNAL

- 20.1 All matters of difference between the Parties arising under, out of or in connection with this Reinsurance Agreement, with the exception of a dispute in relation to whether there has been an Act of Terrorism (which shall be dealt with in accordance with the provisions of Article 22) or whether an Act of Terrorism is a Conventional Act of Terrorism or a Non-Conventional Act of Terrorism (which shall be dealt with in accordance with the provisions of Article 23), including formation and validity, and whether arising during or after the period of this Reinsurance Agreement, shall be referred to an arbitration tribunal in the manner hereinafter set out.
- 20.2 Unless the Parties appoint a sole arbitrator within 14 days of one receiving a written request from the other for arbitration, the claimant (the Party requesting arbitration) shall appoint its arbitrator and give written notice thereof to the respondent. Within 30 days of receiving such notice the respondent shall appoint its arbitrator and give written notice thereof to the claimant, failing which the claimant may apply to the appointor hereafter named to nominate an arbitrator on behalf of the respondent.
- 20.3 Before they enter upon a reference the two arbitrators shall appoint a third arbitrator. Should they fail to appoint such a third arbitrator within 30 days of the appointment of the respondent's arbitrator then either of them or either of the Parties may apply to the appointor for the appointment of the third arbitrator. The three arbitrators shall decide by majority. If no majority can be reached the verdict of the third arbitrator shall prevail. He shall also act as chairman of the tribunal.
- 20.4 Unless the Parties otherwise agree the arbitration tribunal shall consist of persons (including those who have retired) with not less than ten years' experience at senior management level in the insurance industry itself or as lawyers or other professional advisers with relevant experience.
- 20.5 The arbitration tribunal shall, so far as is permissible under the law and practice of the place of arbitration, have power to fix all procedural rules for the holding of the arbitration including discretionary power to make orders as to any matters which it may consider proper in the circumstances of the case with regard to pleadings, discovery, inspection of the documents, examination of witnesses and any other matter whatsoever relating to the conduct of the arbitration and may receive and act upon such evidence whether oral or written strictly admissible or not as it shall in its discretion think fit.
- 20.6 The appointor shall be the Chairman for the time being of ARIAS (UK) or, if he is unavailable or it is inappropriate for him to act for any reason, such person as may be nominated by the Committee of ARIAS (UK).
- 20.7 All costs of the arbitration shall be determined by the arbitration tribunal who may, taking into account the law and practice of the place of arbitration, direct to and by whom and in what manner they shall be paid.

- 20.8 The seat of arbitration may be chosen by the Parties, but in default of such choice, the seat of arbitration shall be London, England.
- 20.9 The proper law of this Reinsurance Agreement shall be and its terms shall be construed in accordance with the laws of England and Wales.
- 20.10 The award of the arbitration tribunal shall be in writing and binding upon the Parties who consent to carry out the same.

ARTICLE 21 - JURISDICTION

- 21.1 In the event that Article 20 becomes or is found to be null, void or otherwise unenforceable for any reason, each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the English Courts and each Party waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 21.2 Without preventing any other mode of service, any document in an action (including but not limited to any writ of summons or other originating process or any third or other party notice) may (in the event that paragraph 21.1 of this Article applies) be served on either Party by being delivered to or left for that Party in the case of the Reinsurer, at the address for service of notices under Article 18, and in the case of the Reinsured at its address in the United Kingdom for service of process specified in paragraph 2 of Schedule 6 or such other address in the United Kingdom as may be notified under Article 18.

ARTICLE 22 - CERTIFICATION AND TRIBUNAL

- 22.1 The Reinsurer shall notify HM Treasury if in its opinion or in the opinion of the Reinsured notified to the Reinsurer, there has been an Act of Terrorism and within 21 days of such notification to HM Treasury either:
- (a) HM Treasury will issue a certificate (a "Certificate") certifying the event or events in question to have been (an) Act(s) of Terrorism and in such event the Parties agree to be bound by the Certificate (and for the avoidance of doubt the Reinsured agrees to be bound by the Certificate in relation to any claim brought against the Reinsured by an Original Insured); or
 - (b) if HM Treasury refuses to issue a Certificate, then the issue of whether there has been an Act of Terrorism will be resolved in accordance with the provisions of the 2025 Retrocession Agreement.

ARTICLE 23 - POOL RE DETERMINATION

- 23.1 Within 28 days of HM Treasury issuing a certificate certifying an event or events to be an Act of Terrorism in accordance with the process set out at Article 22.1(a) or an event or events having been determined to be an Act of Terrorism in accordance with the process set out at Article 22.1(b), the Reinsurer will inform Members by way of service of written notice to each of the Members (the "Determination Notice") as to whether the Act of Terrorism is:

- (a) a Conventional Act of Terrorism; or
 - (b) a Non-Conventional Act of Terrorism.
- 23.2 The Reinsurer's determination at Article 23.1 shall be made by the Reinsurer by assessing whether the Act of Terrorism, or a material element of it, was intended to be or was a Non-Conventional Act of Terrorism, by reference to the definitions contained in this Reinsurance Agreement.
- 23.3 In the event that the Reinsured or any other Member (a) disagrees with the Reinsurer's determination under Article 23.1 and (b) reasonably believes that it has incurred or will incur Covered Loss in connection with the Act of Terrorism to which the Reinsurer's determination under Article 23.1 relates, it shall be entitled to have the dispute referred to a King's Counsel of not less than 20 years' call with significant experience of insurance and/or reinsurance disputes (an "Insurance Silk") for a binding determination, on the basis that:
- (a) In order to refer a dispute to an Insurance Silk under this Article 23, a Member must serve on the Reinsurer written notice of its intention to refer the matter to an Insurance Silk (a "Referral Notice") within 28 days after service of the Determination Notice providing a brief explanation of the reasons for disputing the Determination Notice and nominating a minimum of three (3) Insurance Silk candidates available to adjudicate the dispute;
 - (b) On receipt of a Referral Notice, the Reinsurer will within 7 days inform all Members of the referral;
 - (c) The Member that has referred the dispute and the Reinsurer shall within 7 days of the Referral Notice agree on the appointment of an Insurance Silk. If the parties are unable to agree on an Insurance Silk within seven days of the Referral Notice, either Party shall then be entitled to request that the Bar Council appoint an Insurance Silk;
 - (d) If the Insurance Silk becomes unwilling to act or incapable of acting, the referring Member and the Reinsurer may proceed to appoint a replacement Insurance Silk in accordance with the process set out above in Article 21.3(c), save that the 7 day timescale will run from the date the Member or Reinsurer first becomes aware that the Insurance Silk is unwilling or incapable of acting;
 - (e) Upon appointment of the Insurance Silk they shall be empowered to (i) give directions as to the procedure to be followed to determine the dispute within 42 days of their appointment (or such other period as agreed between the Reinsurer and referring Member); and (ii) determine whether the Act of Terrorism is a Conventional Act of Terrorism or a Non-Conventional Act of Terrorism by assessing whether the Act of Terrorism, or a material element of it, was intended to be or was a Non-Conventional Act of Terrorism, by reference to the definitions contained in this Reinsurance Agreement;

- (f) Save where Article 23.3(d) applies, there may only be one referral to an Insurance Silk under this Article 23 in respect of an Act of Terrorism. If more than one notice is served on the Reinsurer under Article 23.1 in respect of an Act of Terrorism, the first Member to serve the notice will be entitled to take part in the appointment of the Insurance Silk in accordance with Article 23.1;
- (g) All Members that reasonably believe that they have incurred or will incur Covered Loss in connection with the Act of Terrorism shall be entitled to make written submissions to the Insurance Silk within a period set by the Insurance Silk;
- (h) The determination of the Insurance Silk shall be final and binding on all Members and the Reinsurer, save in the case of fraud or a material failure of the Insurance Silk to follow the agreed procedure;
- (i) Each Party shall act reasonably and co-operate to give effect to the provisions of this Article and otherwise do nothing to hinder or prevent the Insurance Silk from reaching their determination;
- (j) The Member(s) that have made written submissions in respect of the determination and the Reinsurer will bear their own costs of the determination;
- (k) The Insurance Silk shall have the power to make a binding determination as to how the costs the Insurance Silk should be borne by the parties on the basis that:
 - (i) If the Member(s) successfully challenge(s) the Reinsurer's determination such that the Insurance Silk makes a different determination to the Reinsurer as to whether the Act of Terrorism is a Conventional Act of Terrorism or a Non-Conventional Act of Terrorism, the costs of the Insurance Silk will be borne by the Reinsurer;
 - (ii) If the Insurance Silk makes the same determination as the Reinsurer as to whether the Act of Terrorism is a Conventional Act of Terrorism or a Non-Conventional Act of Terrorism, the costs of the Insurance Silk will be borne jointly and severally by the Member that referred the matter for a determination and each of the Members that made written submissions contrary to the Reinsurer's determination.

23.4 For the avoidance of doubt, once 28 days have elapsed after service of the Determination Notice, the Members will not be able to challenge the Reinsurer's determination under Article 23.1, which shall be final and binding.

ARTICLE 24 - COMPETITION LAW

24.1 If the relevant UK authority or the Competition and Markets Authority or any other Competition Authority issues a legally binding decision to the effect that the Pool Re

Agreements (or any provision of any of them) infringes the Chapter I prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules), or that the conclusion, performance or enforcement of the Pool Re Agreements (or any provision of any of them) infringes the Chapter II prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules), then the Parties shall use all reasonable endeavours to amend the Pool Re Agreements (or shall execute new agreements) so as to ensure that the objectives of the Pool Re Agreements are achieved and that the Pool Re Agreements as so amended (or any such new agreements) will not infringe the Chapter I prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules) and that the conclusion, performance and enforcement of the Pool Re Agreements as so amended (or those new agreements) by any party thereto will not infringe the Chapter II prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules) and, save to the extent that it is reasonable to do so, and/or it is no longer possible to achieve the objectives of the Pool Re Agreements or to amend the Pool Re Agreements or enter into new agreements which do not give rise to an infringement of the Chapter I or Chapter II prohibitions of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules), no Party shall withhold its consent (to the extent to which it is required) to the making of any such amendment or the execution of any such new agreement.

24.2 In this Article 24 and Article 17.2 “Pool Re Agreements” means:

- (a) the Memorandum and Articles of Association of the Reinsurer;
- (b) the Membership Agreement (and each Accession Agreement executed pursuant thereto);
- (c) each Reinsurance Agreement to which the Reinsurer is or becomes party;
and
- (d) the 2025 Retrocession Agreement,

each as from time to time amended or supplemented.

ARTICLE 25 - THIRD PARTY RIGHTS

25.1 No term of this Reinsurance Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party.

ARTICLE 26 – LLOYD'S SYNDICATES

26.1 Where this Reinsurance Agreement is in effect as an agreement with the members of a Lloyd's syndicate as constituted for two or more years of account, it shall be treated as providing reinsurance separately to each year of account, as though it had been executed separately, in two or more documents, on behalf of the relevant members of each year of account.

ARTICLE 27 - NO DELEGATION

- 27.1 The Reinsured understands and agrees that:
- (a) its responsibilities cannot be delegated;
 - (b) its obligation to comply with the requirements of the Reinsurance Agreement cannot be delegated to a third party; and
 - (c) lineslip and binder declarations to be reinsured by the Reinsurer shall use the same underwriting principles and practices set out in this Reinsurance Agreement, as if they were individual risks.
- 27.2 The Reinsurer shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Reinsurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the United Kingdom or the United States of America. For the avoidance of doubt, the Reinsurer shall not be obliged to make any payment to the Reinsured where such payment would be unlawful in accordance with any applicable law.

ARTICLE 28- INSURANCE ACT 2015 – NO LIABILITY IN DAMAGES FOR LATE PAYMENT OF A CLAIM BY REINSURER

- 28.1 Unless otherwise expressly provided for in this Reinsurance Agreement, no term of this Reinsurance Agreement is intended to limit or affect the statutory rights or obligations of any of the parties to this contract under the Insurance Act 2015.
- 28.2 The Reinsurer shall have no liability to pay damages to the Reinsured for late payment of a claim under this Reinsurance Agreement unless the Reinsurer fails deliberately or recklessly to pay such claim within a reasonable time. For the avoidance of doubt, any delay caused by HM Treasury shall not constitute a deliberate or reckless failure on the part of the Reinsurer for the purpose of this Article.

ARTICLE 29 - GOVERNING LAW

- 29.1 This Reinsurance Agreement is governed by and is to be construed in accordance with English law.

SCHEDULE 1
DEFINITIONS

1. In the Reinsurance Agreement of which this Schedule 1 forms part the following definitions are used and shall have the respective meanings appearing alongside them:

“2022 Retrocession Agreement”	means the retrocession agreement dated 5 May 2022 between the Reinsurer and HM Treasury;
“2025 Retrocession Agreement”	means the retrocession agreement dated [xx][Month][2025] between the Reinsurer and HM Treasury;
“Act of Terrorism”	means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of His Majesty’s government in the United Kingdom or any other government de jure or de facto;
“Additional Premium Notification”	means the notification from the Reinsurer to the Reinsured in writing of the additional premium payable for run-off cover under Article 17.6 of the Reinsurance Agreement;
“Adverse Selection Principle”	has the meaning given in paragraph 1.2 of Schedule 3;
“Annual Exposure Return”	means the form prepared by the Reinsurer, as amended from time to time, setting out the information required from the Reinsured to assess the Reinsured's risk exposure;
“Bar Council”	means the General Council of the Bar, being the representative body for barristers in England and Wales;
“Biological”	means any biological component, system or pathogen(s) that cause disease, harm or damage to humans, animals, flora or property;
“Certificate”	means the Certificate issued by HM Treasury (whether in the form of correspondence or otherwise) certifying an event or events to have been an Act of Terrorism;

“Chemical”	means any chemical compound, agent or material(s) that cause, in any way whatsoever, lethal, injurious, destructive or damaging effects upon humans, animals, flora or property;
“Claims Information Summary”	means a claims schedule providing details of every claim notified to the Reinsured in a form specified by the Reinsurer from time to time;
“Class A Head of Cover”	<p>means any of the following four types of direct insurance cover:</p> <ul style="list-style-type: none"> (a) Buildings and Completed Structures; (b) Other property (including contents, engineering, contractors and computers); (c) Business Interruption; and (d) Book Debts; <p>provided always that each Class A Head of Cover shall be deemed to be a separate head of cover whether the item insured is insured under separate policies, under separate terms of a policy or under separate sections of combined or package policies;</p>
“Class B Head of Cover”	means any direct Non-Damage Business Interruption insurance cover regardless of whether the item insured is insured under separate policies, under separate terms of a policy or under separate sections of combined or package policies;
“Competition Authority”	means any national, supra-national or regional, state, municipal, government or governmental, quasi-governmental, statutory, regulatory or investigative body, administrative agency, court or tribunal, in any jurisdiction, responsible for the investigation, prosecution or determination of any matters relating to antitrust, competition, mergers, unfair competition, consumer protection, anti-competitive agreements, practices or behaviour or any similar matter;

"Competition Rules"	means any applicable legislation, law, regulation or administrative provision in any jurisdiction relating to antitrust, competition, mergers, unfair competition, consumer protection, anti-competitive agreements or practices or behaviour or any similar matter or for any other reason;
"Computer System"	means a computer or other equipment or component or system or item which processes, stores, transmits, or receives Data;
"Connected Person"	means any person wherever domiciled who controls, is controlled by, or is under common control with, the Reinsured; control for this purpose meaning the ability of a person, whether by the holding of shares, or by agreement or by any other means, to ensure that another person's affairs are carried out in accordance with the wishes of the first mentioned person;
"Contingency Policies"	means contracts of contingency insurance unless written as an integral component of General Cover;
"Conventional Act of Terrorism"	means any Act of Terrorism that is not a Non-Conventional Act of Terrorism;
"Covered Loss"	has the meaning given in Article 6.1;
"Cyber Terrorism"	<p>means the use of disruptive activities against a Computer System by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives, by using activities perpetrated electronically or otherwise that are directed towards the destruction, disruption or subversion of communication and information systems, infrastructure, computers, the internet, telecommunications or electronic networks and/or its content thereof or sabotage and/or threat therefrom;</p> <p>Cyber Terrorism does not include any such activities which are part of or in support of</p>

	any use of military force or war and cover will only be provided to the extent that loss arising from the Cyber Terrorism falls within the Proviso to Exclusion (c) in the definition of Excluded Losses;
“Data”	means data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatsoever;
“Denial of Service Attack”	means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or Computer Systems. Denial of Service Attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other Computer Systems;
“Determination Notice”	has the meaning given in Article 23.1;
“Eligible Original Insured”	means an Original Insured that is: <ul style="list-style-type: none"> (a) an incorporated corporate entity or a public body such as a local authority; (b) a sole trader or trustees, but only where the property insured under the Relevant Instrument is not solely occupied as the private residence of the sole trader or of either a trustee or a beneficiary of the trust; and (c) an individual but only where the property insured:

- (i) is of sole commercial use; or
- (ii) is of mixed residential and commercial usage and the commercially occupied proportion of the property exceeds 20% (either by area or on the basis of the number of days that the property is open to public);

“Excluded Losses”

means any loss or damage whatsoever:

- (a) occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power;
- (b) arising under:
 - (i) Marine, Aviation, and Transit Policies (and the term ‘Marine Policy’ shall for these purposes mean marine policies and all marine business wherever written and in whatever form of policy);
 - (ii) Motor Insurance Policies;
 - (iii) Any form of reinsurance policy or agreement whatsoever provided by the Reinsured;
 - (iv) Bankers Blanket Bond Policies; or
 - (v) Contingency Policies;
- (c) directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from:
 - (i) damage to or the destruction of any Computer System; or

- (ii) any alteration, modification, distortion, erasure or corruption of Data, and

in each case whether the property of the Original Insured or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack;

Proviso to Exclusion (c)

Save that Covered Loss for the Class A Head of Cover (this Proviso does not apply to the Class B Head of Cover) otherwise falling within this Exclusion (c) will not be treated as excluded by this Exclusion (c) solely to the extent that such Covered Loss:

- (i) results directly (or, solely as regards (ii)(c) below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any Computer System; and
- (ii) comprises:
 - (a) the cost of reinstatement, replacement or repair in respect of damage to or destruction of Property insured by the Original Insured; or
 - (b) the amount of business interruption loss suffered directly by the Original Insured itself by way of loss

of or reduction in profits, revenue or turnover or increased cost of working and not by way of liability to any third party as a direct result of either damage to or destruction of Property insured by that Original Insured or as a direct result of denial, prevention or hindrance of access to or use of the Property insured by that Original Insured by reason of an Act of Terrorism causing damage to other property within one mile of the Property insured by that Original Insured to which access is affected; or

- (c) the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of Property and any additional costs or charges reasonably and necessarily paid by the Original Insured to avoid or diminish such loss;

and

- (ii) is not proximately caused by an Act of Terrorism in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state;
- (iv) the meaning of "Property" for the purposes of this Proviso shall (additionally to those exclusions in

the definition of "Property" below) exclude:

- (a) any money (including "Money" as defined in any direct insurance policy reinsured in whole or part under this Reinsurance Agreement), currency, electronic cryptographic or virtual currency including bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
 - (b) any Data;
- (v) notwithstanding the exclusion of Data from Property, to the extent that damage to or destruction of Property within the meaning of sub-paragraph (ii) above indirectly results from any alteration, modification, distortion, erasure or corruption of Data, because the occurrence of one or more of the matters referred to in sub-paragraph (i) above results directly or indirectly from any alteration, modification, distortion erasure or corruption of Data, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such Property and otherwise falling within sub-paragraphs (i) and (ii) above from being recoverable under this Reinsurance Agreement. In no other circumstances than the previous sentence, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of

Data be recoverable under this Reinsurance Agreement;

- (vi) for the avoidance of doubt, the burden of proof shall be on the Reinsured to prove or establish all the matters referred to in sub-paragraphs (i) to (ii) above;

“General Cover”

means direct insurance cover (not taking account of cover in respect of an Act of Terrorism) relating to losses falling under any Class A Head of Cover in respect of any Property in the Territory or the Class B Head of Cover in respect of any premises in the Territory;

“Hacking”

means unauthorised access or legitimate access resulting in unauthorised acts to any Computer System by whatever means, whether the property of the Original Insured or not;

“HM Treasury”

means The Lords Commissioners of His Majesty’s Treasury;

“Incidental Terrorism Exposure Policy”

means:

- (a) Policies written on a global basis where the Class A Head of Cover or Class B Head of Cover insured in the Territory comprise less than 10% of the total sum insured under the Class A Head of Cover and Class B Head of Cover, however defined by the policy (but does not include policies where one or more of the Class A Head of Cover and Class B Head of Cover are split out from the global policy and insured under a locally admitted policy).
- (b) Policies for political violence or political risks under which terrorism is one of a number of perils written and where the Class A Head of Cover and Class B Head of Cover insured in the Territory comprise less than 10% of the total sum insured under the

	Class A Head of Cover and Class B Head of Cover (however defined by the policy);
“Large Loss Claim”	means a claim by an Original Insured against the Reinsured reserved at or above 50% of the lower of the Reinsured's Minimum Retention(s) or such other amount notified to the Reinsured by the Reinsurer;
“Loss Adjuster”	means a person or company who is a certified member of the Chartered Institute of Loss Adjusters;
“Members”	means the persons whose names and addresses are set out in Schedule 1 of the in force Membership Agreement;
“Membership Agreement”	means the agreement dated 1 April 2025 between the Reinsurer and its Members;
“Minimum Retention(s)”	means the minimum permitted amount of the Section 1 Retention and/or the minimum permitted amount of the Section 2 Retention (as applicable) determined by the Reinsurer for each Member for each Underwriting Period;
“Non-Conventional Act of Terrorism”	means an Act of Terrorism by means of Nuclear and Radiological, Chemical, Biological and/or Cyber Terrorism;
“Nuclear and Radiological”	means: <ul style="list-style-type: none"> (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; (b) the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof; (c) any weapon or other device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; and/or

“Nuclear Installation”	<p>(d) the radioactive, toxic, explosive, or other hazardous or contaminating properties of any radioactive matter;</p> <p>means any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument, being an installation designed or adapted for:</p> <p>(a) the production or use of atomic energy;</p> <p>(b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations; or</p> <p>(c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel;</p>
“Nuclear Reactor”	<p>means any plant (including any machinery, equipment or appliance, whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons;</p>
“Original Insured”	<p>means the policyholder of a contract of direct insurance, any part of which is reinsured under this Reinsurance Agreement;</p>
“Parties”	<p>means the Reinsurer and the Reinsured and “Party” shall be construed accordingly;</p>
“Permitted Departure”	<p>means a permitted departure from the Adverse Selection Principle. The Permitted Departures are set out at paragraph 2 of Schedule 3;</p>
“Phishing”	<p>means any access or attempted access to Data or a Computer System made by means of</p>

	misrepresentation or deception whether effected by or to a human, a Computer System, an AI system or by whatever means;
“Premium”	means the sum specified in the Treaty Schedule. The Reinsurer shall be entitled in respect of each Underwriting Period to receive the Premium specified in the Treaty Schedule;
“Property”	means all property whatsoever, but excluding: <ul style="list-style-type: none"> (a) any land or building which is occupied as a private residence or any part thereof which is so occupied, unless: <ul style="list-style-type: none"> (i) insured under the same contract of direct insurance as the remainder of the building which is not a private residence; or (ii) insured by an Eligible Original Insured; and/or (b) any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor;
“Reinsurance to Close Contract”	means: <ul style="list-style-type: none"> (a) an agreement under which the members of a Lloyd’s syndicate as constituted for a year of account (the “reinsured members”) agree with the members of a later year of account of that syndicate or with the members of another Lloyd’s syndicate (the “reinsuring members”) that the reinsuring members will discharge, or procure the discharge of, or indemnify the reinsured members

against, all known and unknown insurance business liabilities of the reinsured members arising out of the insurance business carried on by the reinsured members in respect of that year of account of that syndicate; or

- (b) a similar reinsurance agreement or arrangement that has been approved by the Council of Lloyd's as a reinsurance to close;

"Referral Notice"	has the meaning given in Article 23.3(a);
"Relevant Instruments"	has the meaning given in Article 7.1;
"Retentions"	means the Section 1 Retention and the Section 2 Retention;
"Retrocession Agreements"	means the 2022 Retrocession Agreement and the 2025 Retrocession Agreement;
"Section 1 Retention"	means the amount(s) to be borne by a Reinsured in an Underwriting Period in respect of Covered Loss arising from Non-Conventional Acts of Terrorism before indemnity may be obtained from the Reinsurer in accordance with Article 2, such amount being an annual aggregate retention, as determined by the Reinsurer from time to time in accordance with the principles set out in Schedule 2 and as specified in the Treaty Schedule;
"Section 2 Retention"	means the amount(s) to be borne by a Reinsured in a Underwriting Period in respect of Covered Loss arising from Conventional Acts of Terrorism before indemnity may be obtained from the Reinsurer in accordance with Article 2, such amount being an annual aggregate retention, as determined by the Reinsurer from time to time in accordance with the principles set out in Schedule 2 and as specified in the Treaty Schedule;
"Territory"	means the land mass of England and Wales and Scotland (including the Channel Tunnel

up to the frontier with the Republic of France) but not:

- (a) the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987;
- (b) the Channel Islands;
- (c) Isle of Man;
- (d) Northern Ireland; or
- (e) the Republic of France;

"Treaty Schedule"

means the schedule setting out the applicable Premium and Retentions for a Member for an Underwriting Period and which forms part of this Reinsurance Agreement (including any amended Treaty Schedule issued by the Reinsurer under the terms of this Reinsurance Agreement);

"Underwriting Period"

means the twelve month period identified in the Treaty Schedule commencing on 1 April in any year or such lesser period as is appropriate in circumstances of termination pursuant to Article 17;

"Virus or Similar Mechanism"

means program code, programming instruction or any set of instructions constructed with the purpose and ability, or generated or operated by an AI system, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, Computer Systems, Data or operations, whether involving self-replication or not. The definition of Virus or Similar Mechanism includes but is not limited to trojan horses worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

2. In this Reinsurance Agreement of which this Schedule 1 forms part, save where the context otherwise requires:
 - (a) words in the singular shall include the plural, and vice versa, and references to any gender shall include references to the other genders;

- (b) a reference to a person shall include a reference to a firm, a body corporate, an unincorporated association or to a person's executors or administrators;
- (c) a reference to an agreement or other document shall be to that agreement or document as the same has been, or may be, amended, replaced or supplemented from time to time;
- (d) if a period of time is specified and dates from a given day or the day of an act or event, it shall be calculated exclusive of that day and both time and date shall be determined by reference to that prevailing in Great Britain at the relevant time;
- (e) references to any English legal term for any action, remedy, method or judicial proceedings, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England and Wales be deemed to include what most nearly approximates in that jurisdiction to the English legal term;
- (f) references to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (g) the headings in this Reinsurance Agreement are for convenience only and shall not affect the interpretation of any provision of this Reinsurance Agreement;
- (h) a reference to a paragraph, Article or schedule shall be a reference to a paragraph, Article or schedule (as the case may be) of or to this Reinsurance Agreement: and/or
- (i) reference in this Reinsurance Agreement to any statute or statutory instrument shall (where the subject or context admits) be deemed to be reference to that statute or statutory instrument as from time to time amended or re-enacted or substituted.

SCHEDULE 2
RETENTION: PRINCIPLES

1. *Application*
 - 1.1 The Section 1 Retention and the Section 2 Retention are the amounts to be borne by the Reinsured in an Underwriting Period before indemnity may be obtained from the Reinsurer in accordance with Article 2, and in accordance with the principles set out in this Schedule 2.
 - 1.2 The Section 1 Retention and the Section 2 Retention are each annual aggregate retentions that will apply in relation to an Underwriting Period.
 - 1.3 The Section 1 Retention and the Section 2 Retention applicable to an Underwriting Period will be the amounts specified in the Treaty Schedule.
 - 1.4 For each of the Section 1 Retention and the Section 2 Retention, there will be an aggregate sub-limited retention in respect of the Class B Head of Cover, as specified in the Treaty Schedule.
2. *Minimum amount for Retention*
 - 2.1 The Section 1 Retention and the Section 2 Retention will not be less than the applicable Minimum Retention(s) as determined by the Reinsurer.
 - 2.2 The sub-limited retention in respect of the Class B Head of Cover will be no less than 40% of the Reinsured's applicable Minimum Retention.
 - 2.3 The Reinsurer has the right to increase one or both of the Minimum Retention(s) during the Underwriting Period in the circumstances set out in Article 14.
3. *Interaction between the Retentions and worked examples*
 - 3.1 The higher of the Section 1 Retention and the Section 2 Retention shall be the maximum amount to be borne by the Reinsured in respect of all Covered Loss occurring in the Underwriting Period. For example, if there is a Section 1 Retention of £90m and a Section 2 Retention of £100m, the maximum amount to be borne by the Reinsured in respect of Covered Loss will be £100m irrespective of the levels of Covered Loss incurred by the Reinsured and the extent to which such Covered Loss arises from a (Section 1) Non-Conventional Act of Terrorism or (Section 2) Conventional Act of Terrorism.

SCHEDULE 3
THE 'ADVERSE SELECTION' PRINCIPLE

1. Adverse Selection

1.1 Pursuant to Article 11.8 of the Reinsurance Agreement, the Reinsured warrants and undertakes to the Reinsurer that in any Relevant Instrument, it shall ensure that there is no selection against the Reinsurer.

1.2 For this purpose 'no selection against' the Reinsurer shall mean that where an Original Insured obtains insurance against Acts of Terrorism under a Relevant Instrument, it must do so in respect of:

1.2.1 all Property for which it effects General Cover and which is so eligible; and

1.2.2 all premises and business for which it effects General Cover and which is so eligible,

save in respect of the Permitted Departures. This is known as the "Adverse Selection Principle".

1.3 In paragraph 1.2.1 above, "all Property" means the Property of all Original Insured entities including subsidiary companies regardless of how the direct insurances are arranged, and irrespective of the number of direct insurance policies and/or insurers.

1.4 Where an Original Insured insures Property under a direct insurance policy that is eligible for cession under this Reinsurance Agreement with one or more insurer(s) that are not Members and the relevant Property is not insured as a layered programme or co-insured programme, this would be a breach of the Adverse Selection Principle.

1.5 Where an Original Insured obtains insurance against Acts of Terrorism under a Relevant Instrument in respect of property damage for all Property for which it effects General Cover, business interruption and book debts reinsurance is also available from the Reinsurer. If the Original Insured elects to insure Acts of Terrorism for business interruption and/or book debts under a direct insurance policy with one or more insurer(s) that are not Members, this would be a breach of the Adverse Selection Principle.

1.6 Where an Original Insured obtains insurance against Act of Terrorism for rent on a material damage basis of settlement whereby the loss ceases at the date restoration is complete, it would not be a breach of the Adverse Selection Principle for the Original Insured not to obtain insurance against Acts of Terrorism for the business interruption Class A Head of Cover or the Class B Head of Cover in respect of the risk.

1.7 It shall not be a breach of the Adverse Selection Principle if an Original Insured obtains insurance against Acts of Terrorism in respect of all Property for which it effects General Cover save for its flats and houses, or if the Original Insured elects to obtain insurance against Acts of Terrorism for its flats and houses with one or more insurer(s) that are not Members. If the Original Insured elects to exclude all of its flats and houses from the insurance against Acts of Terrorism, it will not be a breach of the Adverse Selection Principle if it also elects to exclude from its insurance

against Acts of Terrorism any Landlord's Contents, Artwork and similar property. This paragraph 1.7 does not apply to flats and houses of mixed residential and commercial occupation that are eligible for cession under this Reinsurance Agreement.

- 1.8 If Property is insured on a composite basis, each individual Original Insured is deemed to have a separate contract of insurance with the Reinsured. The Reinsured is required to treat each individual Original Insured in its own right and to treat Property accordingly. For example, if housing stock is insured under a direct insurance policy in the names of both a local authority and leaseholder on a composite basis, each party is deemed to have a separate contract of insurance with the insurer. The local authority is an Original Insured in its own right and the Member should treat the housing stock as Property. In order to comply with the Adverse Selection Principle, the local authority is required to effect insurance against Acts of Terrorism for the remainder of its Property for which it effects General Cover which is eligible for cession under this Reinsurance Agreement.
- 1.9 Where there is joint insurable interest in a direct insurance policy or a joint direct insurance policy, the Reinsurer will treat such insurance policy as a single contract of direct insurance.

2. Permitted Departures from the Adverse Selection Principle

- 2.1 The following are permitted departures from the Adverse Selection Principle. Where a Permitted Departure is made, the Reinsured should ensure that a record of its rationale is maintained in accordance with Article 15.2.
- 2.2 Where an Original Insured is:
- 2.2.1 responsible as a tenant for insuring a building;
 - 2.2.2 required by the mortgagee to insure a building;
 - 2.2.3 responsible as contractor or employer for insuring contract works and/or other property; or
 - 2.2.4 party to a similar legally binding contractual agreement, not of their own drafting, and is required under the terms of the contract to effect insurance against Acts of Terrorism (either explicitly or implicitly),

such insurance is permitted without requiring insurance against Acts of Terrorism to be effected on other Property belonging to the Original Insured, provided that the Original Insured purchases insurance against Acts of Terrorism for all such contractual obligations, and not only for selected ones.

- 2.3 Joint venture companies should be treated as companies in their own right and the Adverse Selection Principle will not apply to the participating companies involved in the joint venture. However, if a company decides to insure its exposures in a joint

venture operation and has no contractual obligation to do so, then the company concerned is subject to the Adverse Selection Principle.

- 2.4 Management companies and trustees will not be subject to the Adverse Selection Principle other than for Property they own. However, the owners of the Property that they manage will continue to be subject to the principle. For example, a management company, ABC Property Managers insures 20 properties on behalf of 18 different Original Insureds, one of which is ZZZ Ltd, which owns two properties. ABC Property Managers may elect to insure one or more of the Properties for Acts of Terrorism without contravening the Adverse Selection Principle, but if ZZZ Ltd were to insure one Property for Acts of Terrorism, it must insure the other eligible Properties. The same principles apply to trust properties within a trustee's portfolio.
- 2.5 The Adverse Selection Principle does not apply to a company and its pension fund as related companies. A pension fund is regarded as a separate entity in law and therefore may make decisions to purchase insurance against Acts of Terrorism independent of its company. For the avoidance of doubt, each entity is subject to the Adverse Selection Principle in its own right.
- 2.6 Where a party holds a Property on lease and:
 - 2.6.1 under the terms of that lease is required to insure the buildings (and rent) against fire and/or explosion damage arising from terrorist activity with a named insurer;
 - 2.6.2 the named insurer is a Member; and
 - 2.6.3 the Landlord has effected insurance against Acts of Terrorism with a Member on all Properties for which the Landlord is responsible for arranging such insurance against Acts of Terrorism under the lease,the Property will be reinsured by Pool Re notwithstanding that the lessee has elected not to obtain insurance against Acts of Terrorism on its other assets (in which it has an insurable interest) with a Member.
- 2.7 Diplomatic premises are eligible for cession under the Reinsurance Agreement. Where an Original Insured has a portfolio of premises which include diplomatic premises and the tenant is relying on their ability to recover for an Act of Terrorism under the terms of the Vienna Convention, and is refusing to pay the premium under its insurance against Acts of Terrorism, the Reinsurer would not consider the Original Insured to be in breach of the Adverse Selection Principle if such premises were not insured for Acts of Terrorism.
- 2.8 Where a subsidiary company is ultimately owned by the same parent or holding structure and it can be shown to the satisfaction of the Reinsurer that there is no central control of insurance matters and that each subsidiary has control over its own insurance arrangements, it is accepted that each subsidiary is not constrained by the

decisions of another and will therefore not fall foul of the Adverse Selection Principle should they choose not to purchase insurance against Acts of Terrorism.

- 2.9 Where it can be shown that a composite Original Insured has only a financial interest in the contract and is not effecting ownership, control, nor having an interest in the day-day operational element of the risk, it is permitted for the composite Original Insured not to obtain insurance against Acts of Terrorism for its other assets. Where the composite Original Insured does exercise greater control than simply providing the loan facility, it is required to adhere to the Adverse Selection Principle.

SCHEDULE 4
RUN-OFF ENDORSEMENT

1. On termination of the Reinsurance Agreement, the coverage provided by the Reinsurance Agreement is automatically extended to provide run-off cover on the following terms, in consideration of and subject to payment of the additional premium specified at paragraph 5 below.
2. The Reinsurer will provide the Reinsured with cover for Covered Loss on the same terms as the Reinsurance Agreement in respect of:
 - a. Relevant Instruments that inceptioned or renewed during the Underwriting Period and remained in force at the date of termination of the Reinsurance Agreement; and
 - b. all quotations for Relevant Instruments issued by the Reinsured during the Underwriting Period that could not be withdrawn and that were outstanding on the date of termination of the Reinsurance Agreement(the "**Run-Off Cover**").
3. The Run-Off Cover shall apply to each Relevant Instrument that falls within the scope of paragraph 2a or 2b of this Run-Off Endorsement for the period that the applicable Relevant Instrument remains in force.
4. For the avoidance of doubt, the Run-Off Cover does not provide coverage for:
 - a. any Relevant Instruments entered into after the date of termination of the Reinsurance Agreement, unless paragraph 2b of this Run-Off Endorsement applies; or
 - b. any quotations for Relevant Instruments issued by the Reinsured during the Underwriting Period that can be withdrawn by the Reinsured, or are not outstanding, on the date of termination of this Reinsurance Agreement or quotations issued by the Reinsured after the date of termination of this Reinsurance Agreement.
5. To the extent reasonably practicable, the additional premium payable for the Run-Off Cover has been calculated (or will be calculated) in the same way as the original Premium, and takes (or will take) into account the cover for which Premium has previously been paid, under the Reinsurance Agreement.
6. If the additional premium is not paid within 14 days of the deemed date of receipt by the Reinsured of the Additional Premium Notification (the deemed date of receipt being calculated in accordance with Article 18 of the Reinsurance Agreement), or such other date as advised by the Reinsurer, the Reinsurer shall be entitled to terminate the Run-Off Cover ab initio (as if no Run-Off Cover had been provided under the Reinsurance Agreement), upon notice to the Reinsured.

SCHEDULE 5

THIS AGREEMENT is made on

20[]

BETWEEN

- (1) [INSERT THE NAME OF THE REINSURED] whose registered office is at [INSERT ADDRESS] (“the Reinsured”); and
- (2) [INSERT NAME OF THE ULTIMATE PARENT UNDERTAKING OF THE REINSURED’S GROUP OF COMPANIES] whose registered office is at [INSERT ADDRESS] (“the Ultimate Parent Undertaking”); and
- (3) POOL REINSURANCE COMPANY LIMITED whose registered office is at 7 Savoy Court, London WC2R 0EX (“the Reinsurer”).

WHEREAS:

- (A) The Reinsured is a party to an excess of loss reinsurance agreement with the Reinsurer (the “Reinsurance Agreement”).
- (B) One of the terms of the Reinsurance Agreement is to the effect that the Reinsured shall ensure that its Connected Persons reinsure all their relevant GB terrorism risks with the Reinsurer (the “cede all business rule” or “**CAB Rule**”, which expression when used in this Agreement refers to the entirety of Article 11.2 of the Reinsurance Agreement).
- (C) In consideration of the Reinsurer waiving the CAB Rule for the period commencing on the date on which this undertaking is signed by the last of the parties to sign and expiring on [INSERT DATE THAT IS ONE CALENDAR YEAR AFTER THE DATE OF SIGNING], the Reinsured and the Ultimate Parent Undertaking (together, the “Undertaking Parties”) will provide the undertakings contained in this Agreement.

IT IS AGREED AS FOLLOWS:

I. DEFINITIONS

- 1.1 Terms defined in the Reinsurance Agreement have the same meaning in this Agreement:
- 1.2 “Sub-group” means a group of Connected Persons operating as a single business unit, for example: [INSERT NAMES OF THE CONNECTED PERSONS ACTING AS A SINGLE BUSINESS UNIT IF APPLICABLE]:
- 1.3 “Ultimate Parent Undertaking” means (in relation to the Reinsured) such parent undertaking from time to time of the Reinsured that is not itself a subsidiary undertaking of another undertaking, where “parent undertaking”, “subsidiary undertaking” and “undertaking” have the same meanings as in the Companies Act 2006.

2. UNDERTAKING

- 2.1 Each of the Undertaking Parties hereby undertakes as follows:
- 2.1.1 each of the Connected Persons and the Reinsured shall conduct its direct insurance business in such a way as to avoid any direct or indirect coordination or communication between them in relation to their business planning as regards insurance against Covered Losses, their decisions as to the terms on which they will each offer such insurance, and/or the market segments/customers to whom they will offer such insurance, PROVIDED that this undertaking shall not extend to the internal discussions of a single Connected Person or Sub-group;
 - 2.1.2 each Connected Person shall not directly or indirectly recommend or suggest to customers that they should choose to deal with the Connected Person instead of the Reinsured in relation to the purchase of General Cover and/or insurance against an Act of Terrorism in respect of any Class A Head of Cover or the Class B Head of Cover, nor vice versa; and
 - 2.1.3 each Undertaking Party shall co-operate with the Reinsurer from time to time to enable the Reinsurer, acting reasonably, to satisfy itself that those persons subject to the undertaking are complying with it.
- 2.2 The obligations in this Agreement shall not apply where (and for so long as) a Connected Person provides insurance against Covered Losses only as part of a policy:
- 2.2.1 covering losses arising under one or more of the Class A Head of Cover as a result of damage to or the destruction of Property located in multiple jurisdictions (including the Territory); or
 - 2.2.2 no separate premium is explicitly or implicitly referable to the Property located within the Territory,
- and in either case where the Property located within the Territory represents less than 10 per cent by sum insured of the overall insured Property portfolio under that policy.
- 2.3 Each of the Undertaking Parties shall immediately inform the Reinsurer of the full circumstances on becoming aware of any breach of the terms of this Agreement.
- 2.4 The Undertaking Parties understand, acknowledge and agree that, the purpose of this Agreement being to be a complete substitute in each and every respect for the obligations of the Reinsured under Article 11.2 of the Reinsurance Agreement, this Agreement is to be construed for all purposes as if it were a warranty and undertaking given under the Reinsurance Agreement and the consequences of any breach of this Agreement shall be the same as the consequences of a breach of warranty and undertaking under the Reinsurance Agreement.
- 2.5 If any or all of the Undertaking Parties are in breach of the undertakings in this Agreement, the Reinsurer's waiver shall immediately fall away without any action on the part of the Reinsurer and the CAB Rule shall be reinstated.

3. GENERAL

- 3.1 Entire agreement and variation: Each Party confirms that this Agreement (together with the Reinsurance Agreement) represents the entire understanding, constitutes the whole agreement, and supersedes any previous agreement between the parties in relation to the compliance of the Reinsured Parties with the CAB Rule, and excludes any warranty, condition or other undertaking implied at law or by custom, usage or course of dealing. Each Party confirms that in entering into this Agreement it has not relied on any representation, warranty or undertaking which is not expressly set out in this Agreement. No variation of this Agreement will be effective unless it is in writing signed by the parties.
- 3.2 No waiver: A failure to exercise or delay in exercising any right or remedy provided by this Agreement or by law does not constitute a waiver of that or any other right or remedy, and no single or partial exercise of a right or remedy will preclude any further exercise of any such right or remedy.
- 3.3 Severability: If any part (including any paragraph or sub-paragraph) of this Agreement is void or unenforceable due to any applicable law, it shall be deemed to be deleted and the remaining parts of this Agreement will continue in full force and effect.
- 3.4 Costs: Each Party will be responsible for all costs incurred by it or on its behalf in connection with this Agreement.
- 3.5 Counterparts: This Agreement may be executed by the parties in separate counterparts, which shall together constitute one Agreement.
- 3.6 Third party rights: No term of this Agreement is enforceable by a person who is not a party to this Agreement under the Contracts (Rights of Third Parties) Act 1999.
- 3.7 Remedies: Without prejudice to any other rights or remedies that any party may have, the Undertaking Parties acknowledge and agree that damages alone would not be an adequate remedy for any breach by the Undertaking Parties of the provisions of this Agreement, and that the remedies of injunction and specific performance as well as any other equitable relief for any threatened or actual breach by the Undertaking Parties or their Connected Persons would be more appropriate remedies. The Undertaking Parties agree to indemnify and keep indemnified the Reinsurer against any costs, claims, demands, losses or liabilities whatsoever arising directly or indirectly out of any breach by the Undertaking Parties or their Connected Persons of their obligations under this Agreement.
- 3.8 Governing law and jurisdiction: This Agreement and any dispute or claim arising out of or in connection with it (whether contractual or non-contractual in nature) is governed by, and is to be construed in accordance with, English law. The courts of England shall have exclusive jurisdiction in relation to any claim or dispute which may arise out of or in connection with this Agreement and accordingly any proceedings arising out of or in connection with this Agreement are to be brought in the courts of England.

IN WITNESS whereof the Parties hereto have set their hands the day and year written below.

SIGNED:
 [Insert name]
 for and on behalf of [Insert name of the Reinsured]

DATED:

SIGNED:
 [Insert name]
 for and on behalf of [Insert name of the Ultimate Parent
 Undertaking]

DATED:

SIGNED:
 [Insert name]
 for and on behalf of Pool Reinsurance Company Limited

DATED:

SCHEDULE 6

1. Address for notices (Article 18.1)

A notice, approval, consent or other communication in connection with this Reinsurance Agreement must, in the case of the Reinsured, be marked for the

attention of.....and sent to:

Address.....

Email Address.....

2. Address for service of process (Article 21.2)

.....

(This must be an address in the United Kingdom)

IN WITNESS WHEREOF this Reinsurance Agreement has been signed in duplicate for and on behalf of and by the authority of each contracting party.

.....
For and on behalf of the Reinsured
this day of 20

.....
For and on behalf of the Reinsurer
this day of 20

SCHEDULE 6
Membership Agreement

MEMBERSHIP AGREEMENT

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BETWEEN:

- (1) **THE PERSONS** whose names and addresses are set out in Schedule 1 ("**Effective Date Members**"); and
- (2) **POOL REINSURANCE COMPANY LIMITED** a company incorporated in England and Wales (registered number 2798901) and whose registered office is at 7 Savoy Court, London, United Kingdom, WC2R 0EX ("**Pool Re**").

WHEREAS:

- (A) Pool Re has been established as a mutual reinsurance company in order to ensure that industry and commerce continue to be able to purchase insurance cover against the risk of loss as a result of attacks by terrorists;
- (B) HM Treasury has agreed to act as reinsurer of last resort for certain damage resulting from certain terrorist attacks and, has, for that purpose, entered into the Retrocession Agreements with Pool Re;
- (C) This Agreement is intended to regulate rights and liabilities of Members between themselves and vis-a-vis Pool Re in their capacity as members;
- (D) The Effective Date Members have each executed a TAA agreeing to continue membership of Pool Re upon the terms of this Agreement, and each of them has authorised Pool Re under the terms of the applicable TAA to execute this Agreement on its behalf.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 In this Agreement and in the Schedules the following definitions are used:

"Accession Agreement" means an agreement in the form set out in Schedule 4 or in such other form as Pool Re may specify.

"Additional Member" means a person (not being an Effective Date Member) who has executed an Accession Agreement and has complied in all other respects with clause 3.1.

"Amendment Effective Date" means such date on which Pool Re notifies its members that a TAA has been executed by each member of Pool Re, or such later date as selected by Pool Re and specified in the notice.

"ARIAS (UK)" means the Insurance and Reinsurance Arbitration Society, the "not-for-profit" society formed in 1991 established under the aegis of AIDA (Association Internationale de Droit des Assurances) and is one of the two UK-based Chapters of AIDA (the other being the British Insurance Law Association).

"Business Day" means a day (not being a Saturday) on which banks are open for general banking business in the City of London.

"Change of Control" means, in respect of a Member, the acquisition by an entity of more than 50% of the voting capital of that Member or any Controller of that Member or the attainment by an entity of the legal power to direct or cause the direction of the general management and policies of that Member or any Controller of that Member, whether through the ownership of voting capital, by contract or otherwise, other than in either case where, prior to the acquisition or attainment, there is a Controller of that entity which is also a Controller of that Member.

"Competition Authority" means any national, supra-national or regional, state, municipal, government or governmental, quasi-governmental, statutory, regulatory or investigative body, administrative agency, court or tribunal, in any jurisdiction, responsible for the investigation, prosecution or determination of any matters relating to antitrust, competition, mergers, unfair competition, consumer protection, anti-competitive agreements, practices or behaviour or any similar matter.

"Competition Rules" means any applicable legislation, law, regulation or administrative provision in any jurisdiction relating to antitrust, competition, mergers, unfair competition, consumer protection, anti-competitive agreements or practices or behaviour or any similar matter or for any other reason.

"Connected Person" means, in respect of a Member, any person controlled by or under common control with that Member ("control" for this purpose meaning the ability by a person, whether by the holding of shares, or by agreement, or by any other means, to ensure that another person's affairs are carried out in accordance with the wishes of the first-mentioned person), provided that the following shall not be regarded as Connected Persons in respect of a Member who is a Lloyd's Managing Agent:

- (a) any member of Lloyd's, other than a member which participates solely on Lloyd's syndicates in respect of which the Lloyd's Managing Agent and all of the members for the then current underwriting year of account are under common control (as defined above) with that Member; or
- (b) any Lloyd's Managing Agent, other than a Lloyd's Managing Agent that manages a Lloyd's syndicate on which all of the members for the then current underwriting year of account are under common control (as defined above) with that Member.

"Controller" means, in respect of one entity, a second entity having more than 50% of the voting capital of the first entity or any parent undertaking (as defined in the Companies Act 2006) of the first entity, or having the legal power to direct or cause the direction of the general management and policies of the first entity, whether through the ownership of voting capital, by contract or otherwise.

"Data Protection Legislation" means all applicable law relating to the processing or protection of personal data in connection with this Reinsurance Agreement, including (where applicable):

- (a) the General Data Protection Regulation (EU) 2016/679 of the European Parliament ("**GDPR**");
- (b) the GDPR as it forms part of the laws of the United Kingdom by virtue of section 3 of the European Union Withdrawal Act 2018 (and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019) ("**UK GDPR**");
- (c) the UK Data Protection Act 2018; and
- (d) the Privacy and Electronic Communications (EC Directive) Regulations 2003,
- (e) and in each case, any legislation and/or regulation implementing or made pursuant to each of them, or which amends, replaces, re-enacts or consolidates any of them.

"Director" means, in relation to any person, any member of its board of directors, board of management or supervisory body.

"Effective Date Member" means a person who was a member immediately prior to the Amendment Effective Date.

"FCA" means the Financial Conduct Authority of the United Kingdom or its successors from time to time.

"Financial Crime" includes but is not limited to money laundering, insider dealing, market abuse, corruption, terrorist financing and bribery.

"Form of Application" means a form of application to become a member of Pool Re, in the form set out in Schedule 3 or in such other form as Pool Re may specify.

"General Insurance Business" means any insurance business which is from time to time specified in Part 1 of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

"HM Treasury" means The Lords Commissioners of His Majesty's Treasury.

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

"Managing Agent" means any entity registered with Lloyd's and the PRA as a managing agent of one or more Lloyd's syndicates.

"Members" and **"Member"** means the Effective Date Members and any Additional Members from time to time, or any of them, as the context may require, in each case from the time such person becomes a Member until the time that person ceases to be a Member pursuant to the terms of this Agreement.

"MGA" means a managing general agent which has been appointed by a consortium of Members as agent in respect of their business.

"Pool Re Privacy Notice" means Pool Re's privacy notice available on its website at <https://www.poolre.co.uk/privacy-policy/>

"PRA" means the Prudential Regulation Authority of the United Kingdom or its successors or any other body with responsibility for the prudential supervision of insurers and Lloyd's Managing Agents from time to time.

"Regulatory Authority" means any public authority or government agency including the PRA and the FCA.

"Reinsurance Agreement" means a reinsurance agreement in a form prescribed by Pool Re at the time it was entered into.

"Reinsured" means a person who has entered into a Reinsurance Agreement as a reinsured.

"Retrocession Agreements" means each of the agreements so entitled dated 5th May 2022 and [] 2025 between Pool Re and HM Treasury.

"Scheme Documents" means this Agreement, each TAA, the Accession Agreements (if any), the Reinsurance Agreements, and the Retrocession Agreements and the documents entered into pursuant thereto, or scheduled or annexed thereto, or referred to therein as being in agreed terms.

"Supplemental Deed" means a deed by that name entered into by Pool Re and a Member.

"TAA" means, in respect of each Effective Date Member, the transition authorisation agreement entered into between Pool Re and that Effective Date Member.

- 1.2 In this Agreement, words and expressions defined in the Companies Acts shall bear the same meaning as in those Acts.
- 1.3 In this Agreement, save where the context otherwise requires:
- 1.3.1 a reference to a statute or statutory provision shall include a reference:
 - (A) to that statute or provision as from time to time consolidated, modified, re-enacted or replaced by any statute or statutory provision;
 - (B) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
 - (C) any subordinate legislation made under the relevant statute;
 - 1.3.2 words in the singular shall include the plural, and vice versa and references to any gender shall include references to other genders;
 - 1.3.3 a reference to a person shall include a reference to a firm, a body corporate, an unincorporated association or to a person's executors or administrators;
 - 1.3.4 a reference to a clause, sub-clause or Schedule (other than to a schedule to a statutory provision) shall be a reference to a clause, sub-clause or Schedule (as the case may be) of or to this Agreement;

- 1.3.5 a reference to an agreement or other document shall be to that agreement or document as the same has been, or may be, amended, replaced or supplemented from time to time;
 - 1.3.6 if a period of time is specified and dates from a given day or the day of an act or event, it shall be calculated exclusive of that day and both time and date shall be determined by reference to that prevailing in Great Britain at the relevant time;
 - 1.3.7 references to any English legal term for any action, remedy, method or judicial proceedings, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term;
 - 1.3.8 references to writing shall include any modes of reproducing words in a legible and non-transitory form;
 - 1.3.9 the headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement.
- 1.4 The designations adopted in the recitals and introductory statements preceding this clause apply throughout this Agreement and the Schedules.

2. MEMBERSHIP OF POOL RE

- 2.1 Each Effective Date Member warrants to Pool Re that:
- 2.1.1 being a corporation, other than a Lloyd's Managing Agent, it is authorised by the state in which it is resident (or primarily resident in the case of a corporation resident in more than one state) to carry on General Insurance Business and insures risks situated in Great Britain; or
 - 2.1.2 being a Lloyd's Managing Agent, it is duly authorised and appointed to act as the Managing Agent of a Lloyd's syndicate in respect of which continued membership is sought pursuant hereto which writes General Insurance Business in Great Britain as part of its business; and
 - 2.1.3 there has been no dishonest, fraudulent or criminal act, omission or involvement in any Financial Crime on its part; and
 - 2.1.4 the systems, controls and procedures that it has in place to identify potential Financial Crime before it occurs are compliant with all applicable legal and regulatory requirements and guidance, and it has not received notice from any Regulatory Authority indicating that such systems, controls and procedures are not so compliant.
- 2.2 At the request of Pool Re from time to time, an Effective Date Member shall deliver afresh to Pool Re:
- 2.2.1 all such information and documents with respect to such Effective Date Member, its Connected Persons, its Directors, and their respective businesses (including without limitation the information specified by Pool Re as necessary to enable Pool Re to determine appropriate premium and retention arrangements under the Reinsurance Agreement for that Effective Date Member) as Pool Re may require;
 - 2.2.2 a Reinsurance Agreement (having an effective date of such date as the Effective Date Member and Pool Re shall have agreed), duly executed by such Effective Date Member; if the Effective Date Member is a Lloyd's Managing Agent, the execution by the Managing Agent shall be on behalf of the members of its relevant managed Lloyd's syndicate;
 - 2.2.3 in the case of an Effective Date Member which has appointed an MGA, the appointment by that Effective Date Member of the MGA as its representative for purposes of its membership of Pool Re combined with its authority that Pool Re may deal and communicate with that duly appointed MGA for all purposes in connection with that Effective Date Member's membership of Pool Re. Pool Re

shall not be concerned as to how the MGA accounts to that Effective Date Member in respect of the rights and obligations of membership;

- 2.2.4 (if required by Pool Re) the delivery to Pool Re of a legal opinion with respect to the obligations, and powers and duties of the Effective Date Member in such form, in such terms and from such legal counsel as Pool Re may approve; and
- 2.2.5 a Form of Application to become a member of Pool Re in a form acceptable to the Board of Directors of Pool Re (or any person duly authorised by them for the purpose).

3 ADMISSION OF ADDITIONAL MEMBERS

3.1 Any person wishing to become a member of Pool Re after the Amendment Effective Date (not being an Effective Date Member unless it has previously ceased to be a Member) shall be required to:

- 3.1.1 complete, execute and send to Pool Re a Form of Application; in the case of an applicant which has appointed (or is in the process of appointing) an MGA, the Form of Application shall contain the appointment by the applicant of that MGA as its representative for purposes of its membership of Pool Re combined with authority that Pool Re may deal and communicate with that duly appointed MGA for all purposes in connection with that applicant's membership of Pool Re. Pool Re shall not be concerned as to how the MGA accounts to that applicant once an Additional Member in respect of the rights and obligations of membership;
- 3.1.2 provide to Pool Re all such information and documents with respect to itself, its Connected Persons, its Directors and their respective businesses (including without limitation the information specified by Pool Re as necessary to enable Pool Re to determine appropriate premium and retention arrangements under the Reinsurance Agreement for that Additional Member) as Pool Re may require;
- 3.1.3 execute an Accession Agreement pursuant to which such person shall become an Additional Member;
- 3.1.4 execute on its own behalf (or if such person is a Lloyd's Managing Agent, execute on behalf of the relevant Lloyd's syndicate) a Reinsurance Agreement (having an Effective Date of such date as such person and Pool Re shall have agreed); if the applicant is a Lloyd's Managing Agent, the execution by the Managing Agent shall be on behalf of its relevant managed Lloyd's syndicate;
- 3.1.5 (if required by Pool Re) deliver to Pool Re a legal opinion with respect to the obligations of the person concerned in such form, in such terms and from such legal counsel as Pool Re may approve;
- 3.1.6 warrant that there has been no dishonest, fraudulent or criminal act or omission or involvement in any Financial Crime on its part; and
- 3.1.7 warrant that the systems, controls and procedures that it has in place to identify potential Financial Crime before it occurs are compliant with all applicable legal and regulatory requirements and guidance, and that it has not received notice from any Regulatory Authority indicating that such systems, controls and procedures are not so compliant.

3.2 The execution by an Additional Member of an Accession Agreement shall constitute a warranty and undertaking by such Additional Member that:

- 3.2.1 such person, being a corporation other than a Lloyd's Managing Agent, is authorised by the state in which it is resident (or primarily resident in the case of a corporation resident in more than one state) to carry on General Insurance Business and that it insures risks situated in Great Britain; and
- 3.2.2 such person, being a Lloyd's Managing Agent, is duly authorised and appointed as Managing Agent of the Lloyd's syndicate in respect of which membership is

sought, and that that Lloyd's syndicate writes General Insurance Business in Great Britain as part of its business

- 3.3 If the Board of Directors of Pool Re (or a person duly authorised by them for the purpose) approves an application to become a member of Pool Re, Pool Re shall:
- 3.3.1 itself execute the Reinsurance Agreement executed by such applicant (or counterparts thereof); and
 - 3.3.2 on its own behalf, and on behalf of each of the other persons who are then Members, execute an Accession Agreement with the proposed Additional Member.
- 3.4 An Additional Member shall become a Member for the purposes of this Agreement and a member of Pool Re on the date on which Pool Re shall have executed a Reinsurance Agreement and an Accession Agreement with such Additional Member, and shall remain a Member (for the purposes aforesaid) and a member of Pool Re until such membership is terminated pursuant to clause 6 of this Agreement.
- 4. LLOYD'S**
- 4.1 Persons admitted as Members who are Lloyd's Managing Agents may be admitted "in respect of" one or more Lloyd's syndicates. A Lloyd's Managing Agent shall be the Member in its own right, but shall account to each such Lloyd's syndicate for any monetary amount it receives or is required to pay in relation to such managed syndicate's underwriting by reason of its membership of Pool Re. Pool Re:
- 4.1.1 shall have no obligation to any person on whose behalf such Member acts as agent, or responsibility for ensuring that such Member accounts to any such person in relation to any right or benefit it receives or amount it is liable to pay in its capacity as Member; and
 - 4.1.2 shall be under no duty to enquire as to the due authority and appointment of a registered Lloyd's Managing Agent.
- 4.2 The several groups of underwriting members of Lloyd's to which in successive years a particular syndicate number is assigned by or under the authority of the Council of Lloyd's shall be treated for the purposes of this Agreement as the same syndicate notwithstanding that they may not comprise the same underwriting members with the same individual participations and so that clause 6 shall not apply upon the termination of a Reinsurance Agreement with a syndicate with a particular syndicate number if a further Reinsurance Agreement with the same syndicate number is in force or is entered into with effect immediately after expiry of the previous Reinsurance Agreement.
- 4.3 Without prejudice to clause 6, in the event that Pool Re shall receive notice of the replacement of the Managing Agent of a Lloyd's syndicate which benefits from reinsurance under a Reinsurance Agreement, that person shall thereupon cease to be a Member for the purposes of this Agreement in respect of that Lloyd's syndicate and the directors may admit to membership the successor Managing Agent of that syndicate, and that successor Managing Agent shall thereupon be entitled to apply to become a member of Pool Re and a Member for the purposes of this Agreement in respect of that Lloyd's syndicate by completion of a Form of Application and execution of an Accession Agreement which Agreement Pool Re may execute on its own behalf and on behalf of each of the other persons who are then Members.
- 4.4 A Lloyd's Managing Agent may become a Member in respect of more than one Lloyd's syndicate by complying, in relation to each syndicate, with the provisions of clause 2 or 3, as the case may be (with such adaptations as Pool Re may specify) and its membership of Pool Re shall terminate when all Reinsurance Agreements by virtue of which he is entitled to membership shall have terminated.
- 4.5 In the event that a Lloyd's Managing Agent that is a Member in respect of one or more Lloyd's syndicates becomes the Managing Agent of an additional Lloyd's syndicate, whether by reason of a syndicate merger or otherwise, then:

- 4.5.1 if that additional Lloyd's syndicate is already a party to a Reinsurance Agreement with Pool Re, that Lloyd's Managing Agent shall become a Member in respect of that additional Lloyd's syndicate; and
- 4.5.2 if that additional Lloyd's syndicate is not already a party to a Reinsurance Agreement with Pool Re and all of the members of that Lloyd's syndicate are Connected Persons of that Lloyd's Managing Agent, that Lloyd's Managing Agent shall, unless otherwise agreed by the directors of Pool Re:
 - (A) become a Member in respect of that additional Lloyd's syndicate by complying, in relation to that additional Lloyd's syndicate, with the provisions of clause 2 or 3, as the case may be (with such adaptations a Pool Re may specify); and
 - (B) promptly enter into a Reinsurance Agreement with Pool Re on behalf of that additional Lloyd's syndicate.
- 4.6 In the event that a Lloyd's syndicate (the "**reinsuring syndicate**") provides reinsurance to another Lloyd's syndicate (the "**reinsured syndicate**") under a reinsurance to close contract that covers business in respect of which premium has been placed with Pool Re then:
 - 4.6.1 there shall be no requirement for the Lloyd's Managing Agent of the reinsuring syndicate to become a Member in respect of the reinsuring syndicate (if it is not already a Member in respect of the reinsuring syndicate);
 - 4.6.2 for the avoidance of doubt, the Lloyd's Managing Agent of the reinsuring syndicate shall not become a Member in respect of the reinsured syndicate; and
 - 4.6.3 the provisions of Article 33 of the Memorandum and Articles of Association of Pool Re shall apply with respect to voting rights.
- 4.7 Where a Lloyd's Managing Agent is admitted as a Member in respect of two or more Lloyd's syndicates, it shall sign a separate Reinsurance Agreement on behalf of each syndicate. Such a Member shall be regarded as a separate Member in respect of each such Lloyd's syndicate. The premium placed with Pool Re by such Member on behalf of each such Lloyd's syndicate shall be measured separately in determining the number of votes which that Member may cast, and those votes shall be regarded as cast separately by that Member for each Lloyd's syndicate in respect of which it is admitted as a Member.
- 4.8 Where a Member has appointed a MGA in respect of its business, Pool Re shall be entitled to deal and communicate with that duly appointed MGA for all purposes in connection with the Member's membership of Pool Re.
- 4.9 Pool Re:
 - 4.9.1 shall not be concerned as to how the MGA accounts to that Member in respect of the rights and obligations of membership; and
 - 4.9.2 shall be under no duty to enquire as to the due authority and appointment of the MGA which is asserted both by the Member and the MGA.
- 5. **PROVISION OF INFORMATION**
- 5.1 Each Member undertakes to produce to Pool Re from time to time upon demand such evidence of, or information and documents relating to, its authorisation, legal form and status, business, ownership and jurisdiction of incorporation or residence as Pool Re may require.
- 5.2 Each Member shall promptly notify Pool Re of any material change, or (to the extent consistent with law or regulation) of any proposed material change that it has decided to make, in any information previously provided to Pool Re in relation to its authorisation, legal form and status, business, ownership and jurisdiction of incorporation or residence.

- 5.3 Where a Member:
- 5.3.1 ceases to be incorporated, resident or authorised in the jurisdiction in which it was incorporated, resident or authorised on the date on which it became a Member; or
 - 5.3.2 adopts a legal form or status that is different from the legal form or status that it had on the date on which it became a Member; or
 - 5.3.3 ceases to have authorisation under Part 4A of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance,
- it shall, within 30 days of a request from Pool Re, deliver to Pool Re a legal opinion from such legal counsel as Pool Re may approve, acting reasonably, confirming that the obligations of the Member under this Agreement and under the Reinsurance Agreement remain legal, valid, binding and enforceable in all relevant jurisdictions.
- 5.4 Each Member shall promptly notify Pool Re if at any time it determines that, or receives notice from any Regulatory Authority indicating that, the systems, controls or procedures that it has in place to identify Financial Crime before it occurs are not compliant with all applicable legal and regulatory requirements and guidance.
- 5.5 Each Member shall promptly notify Pool Re if there is a finding, warning or penalty imposed by either a Regulatory Authority or a court that the Member is, or may be, culpable of any involvement in Financial Crime.
6. **TERMINATION**
- 6.1 Subject to clause 4, a Member shall cease to be a Member for the purposes of this Agreement (other than in respect of any antecedent breach hereof) and a member of Pool Re:
- 6.1.1 in the case of a Member who is not a Lloyd's Managing Agent, on the date of termination (for whatever reason) of the Reinsurance Agreement between it and Pool Re (and, for the avoidance of doubt, it is agreed that the termination of in force Reinsurance Agreements with effect from 31 March 2025 shall not terminate the membership of a Member which enters into a replacement Reinsurance Agreement with effect from 1 April 2025, and that renewal of a Reinsurance Agreement in the manner envisaged in Article 3.3 thereof shall not amount to termination for this purpose); or
 - 6.1.2 in the case of a Member who is a Lloyd's Managing Agent, on the first date on which:
 - (A) all Reinsurance Agreements entered into by it on behalf of Lloyd's syndicates have been terminated (for whatever reason) (and, for the avoidance of doubt, it is agreed that the termination of in force Reinsurance Agreements with effect from 31 March 2025 shall not terminate the membership of a Member which enters into a replacement Reinsurance Agreement on behalf of Lloyd's syndicates with effect from 1 April 2025, and that renewal of a Reinsurance Agreement in the manner envisaged in Article 3.3 thereof shall not amount to termination for this purpose); or
 - (B) it is no longer the Managing Agent of any Lloyd's syndicate which is a party to a Reinsurance Agreement.
- 6.2 Pool Re shall have the right to terminate the membership of a Member, and such Member shall cease to be a Member for the purposes of this Agreement (other than in respect of any antecedent breach hereof) and a member of Pool Re on the date of such termination, if:
- 6.2.1 that Member fails to comply with a warning or penalty imposed by either a Regulatory Authority or a court, due to the Member being culpable of any

involvement in Financial Crime, within the time limit imposed by the Regulatory Authority or the court;

6.2.2 Pool Re gives ninety days' notice to that Member that its membership under this Agreement will be terminated having been informed that that Member has been involved in Financial Crime;

6.2.3 a Regulatory Authority has imposed a restriction or penalty on that Member or taken any action which materially affects the ability of that Member to provide insurance under its own insurance agreements or carry on General Insurance Business, and such restriction or other action is continuing, or such penalty has not been revoked, at the date of notice of termination given by Pool Re;

6.2.4 that Member fails to notify Pool Re within thirty days of a Change of Control of that Member of the fact that there has been a Change of Control, and that failure is continuing at the date of notice of termination given by Pool Re;

6.2.5 subject to clause 6.4, that Member is in material breach of its obligations under this Agreement or:

(A) in the case of a Member who is not a Lloyd's Managing Agent, that Member is in material breach of its obligations under the Reinsurance Agreement between it and Pool Re; or

(B) in the case of a Member who is a Lloyd's Managing Agent, all Lloyd's syndicates of which that Member is the Lloyd's Managing Agent are in material breach of their obligations under Reinsurance Agreements between them and Pool Re;

where in any such case the material breach is continuing at the date of notice of termination given by Pool Re;

6.2.6 if Pool Re requests a legal opinion from that Member under Clause 5.3, and:

(A) that Member fails to deliver the legal opinion within thirty days of such request, and such failure is continuing at the date of notice of termination given by Pool Re; or

(B) the legal opinion that is delivered by the Member does not confirm that the obligations of the Member under this Agreement and under any Reinsurance Agreement entered into by the Member remain legal, valid, binding and enforceable, or gives such confirmation subject to a qualification that is not acceptable to Pool Re, acting reasonably (and, for the avoidance of doubt, a qualification by reference to insolvency laws shall be regarded as acceptable in the absence of evidence that the Member is or may be insolvent); or

6.2.7 a Regulatory Authority makes a determination that there has been misconduct on the part of that Member or a failure of that Member to maintain systems and controls in accordance with all applicable legal and regulatory requirements and guidance, and such misconduct or failure has had a material adverse effect on the accuracy of the records of its insurance business or has a material adverse financial effect on Pool Re and, in either case, that effect is continuing at the date of notice of termination given by Pool Re.

6.3 The termination of the membership of a Member shall (save to the extent that Pool Re and the Member have specifically agreed otherwise) result in termination of all reinsurance cover provided by Pool Re to that Member (or if such Member is a Lloyd's Managing Agent, provided to the Member on behalf of the relevant Lloyd's syndicate) save that it shall not affect the liability of Pool Re under any run-off cover purchased by the Member pursuant to Article 17.6 of the Reinsurance Agreement.

6.4 Failure by the Member or any Lloyd's syndicate to pay an amount owing to Pool Re which is less than £100 shall not give rise to a right for Pool Re to terminate the membership of a Member under clause 6.2.5.

7. TERMINATION OF SUPPLEMENTAL DEEDS

Each Supplemental Deed to which Pool Re is party with any Member is hereby terminated in its entirety with effect from the date hereof on the basis no party to any such Supplemental Deed shall have any ongoing liability thereunder.

8. EXPIRY

This Agreement shall continue in force unless and until the Retrocession Agreements and all Reinsurance Agreements shall have ceased to be in force for any purpose.

9. ASSIGNMENTS

This agreement is personal to the parties hereto and none of them shall be entitled to assign this Agreement or any of its rights and obligations hereunder without the prior written consent of Pool Re.

10. WAIVER OF RIGHTS

Any rights or remedies conferred hereunder upon any Member or Pool Re shall be in addition to and without prejudice to all other rights, powers and remedies available to that Member and Pool Re and no exercise or failure to exercise or delay in exercising any such right, power or remedy shall constitute a waiver by that Member or Pool Re of any such other right, power or remedy.

11. NO PARTNERSHIP OR AGENCY

Nothing in this Agreement shall be deemed to constitute a partnership between the parties hereto or (save as expressly provided in sub-clauses 3.3 and 4.3) to constitute any party the agent of any other party for any purpose.

12. THIRD PARTY RIGHTS

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party.

13. ENTIRE AGREEMENT

In relation to their subject matter the Scheme Documents represent the entire understanding and constitute the whole agreement, and supersede any previous agreements, between the parties and, save as provided in this Agreement, no party has relied on any representation made by any other party who is not a party to this Agreement.

14. COSTS

Each party shall bear its own costs incurred in connection with the negotiation, preparation and execution of this Agreement and the other Scheme Documents.

15. NOTICES

15.1 A notice, approval, consent or other communication in connection with this Agreement:

15.1.1 must be in writing;

15.1.2 in the case of Pool Re, must be marked for the attention of the General Counsel and Company Secretary; and

15.1.3 subject to sub-clause 15.1.4, must be:

(A) left at the address of the addressee, or sent by prepaid ordinary post (airmail if posted to or from a place outside the United Kingdom) to the address of the addressee (in the case of a notice to a Member, being the

address of the addressee which is specified in Schedule 1 hereto, or in an Accession Agreement) or if the addressee notifies another address then to that address; or

- (B) sent by email to (i) in the case of a notice to Pool Re, generalcounsel@poolre.co.uk, or (ii) in the case of a notice to a Member, the email address of the addressee which is specified in Schedule 1 hereto, or in an Accession Agreement or if the addressee notifies another email address then to that address;

may, in a case where Pool Re either does not hold a valid postal address in respect of a Member, or considers that the postal address held in respect of a Member may no longer be valid, be sent by prepaid ordinary post (airmail if posted to or from a place outside the United Kingdom) to (i) in the case of a Member incorporated in the United Kingdom, its registered office or (ii) in the case of a Member incorporated outside the United Kingdom, its principal place of business or registered office in its country of incorporation, as registered at Companies House in the United Kingdom (where applicable) or otherwise recorded in an equivalent registration in its country of incorporation, and in each case addressed to the Board of Directors or equivalent governing body.

- 15.2 A notice, approval, consent or other communication shall take effect from the time it is received (or, if earlier, the time it is deemed to be received in accordance with sub-clause 15.3) unless a later time is specified in it.
- 15.3 A letter or email is deemed to be received:
- 15.3.1 in the case of a posted letter, unless actually received earlier, on the third (seventh, if posted to or from a place outside the United Kingdom) day after posting;
- 15.3.2 in the case of email, at the time and date that the email was sent, provided that the sender does not within four hours receive a delivery failure or delay notification in respect of the email address.
- 15.4 Each document, notice or other communication given, delivered or made by one party to the other or to any other person under or in connection with this Agreement shall be in English or, if not in English, be accompanied by a certified English translation (and the party or other person which receives such a translation shall be entitled to assume its accuracy and to rely upon it).
16. **SEVERABILITY**
- 16.1 If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.
- 16.2 If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provisions shall apply with whatever modification is necessary to give effect to the commercial intention of the Parties and the Parties shall use reasonable endeavours to modify those provisions accordingly.
- 16.3 The Parties agree to attempt to substitute for any invalid or unenforceable provision a valid and enforceable provision which achieves, to the greatest extent possible, the same effect as would have been achieved by the invalid or unenforceable provision.
17. **COMPETITION LAW**
- 17.1 If the relevant UK authority or the Competition and Markets Authority notifies the parties (or any of them) in writing that, in its view (whether preliminary or final):
- 17.1.1 the Pool Agreements or any provision of any of them infringes the Chapter 1 prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules); or

- 17.1.2 the conclusion or performance or enforcement of the Pool Agreements or any provisions of any of them infringes the Chapter II prohibition of the Competition Act 1998 (or, where relevant, any other Competition Rules);

then the parties shall use all reasonable endeavours to amend the Pool Agreements (or shall execute new agreements) so as to ensure that the objectives of the Pool Agreements are achieved and that the Pool Agreements as so amended (or any such new agreements) will not infringe the Chapter 1 prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules) and that the conclusion, performance and enforcement of the Pool Agreements (or those new agreements) by any party thereto will not infringe the Chapter II prohibition of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules), and, save to the extent that it is reasonable to do so and/or it is no longer possible to achieve the objectives of the Pool Agreements or to amend the Pool Agreements or enter into new agreements which do not give rise to an infringement of the Chapter I or Chapter II prohibitions of the Competition Act 1998 (or, where relevant, any other applicable Competition Rules), no Party shall withhold its consent (to the extent to which it is required) to the making of any such amendment or the execution of any such new agreement.

- 17.2 In this clause 17 "**Pool Agreements**" means:

- 17.2.1 the Memorandum and Articles of Association of Pool Re;
17.2.2 this Agreement (and each Accession Agreement executed pursuant hereto)
17.2.3 each Reinsurance Agreement to which Pool Re is or becomes party; and
17.2.4 the Retrocession Agreements (including the Reinsurance Underwriting Manual referred to therein) each as from time to time amended or supplemented.

18. **LANGUAGE**

Each document, notice or other communication given, delivered or made by one party to another or to any other person under or in connection with this Agreement shall be in English or, if not in English, be accompanied by a formal English translation (and the party or other person which receives such a translation shall be entitled to assume its accuracy and to rely upon it).

19. **MEDIATION**

If a dispute of any kind whatsoever arises between any parties under or in respect of this Agreement, then any party to the dispute shall notify the other in writing of the nature of the dispute and, following the date of such written notice, there shall be a period of forty (40) days during which the parties to the dispute shall use all reasonable endeavours to settle the dispute prior to the expiry of which neither party shall be entitled to request arbitration pursuant to clause 20.

20. **ARBITRATION AND TRIBUNAL**

- 20.1 All matters of dispute or difference between any parties arising under, out of or in connection with this Agreement, including formation and validity, and whether arising during or after the period of this Agreement, shall be referred to an arbitration tribunal in accordance with this clause.
- 20.2 Unless the parties appoint a sole arbitrator within 14 days of one receiving a written request from the other for arbitration, the claimant (the party requesting arbitration) shall appoint its arbitrator and give written notice thereof to the respondent. Within 30 days of receiving such notice, the respondent shall appoint its arbitrator and give written notice thereof to the claimant, failing which the claimant may apply to the appointor hereafter named to nominate an arbitrator on behalf of the respondent.
- 20.3 Before they enter upon a reference the two arbitrators shall appoint a third arbitrator. Should they fail to appoint such a third arbitrator within 30 days of the appointment of the respondent's arbitrator then either the arbitrators or either of the parties to the dispute or

difference may apply to the appointor for the appointment of the third arbitrator. The three arbitrators shall decide by majority. If no majority can be reached the verdict of the third arbitrator shall prevail. He shall also act as chairman of the tribunal.

- 20.4 Unless the parties otherwise agree, the arbitration tribunal shall consist of persons (including those who have retired) with not less than ten years' experience at senior management level in the insurance industry itself or as lawyers or other professional advisers with relevant experience.
- 20.5 The arbitration tribunal shall, so far as is permissible under the law and practice of the place of arbitration, have power to fix all procedural rules for the holding of the arbitration including discretionary power to make orders as to any matters which it may consider proper in the circumstances of the case with regard to pleadings, discovery, inspection of the documents, examination of witnesses and any other matter whatsoever relating to the conduct of the arbitration and may receive and act upon such evidence whether oral or written strictly admissible or not as it shall in its discretion think fit.
- 20.6 The appointor shall be the Chairman for the time being of ARIAS (UK) or, if he is unavailable or it is inappropriate for him to act for any reason, such person as may be nominated by the Committee or governing body of ARIAS (UK).
- 20.7 All costs of the arbitration shall be determined by the arbitration tribunal who may, taking into account the law and practice of the place of arbitration, direct to and by whom and in what manner they shall be paid.
- 20.8 The place of arbitration may be chosen by the parties, but in default of such choice, the place of arbitration shall be London, England.
- 20.9 The award of the arbitration tribunal shall be in writing and binding upon the parties who consent to carry out the same.
- 21. DATA PROTECTION**
- 21.1 In this clause 21, the terms "controller", "data subject", "personal data" and "processing" shall have the same meanings given to them in Data Protection Legislation and the terms "process" and "processed" shall be interpreted accordingly.
- 21.2 Pool Re may need to collect and process personal data in connection with this Agreement or any Reinsurance Agreement. The Pool Re Privacy Notice provides further information about how Pool Re processes personal data.
- 21.3 Each party agrees that, for the purposes of compliance with Data Protection Legislation, each party is an independent controller and, independently of and not jointly with the other parties, determines the purposes for and the manner in which personal data is, or is to be, processed under this Agreement and each Reinsurance Agreement.
- 21.4 The parties shall comply with Data Protection Legislation when processing personal data under or in connection with this Agreement and each Reinsurance Agreement and (i) each Member shall provide reasonable cooperation and assistance to Pool Re, and (ii) Pool Re shall provide reasonable cooperation and assistance to each Member, to assist that other party to comply with its obligations under Data Protection Legislation.
- 21.5 Each Member shall bring the Pool Re Privacy Notice to the attention of data subjects whose personal data may be processed by Pool Re in connection with this Agreement and each Reinsurance Agreement.
- 22. GOVERNING LAW AND JURISDICTION**
- 22.1 This Agreement shall be governed by, and construed in accordance with, English law.
- 22.2 In the event that clause 20 becomes or is found to be null, void or otherwise unenforceable for any reason, each party irrevocably and unconditionally submits to the exclusive jurisdiction of the English Courts and each party waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

22.3 Without preventing any other mode of service, any document in an action (including but not limited to any writ of summons or other originating process or any third or other party notice) may be served on either party by being delivered to or left for that party at its address for service of notices under clause 15.

AS WITNESS of which the parties have executed this Agreement on the date first mentioned above.

SCHEDULE 1
EFFECTIVE DATE MEMBERS

NAME:	ADDRESS:	SYNDICATE: (in case of a managing agent)	EMAIL ADDRESS (for notices)

SCHEDULE 2
REINSURANCE AGREEMENT

SCHEDULE 3

APPLICATION FOR MEMBERSHIP

To: General Counsel and the Company Secretary
Pool Reinsurance Company Limited
7 Savoy Court, London, United Kingdom,
WC2R 0EX

(Insert full name of corporate or individual applicant, as appropriate)

1. We hereby apply to become a Member of Pool Reinsurance Company Limited ("**Pool Re**") and agree to be bound by the Memorandum and Articles of Association of Pool Re.
2. We hereby irrevocably appoint Pool Re as our attorney to enter into in our name and on our behalf the agreement between us, Pool Re and others (substantially in the form sent to us by Pool Re) pursuant to which we shall (subject as provided therein) be entitled to become a Member (the "**Membership Agreement**") and acknowledge that the Membership Agreement shall govern our entitlement to membership of Pool Re (including the circumstances in which membership shall cease).
3. We hereby irrevocably appoint Pool Re as our attorney for such time as we are a Member from time to time to enter into on our behalf such Accession Agreements between us and other Members, Pool Re and any proposed Additional Members pursuant to which each such proposed Additional Member shall become a Member.
4. We hereby irrevocably authorise Pool Re to incorporate the pages of the Reinsurance Agreement enclosed with this Form of Application into the appropriate document (substantially in the form sent to us by Pool Re) and to date such document on our behalf.
5. We confirm that we are:
 - 5.1.1 * a corporation authorised by being the state in which we are resident/primarily resident* to carry on General Insurance Business and that we insure risks situated in Great Britain; or
 - 5.1.2 * the Lloyd's Managing Agent for the time being of Syndicate ** which writes General Insurance Business in Great Britain as part of its business.
6. We confirm that our address for the purposes of the Membership Agreement is and our email address is
7. *We confirm that this application for membership is made by us as managing agent of the following Lloyd's syndicate, of which we are the duly authorised and registered Managing Agent: Syndicate No. []**¹
8. We confirm that we have appointed [...[name of MGA].....] (the "**MGA**") as our managing general agent for purposes of our insurance business eligible for reinsurance by Pool Re.
Accordingly, we hereby:
 - (a) appoint the MGA as our representative for all purposes of our membership of Pool Re;
 - (b) authorise Pool Re to deal and communicate with the MGA for all purposes in connection with our membership of Pool Re;
 - (c) acknowledge that Pool Re shall not be concerned as to how the MGA accounts to us in respect of the rights and obligations of membership;

¹ Complete details of Lloyd's Syndicate as appropriate

Words and expressions used in this Form of Application shall, unless the context otherwise requires, bear the same meanings as in the Membership Agreement.

This Form of Application shall be governed by, and construed in accordance with, English law.

IN WITNESS WHEREOF we have executed and delivered this Deed this day of _____ 20[].

EXECUTED and delivered as a **DEED** by)
the said **[NAME OF COMPANY]**)
)
) **Director**
acting by **[Name of a director]**)
in the presence of:)

Signature of witness
.....

Name of witness
(in BLOCK CAPITALS)
.....

Address of witness
.....
.....
.....
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SCHEDULE 4
ACCESSION AGREEMENT

THIS ACCESSION AGREEMENT is made on

20

BETWEEN:

- (1) **POOL REINSURANCE COMPANY LIMITED**, a company incorporated in England and Wales (registered number 2798901 and whose registered office is at 7 Savoy Court, London, United Kingdom, WC2R 0EX ("**Pool Re**");
- (2) **THE PERSONS** whose names and addresses are set out in the Schedule to this Agreement (being the "**Current Members of Pool Re**"); and
- (3) [] of [] (the "**Additional Member**").

WHEREAS

- (A) This Agreement is supplemental to an agreement dated [] between Pool Re and others (the "**Membership Agreement**") which regulates the rights and liabilities of Members as between themselves and vis a vis Pool Re.
- (B) This Agreement sets out the terms upon which the Additional Member will become a Member and a member of Pool Re.

IT IS AGREED as follows:

1. INTERPRETATION

Words and expressions used in this Agreement shall, except where the context otherwise requires, bear the same meanings as in the Membership Agreement.

2. MEMBERSHIP

- 2.1 In consideration of the Additional Member's execution of the Application Form and of entering into a Reinsurance Agreement, the Additional Member shall become a member of Pool Re and a Member for the purposes of the Membership Agreement on the date of this Agreement or, if this Agreement is executed pursuant to sub-clause 3.3 of the Membership Agreement, on the date of execution by Pool Re of a Reinsurance Agreement with such Additional Member, if later, and shall remain a Member until such membership is terminated pursuant to the Membership Agreement.
- 2.2 The Additional Member hereby covenants with Pool Re and all other Members that it is hereby, and will continue, to be bound by the provisions of the Membership Agreement, as amended from time to time, to the same extent as the other Members as if the Additional Member had been an original party to the Membership Agreement.

IN WITNESS of which the parties have executed this Agreement on the date first mentioned above.

[Insert signature pages for Pool Re, Current Members of Pool Re and Additional Member]

**SCHEDULE
(TO ACCESSION AGREEMENT)
CURRENT MEMBERS**

SIGNED by)
[NAME OF PERSON AUTHORISED TO)
SIGN])
for and on behalf of)
POOL REINSURANCE COMPANY)
LIMITED)

SIGNED by)
[NAME OF PERSON AUTHORISED TO)
SIGN])
as authorised signatory of)
POOL REINSURANCE COMPANY)
LIMITED)
Executing by power of attorney given to)
that company under the terms of the TAA)
by **The Effective Date Members**)

SCHEDULE 7
Floating Charge

AGREED FORM

DATED 27 January 2025

(1) POOL REINSURANCE COMPANY LIMITED
(the Chargor)

(2) THE LORDS COMMISSIONERS OF HIS MAJESTY'S TREASURY
(the Chargeholder)

SUPPLEMENTAL FLOATING CHARGE

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(MJXT/CVXS)

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THIS DEED is made on _____ 2025

BETWEEN:-

- (1) **POOL REINSURANCE COMPANY LIMITED** (a company registered In England and Wales with company number 02798901) whose registered office is at 7 Savoy Court, London, United Kingdom, WC2R 0EX (the "**Chargor**"); and
- (2) **THE LORDS COMMISSIONERS OF HIS MAJESTY'S TREASURY** of 1 Horse Guards Road, London SW1A 2HQ (the "**Chargeholder**").

IT IS AGREED as follows:-

1. INTERPRETATION

1.1 Definitions

In this Agreement:

"**Administrator**" means a person appointed under Schedule B1 to the Insolvency Act 1986 to manage the Chargor's affairs, business and property.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for general business in London.

"**Charged Property**" means as defined in Clause 3.1.

"**Default Rate**" means the rate of interest which is 1% above the interest rate specified in paragraph 3(b) of Schedule 2 of the Retrocession Agreement.

"**Delegate**" means a delegate or sub-delegate appointed pursuant to Clause 10.2 (*Delegation*).

"**Dissolution**" means an event or circumstance as described in Clause 8.7 (*Insolvency Proceedings*).

"**Event of Default**" means any event specified in Clause 8 (*Events of Default*).

"**LPA**" means the Law of Property Act 1925.

"**Material Adverse Effect**" means any event or circumstances which:-

- (a) is or would reasonably be expected to have a material adverse effect on the business or financial condition of the Chargor.
- (b) is or would reasonably be expected to have a material adverse effect on the validity, legality or enforceability of, or the effectiveness or ranking of the Security created pursuant to this Deed.

"Original Security Agreement" means the document entitled "Floating Charge" dated 2 February 2017 between Pool Reinsurance Company Limited (as the chargor) and the Lords Commissioners of Her Majesty's Treasury (as it was then known) (as the chargeholder).

"Receiver" means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Retrocession Agreement" means the retrocession agreement dated 5 May 2022 and the retrocession agreement dated _____ 2025 between the Chargor and the Chargeholder and any supplemental agreements thereto.

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect the European Parliament and Council Directive 2002/47/EC on financial collateral arrangements and **"Regulation"** means, any of them.

"Secured Liabilities" means any liability expressed to be due, owing or payable by the Chargor to the Chargeholder under or in connection with the Retrocession Agreement.

"Security" means any mortgage, charge, pledge, lien, or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect.

"Tax" includes any present or future tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest in connection with any failure to pay or delay in paying any of the same).

1.2 Interpretation

(A) Unless a contrary intention appears, references in this Deed to:

- (i) **"assets"** includes present and future properties, revenues and rights of every description;
- (ii) **"authorisation"** or **"consent"** shall be construed as including any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;
- (iii) the **"Chargor"** and the **"Chargeholder"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (iv) a **"disposal"** includes a sale, transfer, assignment, grant, lease or other disposal, whether voluntary or involuntary, and **"dispose"** shall be construed accordingly;
- (v) **"this Deed"** or any other agreement or instrument is a reference to this Deed or other agreement or instrument as it may have been amended, supplemented, replaced or novated from time to time;

- (vi) **"guarantee"** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or. to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (vii) the words **"include(s)"**, **"including"** and **"in particular"** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- (viii) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (ix) **"law"** includes any present or future common or customary law, principles of equity and any constitution, decree, judgment, decision, legislation, statute, order, ordinance, regulation, bye-law or other legislative measure in any jurisdiction or any present or future official directive, regulation, guideline, request, rule, code of practice, treaty or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of a person to whom the directive, regulation, guideline, request, rule, code of practice, treaty or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (x) the words **"other"** and **"otherwise"** shall not be construed as limiting the interpretation of any preceding words to the same type of thing where a wider construction is possible;
- (xi) a **"person"** includes any person, firm, company, government, state or agency of a state, any local or municipal authority, trust or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- (xii) **"qualified person"** means a person who, under the Insolvency Act 1986, is qualified to act as a receiver of the property of any company with respect to which he is appointed or an administrative receiver of any such company;
- (xiii) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self regulatory or other authority or organisation;
- (xiv) **"rights"** includes all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi easements and appurtenances (in each case, of every kind, present, future and contingent);

- (xv) words importing the singular shall include the plural and vice versa, and reference to any gender includes the other genders;
 - (xvi) references to "**Clauses**" are to clauses or sub-clauses of this Deed;
 - (xvii) unless a contrary indication appears, a reference to any party or person shall be construed as including its and any subsequent successors in title, permitted transferees and permitted assigns, in each case in accordance with their respective interests;
 - (xviii) unless a contrary indication appears, references to any provision of any law are to be construed as referring to that provision as it may have been, or may from time to time be, amended or re enacted, and as referring to all bye laws, instruments, orders, decrees, ordinances and regulations for the time being made under or deriving validity from that provision; and
 - (xix) a time of day is a reference to London time.
- (B) Clause headings are for ease of reference only.
- (C) An Event of Default is "**continuing**" if it has not been waived in writing.

1.3 Law of Property (Miscellaneous Provisions) Act 1989

The terms of the Retrocession Agreement are incorporated into this Deed to the extent required to ensure that any purported disposition of an interest in land contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 Third party rights

- (A) Unless expressly provided to the contrary in this Deed a person who is not a party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Deed.
- (B) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (C) Any Receiver or Delegate may, subject to this Clause 1.4 and the Third Parties Act, rely on any Clause of this Deed which expressly confers rights on it.

2. COVENANT TO PAY

2.1 Secured Liabilities

The Chargor covenants that it will on demand pay and discharge any or all of the Secured Liabilities when due and in accordance with the Retrocession Agreement or, as the case may be, this Deed.

2.2 Interest

The Chargor covenants to pay interest on any sum demanded in accordance with Clause 2.1 (*Secured Liabilities*) until the date of actual payment (both before and after judgment) at the Default Rate.

3. FLOATING CHARGE

- 3.1 As a continuing security for the full and punctual payment, performance and discharge of the Secured Liabilities, the Chargor with full title guarantee, subject to the Original Security Agreement, charges to the Chargeholder by way of floating charge all of its rights, title and interest from time to time in the whole of its property, assets and undertaking, present and future and wherever situated (the "**Charged Property**").
- 3.2 This floating charge shall, subject to applicable law and unless the Chargeholder otherwise agrees, rank in priority to any other security interest created by the Chargor after the date of this Deed.
- 3.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to the floating charge created by this Deed.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation: By Notice

Subject to Clause 4.4 (*Part A1 of the Insolvency Act 1986*), the Chargeholder may at any time by notice in writing to the Chargor convert the floating charge created by Clause 3 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (A) an Event of Default has occurred and is continuing; or
- (B) the Chargeholder considers in good faith that any of the Charged Property may be in danger of being seized or sold pursuant to any form of legal process; or
- (C) the Chargeholder considers in good faith that it is necessary in order to protect the priority of the Security created by or pursuant to this Deed.

4.2 Crystallisation: Automatic

Notwithstanding Clause 4.1 (*Crystallisation: By Notice*), without prejudice to any law which may have a similar effect, and subject to Clause 4.4 (*Part A1 of the Insolvency Act 1986*), the floating charge created by Clause 3 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if:

- (A) the Chargor creates or attempts to create any Security (other than as permitted under the Retrocession Agreement) over any of the Charged Property; or

- (B) any person levies or attempts to levy any distress, attachment, execution or other process against any of the Charged Property, or
- (C) an Event of Default has occurred and is continuing under Clause 7 (*Events of Default*).

4.3 Reconversion

Any floating charge which has crystallised under Clause 4.1 (*Crystallisation: By Notice*) or under Clause 4.2 (*Crystallisation: Automatic*) may, by notice in writing given at any time by the Chargeholder to the Chargor, be reconverted into a floating charge in relation to the Charged Property specified in such notice.

4.4 Part A1 of the Insolvency Act 1986

- (A) Subject to paragraph (B) below, but notwithstanding the other provisions of this Deed, the obtaining of a moratorium, or anything done with a view to obtaining a moratorium, under Part A1 of the Insolvency Act 1986 for the Chargor will not, by itself:
 - (i) cause any floating charge granted by the Chargor under this Deed to crystallise;
 - (ii) cause restrictions in this Deed which would not otherwise apply to be imposed on the disposal of property by the Chargor; nor
 - (iii) be a ground for the appointment of a Receiver of the Chargor.
- (B) Paragraph (A) above shall not apply to any floating charge of a type referred to in section A52(4) of Part A1 of the Insolvency Act 1986.
- (C) The Chargeholder may not, for the duration of a moratorium under Part A1 of the Insolvency Act 1986, give any notice which would have the effect of causing any floating charge granted by the Chargor under this Deed to crystallise or cause restrictions that would not otherwise apply to be imposed on the disposal of property by the Chargor.

5. RESTRICTIONS AND FURTHER ASSURANCE

5.1 Security

The Chargor covenants with the Chargeholder that it shall not (without the prior consent in writing of the Chargeholder) create or permit to subsist any Security over any Charged Property other than as created by or pursuant to this Deed or the Original Security Agreement, except as permitted by the Retrocession Agreement.

5.2 Disposal

The Chargor shall not enter into or agree to enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, license,

sub-license, transfer or otherwise dispose of any Charged Property, except as permitted by the Retrocession Agreement.

5.3 Further assurance

The Chargor shall promptly (at its own cost) do whatever the Chargeholder requires (acting reasonably in the case of paragraph (A) below):

- (A) to ensure that the Security created or expressed to be created by this Deed is and remains valid, legally binding and enforceable (subject to principles of law generally affecting the rights of creditors);
- (B) to perfect or protect the Security created or expressed to be created by this Deed, or its priority; or
- (C) to facilitate the realisation of the Charged Property or the exercise of any rights vested in the Chargeholder or any Receiver or Delegate;

including executing any transfer, conveyance, charge, assignment or assurance of the Charged Property (whether to the Chargeholder or its nominees or otherwise), making any registration and giving any notice, order or direction.

5.4 Implied Covenants for Title

The obligations of the Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

6. DEMAND AND ENFORCEMENT

6.1 Enforcement

The Security created by this Deed shall become enforceable upon and at any time after:

- (A) the occurrence of an Event of Default which is continuing;
- (B) any request being made by the Chargor to the Chargeholder for the appointment of a Receiver or an administrator; or
- (C) the occurrence of any event causing, or purporting to cause, the floating charge created by this Deed to become fixed in relation to any Charged Property.

6.2 Powers on enforcement

Upon or at any time after the Security created by this Deed has become enforceable, the Chargeholder may (without prejudice to any other rights and remedies and without notice to the Chargor) do all or any of the following:

- (A) enforce all or any part of the Security and exercise all or any of the powers, authorities and discretions conferred by this Deed or otherwise by law on mortgagees, charges and Receivers (whether or not it has appointed a Receiver), in each case at the times, in the manner and on the terms it thinks fit;
- (B) exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the LPA;
- (C) exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Charged Property, without the restrictions imposed by sections 99 and 100 of the LPA;
- (D) to the extent that any Charged Property constitutes Financial Collateral, as defined in the Regulations, appropriate it and transfer the title in and to it to the Chargeholder insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18;
- (E) subject to Clause 9.1 (*Method of appointment or removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Charged Property; and
- (F) appoint an administrator of the Chargor.

6.3 Disposal of the Charged Property

In exercising the powers referred to in Clause 6.2 (*Powers on enforcement*), the Chargeholder or any Receiver may sell or dispose of all or any of the Charged Property at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

7. EXTENSION AND VARIATION OF POWERS CONFERRED BY LAW

7.1 Extension of Powers

The powers conferred by section 101 of the LPA as varied and extended by this Deed shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately on execution of this Deed. Section 109(1) of the LPA shall not apply to this Deed.

7.2 Restrictions

The restrictions contained in sections 93 and 103 of the LPA shall not apply to this Deed or to the exercise by the Chargeholder or any Receiver or Delegate of its right to consolidate all or any of the Security with any other security in existence at any time or to its power of sale.

7.3 Power of Leasing

- (A) The statutory powers of leasing conferred by sections 99 and 100 of the LPA 1925 may be exercised by the Chargeholder or any Receiver or Delegate at any time on or after the Security becomes enforceable. The Chargeholder and any Receiver or Delegate may make any lease or agreement for lease, accept surrenders of leases and grant

options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the LPA 1925.

- (B) For the purposes of sections 99 and 100 of the LPA 1925, the expression "mortgagor" shall include any encumbrancer deriving title under the original mortgagor and section 99(18) of the LPA 1925 and section 100(12) of the LPA 1925 shall not apply.

8. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 8 is an Event of Default.

8.1 Non-payment

The Chargor does not pay any of the Secured Liabilities on the due date unless:

- (A) its failure to pay is caused by administrative or technical error; and
(B) payment is made within three Business Days of its due date.

8.2 Breach of this Deed

The Chargor breaches any of the terms of this Deed, unless such breach:

- (A) is capable of remedy; and
(B) is remedied within 30 days of the earlier of (i) the Chargeholder giving notice of the breach to the Chargor and (ii) the Chargor becoming aware of the breach.

8.3 Termination of Retrocession Agreement

- (A) The Chargeholder becomes entitled to terminate the Retrocession Agreement as a result of any failure by the Chargor to perform or comply with any of its obligations under the Retrocession Agreement.
(B) The Retrocession Agreement is terminated.

8.4 Payment by the Chargeholder under a guarantee

The Chargeholder becomes liable to pay or has paid any sum pursuant to any guarantee entered into by the Chargeholder pursuant to article 10.2 of the Retrocession Agreement in respect of the Chargor's obligations to its bankers from time to time.

8.5 Restricted matters

The Chargor does or attempts to do any of the things set out in article 11 of the Retrocession Agreement without the prior written consent of the Chargeholder (where such prior written consent is required).

8.6 Insolvency

- (A) The Chargor is unable or admits inability to pay its debts as they fall due, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (B) The value of the assets of the Chargor is less than its liabilities (taking into account contingent and prospective liabilities).
- (C) Subject to Clause 4.4 (*Part A1 of the Insolvency Act 1986*), a moratorium is declared in respect of any indebtedness of the Chargor. If a moratorium is declared, the ending of the moratorium will not remedy any Event of Default caused by the declaration of the moratorium.

8.7 Insolvency proceedings

- (A) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, subject to Clause 4.4 (*Part A1 of the Insolvency Act 1986*), a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Chargor;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Chargor;
 - (iii) the appointment of a liquidator, receiver, administrative receiver,
 - (iv) administrator, compulsory manager or other similar officer in respect of the Chargor or any of its assets; or
 - (v) enforcement of any Security over any assets of the Chargor,or any analogous procedure or step is taken in any jurisdiction.
- (B) Clause 8.7(A) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement.

8.8 Compulsory acquisition

An order is made for the compulsory acquisition of any part of the Chargor's assets which in the reasonable opinion of the Chargeholder is a material part-of the assets of the Chargor.

8.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset of the Chargor and is not discharged within 14 days.

8.10 Unlawfulness and invalidity

- (A) It is or becomes unlawful for either party to the Retrocession Agreement to perform any of its obligations under the Retrocession Agreement or any Security created or expressed to be created or evidenced by this Deed ceases to be effective or becomes unlawful.
- (B) Any obligation or obligations of either party to the Retrocession Agreement are not or cease to be legal, valid, binding or enforceable.

8.11 Cessation of business

The Chargor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

8.12 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in writing against the Chargor or its assets which is reasonably likely to be adversely determined and which if so adversely determined would or would reasonably be expected to result in a Material Adverse Effect.

8.13 Material adverse change

Any event or circumstance occurs which in the opinion of the Chargeholder has or is reasonably likely to have a Material Adverse Effect.

8.14 Acceleration

On and at any time after the occurrence of an Event of Default that is continuing, the Chargeholder may by notice to the Borrower:

- (A) declare that all amounts accrued or outstanding under the Retrocession Agreement are immediately due and payable, at which time they shall become immediately due and payable; and/or
- (B) exercise any or all of its rights, remedies, powers or discretions under this Deed.

9. RECEIVERS

9.1 Method of appointment or removal

- (A) Subject to Clause 4.4 (*Part A1 of the Insolvency Act 1986*), at any time (a) on or after any of the Security becoming enforceable (whether or not the Chargeholder shall have taken possession of the Charged Property); or (b) at the written request of the Chargor, the Chargeholder may, without notice to the Chargor, appoint, one or more qualified persons to be Receiver or Receivers.
- (B) Every appointment or removal of a Receiver or any other person by the Chargeholder under this Deed shall be in writing under the hand of any officer of the Chargeholder

(subject to any requirement for a court order in the case of the removal of an administrative receiver).

9.2 Scope of appointment

Any Receiver may be appointed either Receiver of all the Charged Property or of such part of the Charged Property as may be specified in the appointment.

9.3 Removal

The Chargeholder may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time (before or after any person shall have vacated office or ceased to act as Receiver in respect of any of such Charged Property) appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

9.4 Powers

Every Receiver shall have and be entitled to exercise all the powers and rights:

- (A) of the Chargeholder under this Deed;
- (B) conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under the LPA;
- (C) of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 as in force at the date of this Deed (whether or not in force at the date of exercise) and all rights of an administrative receiver as may be added to Schedule 1 of the Insolvency Act 1986 after the date of this Deed, in either case, whether or not the Receiver is an administrative receiver;
- (D) in relation to any Charged Property, which he would have if he were its only beneficial owner;
- (E) to dispose of or otherwise realise all or any part of the Charged Property in any manner whatsoever;
- (F) to redeem or transfer to the Chargeholder any prior security over the Charged Property; and
- (G) to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

9.5 Receiver as agent

The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults, remuneration, losses and liabilities) and therefore deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA, unless and until the Chargor goes into liquidation, from which time he shall act as principal and shall not become the agent of the

Chargeholder No Receiver shall at any time act as, or be deemed to be, agent of the Chargeholder.

9.6 Joint or several

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Deed.

9.7 Receiver's remuneration

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by the Chargeholder and the maximum rate specified in section 109(6) of the Act shall not apply. The Chargor shall be solely responsible for the payment of his remuneration and for all other costs, charges and expenses of the Receiver.

10. DISCRETION AND DELEGATION

10.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Chargeholder or any Receiver may, subject to and in accordance with the terms and conditions of the Retrocession Agreement and unless otherwise specified in this Deed, be exercised or made from time to time in its absolute and unfettered discretion without any obligation to give reasons.

10.2 Delegation

- (A) Each of the Chargeholder and any Receiver may at any time delegate all or any of the rights conferred on it by this Deed.
- (B) The delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions as the Chargeholder or the Receiver may think fit.
- (C) Such delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Chargeholder or the Receiver itself or any subsequent delegation or revocation.
- (D) Under no circumstances shall the Chargeholder, nor any Receiver or Delegate nor any officer, agent or employee of any of them be liable to the Chargor or any other person as a result of or in connection with any act, default, omission or misconduct on the part of any Delegate.

11. SUSPENSE ACCOUNT

The Chargeholder may place and retain on a suspense account, for as long as it considers fit, any moneys received, recovered or realised under or in connection with this Deed to the extent

of the Secured Liabilities, without any obligation on the part of the Chargeholder to apply such moneys in or towards the discharge of such Secured Liabilities.

12. POWER OF ATTORNEY

12.1 Appointment

The Chargor irrevocably (within the meaning of section 4 of the Powers of Attorney Act 1971) and by way of security appoints:

- (A) the Chargeholder (whether or not a Receiver has been appointed);
- (B) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Chargeholder; and
- (C) (as a separate appointment) each Receiver;

severally as the Chargor's attorney and attorneys with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Chargor, which the Chargor is required to do or execute under any provision of this Deed, or which the Chargeholder may require for perfecting its title to any of the Charged Property or enabling the Chargeholder or the Receiver to exercise any of its rights or powers under this Deed. The taking of action by the attorney or attorneys shall (as between the attorney and any third party) be conclusive evidence to any third party of its right to take such action.

12.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed pursuant to Clause 12.1 (*Appointment*) does or purports to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 12.1 (*Appointment*).

13. PROTECTION OF THIRD PARTIES

13.1 Statutory powers

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Chargeholder as varied and extended by this Deed, and all other powers of the Chargeholder shall be deemed to arise immediately after the execution of this Deed.

13.2 Consideration

The receipt of the Security Agent or any Receiver or Delegate shall be conclusive discharge to a purchaser and any sale or disposal of any of the Charged Property or any acquisition by the Security Agent or any Receiver or Delegate shall be for such consideration, and made in such manner and on such terms as it thinks fit.

13.3 Purchasers

No purchaser from or other person dealing with the Chargeholder, any Receiver or any Delegate shall be concerned:

- (A) to enquire whether any of the powers which the Chargeholder or a Receiver or a Delegate have exercised has arisen or become exercisable;
- (B) to enquire whether any event has happened to authorise the Receiver or Delegate to act; or
- (C) as to the propriety or validity of the exercise of those powers,

and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

13.4 Receipts

All the protection to purchasers contained in sections 104 and 107 of the LPA, section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Chargeholder, any Receiver or any Delegate.

14. PROTECTION OF THE CHARGEHOLDER AND ANY RECEIVER

14.1 No liability

None of the Chargeholder, any Receiver, any Delegate or any of their respective officers, employees or delegates shall be liable in respect of any cost, liability, expense, loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise, any of their respective rights under this Deed, except as any such cost, liability, expense, loss or damage may result from its own gross negligence or wilful default.

14.2 Not mortgagee in possession

Without prejudice to any other provision of this Deed, entry into possession of any Charged Property shall not render the Chargeholder, any Receiver or any of their respective officers or employees liable:

- (A) to account as mortgagee in possession;
- (B) for any loss on realisation; or
- (C) for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Chargeholder or any Receiver enters into possession of any Charged Property it shall be entitled at any time it or he thinks fit to relinquish possession.

14.3 Indemnity

The Chargor shall indemnify and keep indemnified the Chargeholder, any Receiver, and their respective officers, employees and delegates, against all claims, costs, expenses and liabilities incurred by them in respect of all or any of the following:

- (A) any act or omission by any of them in relation to all or any of the Charged Property;
- (B) any payment relating to or in respect of all or any of the Charged Property which is made at any time by any of them;
- (C) any stamp, registration or similar tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed;
- (D) exercising or purporting to exercise or failing to exercise any of the rights, powers and discretions conferred on them or permitted under this Deed;
- (E) any breach by the Chargor of any of its covenants or other obligations to the Chargeholder,

except in the case of gross negligence or wilful misconduct on the part of that person.

14.4 Indemnity out of the Charged Property

The Chargeholder, any Receiver and their respective officers, employees and delegates shall be entitled to be indemnified out of the Charged Property in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 13.3 (*Indemnity*).

14.5 Continuing protection

The provisions of this Clause 13 (*Protection of the Chargeholder and any Receiver*) shall continue in full force and effect notwithstanding any release or discharge of this Deed or the discharge of any Receiver from office.

15. PAYMENTS FREE OF DEDUCTION

All payments to be made to the Chargeholder under this Deed shall be made free and clear of and without deduction for or on account of Tax unless the Chargor is required to make such payment subject to the deduction or withholding of tax.

16. CURRENCY

16.1 Currency indemnity

- (A) If, under any applicable law, whether pursuant to a judgment against the Chargor or the Dissolution of the Chargor or for any other reason, any payment under or in connection with this Deed is made or falls to be satisfied in a currency (the "**Other Currency**") other than the currency in which the relevant payment is expressed to be payable (the "**Required Currency**"), then, to the extent that the payment actually received by the Chargeholder (when converted into the Required Currency at the rate of exchange on the date of payment or, if it is not practicable to make the conversion on that date, at

the rate of exchange as soon afterwards as it is practicable for the Chargeholder to do so or, in the case of a Dissolution, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such Dissolution) falls short of the amount expressed to be due or payable under or in connection with this Deed, the Chargor shall, as an original and independent obligation under this Deed, indemnify and hold the Chargeholder harmless against the amount of such shortfall.

- (B) The Chargor waives any right it may have in any jurisdiction to pay any amount under or in connection with this Deed in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Rate of exchange

For the purpose of Clause 16.1 (*Currency indemnity*), "**rate of exchange**" means the rate at which the Chargeholder is able on the relevant date to purchase the Required Currency with the Other Currency and shall take into account any commission, premium and other costs of exchange and Taxes payable in connection with such purchase.

17. PROVISIONS RELATING TO THE CHARGEHOLDER

17.1 Powers and discretions

The rights, powers and discretions given to the Chargeholder in this Deed:

- (A) may be exercised as often as, and in such manner as, the Chargeholder thinks fit;
- (B) are cumulative, and are not exclusive of any of its rights under the general law; and
- (C) may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

17.2 Trusts

The perpetuity period for any trusts constituted by this Deed shall be 125 years.

18. PRESERVATION OF SECURITY

18.1 Continuing Security

This Deed shall be a continuing security to the Chargeholder and shall remain in force until expressly discharged in writing by the Chargeholder notwithstanding any intermediate settlement of account or other matter or thing whatsoever.

18.2 Additional Security

This Deed is without prejudice and in addition to, and shall not merge with, any other right, remedy or Security of any kind which the Chargeholder may have now or at any time in the future.

18.3 Waiver of Defences

Neither the Security created by this Deed nor the obligations of the Chargor under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, or the Chargeholder) including:

- (A) any time, waiver or consent granted to, or composition with the Chargor;
- (B) the release of the Chargor under the terms of any composition or arrangement with any person;
- (C) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, the assets of the Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor;
- (E) any amendment (however fundamental), replacement, variation, novation, assignment, waiver, release, supplement, extension, restatement or the avoidance or termination of the Retrocession Agreement; or
- (F) an insolvency, liquidation, administration or similar procedure of the Chargor.

18.4 Immediate recourse

The Chargor waives any right it may have of first requiring the Chargeholder to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. The waiver applies irrespective of any law or any provision of this Deed to the contrary.

19. RELEASE OF SECURITY

19.1 Release of Charged Property

If the Chargeholder is satisfied (acting reasonably in the case of paragraphs (A) and (C) below) that:

- (A) all Secured Liabilities have been unconditionally and irrevocably paid or discharged in full;
- (B) security or a guarantee for the Secured Liabilities, in either case, acceptable to the Chargeholder, has been provided in substitution for this Deed; or
- (C) the Chargor is unconditionally entitled pursuant to any provision of the Retrocession Agreement to have any Charged Property released from the Security,

then, subject to Clause 18.2 (*Reinstatement*), the Chargeholder shall, at the written request (email being sufficient) and cost of the Chargor, take all necessary action to release and re-assign to the Chargor, without recourse, representation or warranty (i) its rights arising under this Deed; and (ii) the Charged Property (or, in the case of paragraph (C) above, the relevant Charged Property), from the Security and to return all original documents and deeds of title delivered under this Deed.

19.2 Reinstatement

If the Chargeholder reasonably considers that any payment to, or security or guarantee provided to it is capable of being avoided, reduced or invalidated by virtue of applicable law the liability of the Chargor under this Deed and the Security shall continue as if such amounts had not been paid or as if such security or guarantee had not been provided.

20. CERTIFICATES AND DETERMINATIONS

For all purposes, including any legal proceedings, a determination by the Chargeholder or a copy of a certificate signed by an officer of the Chargeholder, of the amount of any indebtedness comprised in the Secured Liabilities for the time being or at any time shall, in the absence of manifest error, be conclusive evidence against the Chargor as to such amount.

21. ASSIGNMENT

21.1 The Chargeholder may at any time, without the consent of the Chargor, assign or transfer any of its rights and obligations under this Deed to any person to whom its rights and obligations under the Retrocession Agreement may be assigned or transferred.

21.2 The Chargor shall not assign or transfer, or attempt to assign or transfer, any of the rights or obligations under this Deed unless such assignment or transfer is permitted under the Retrocession Agreement.

22. AMENDMENTS

This Deed may not be amended, modified or waived in any respect without the prior written consent of both the Chargor and Chargeholder given with express reference to this Clause 22.

23. MISCELLANEOUS PROVISIONS

23.1 Severability

(A) If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (i) the legality, validity or enforceability of any other provision, in any jurisdiction;
or
- (ii) the legality, validity or enforceability of that particular provision, in any other jurisdiction.

- (B) The parties shall enter into good faith negotiations, but without any liability whatsoever in the event of no agreement being reached, to replace any illegal, invalid or unenforceable provision with a view to obtaining the same commercial effect as this Deed would have had if such provision had been legal, valid and enforceable.

23.2 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Chargeholder, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provide by law.

23.3 Counterparts

This Deed may be executed in any number of counterparts, and by the parties to this Deed on separate counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. No counterpart shall be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Deed, but all the counterparts will together constitute one and the same instrument.

24. NOTICES

24.1 Any notice or other communication given to a party under or in connection with this Deed shall be:

- (A) in writing;
- (B) delivered by hand, by pre-paid first-class post or other next working day delivery service; and
- (C) sent to the relevant party to the address given under their signature to this Deed, or to any other address as is notified in writing by one party to the other from time to time.

24.2 Any notice or other communication given by either party shall be deemed to have been received:

- (A) if delivered by hand, at the time it is left at the relevant address; and
- (B) if posted by pre-paid first-class post or the next working day delivery service, on the second working day after posting.

A notice or other communication given as described in Clause 24.1 or Clause 24.2 on a day that is not a working day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next working day.

25. ORIGINAL SECURITY AGREEMENT

25.1 This Deed is supplemental to the Original Security Agreement and all the Security created under this Deed is created in addition to and ranks behind the Security created by the Original Security Agreement.

25.2 No breach of this Deed shall occur by virtue of:

- (A) the existence of the Original Security Agreement or the Security constituted thereby;
- (B) anything done in accordance with the terms of the Original Security Agreement; or
- (C) the extent that this Deed imposes an obligation which cannot be performed or purports to create Security which cannot be created, in each case due to compliance by the Chargor with its obligations under the Original Security Agreement or due to the Security created under the Original Security Agreement.

25.3 For the avoidance of doubt, and for the purposes of the Original Security Agreement, the Chargeholder, in its capacity as chargeholder under the Original Security Agreement, consents to the creation of the Security created under this Deed and confirms that no breach of the Original Security Agreement shall occur solely by virtue of:

- (A) the existence of this Deed or the Security constituted thereby; or
- (B) anything done in accordance with the terms of this Deed.

26. EXECUTION AS A DEED

Each of the parties intends this Deed to be a deed and confirms that it is executed and delivered as a deed, notwithstanding the fact that any one or more of the parties may only execute it under hand.

27. CONFLICT

In the event of a conflict between the Retrocession Agreement and the terms of this Deed, the Retrocession Agreement shall prevail.

28. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by and is to be construed in accordance with English law.

29. JURISDICTION

29.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed and any non-contractual obligations arising out of or in connection with this Deed) (a "Dispute").

- 29.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- 29.3 This Clause 28 (*Jurisdiction*) is for the benefit of the Chargeholder only. As a result, the Chargeholder shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Chargeholder may take concurrent proceedings in any number of jurisdictions.
- 29.4 The Chargor expressly agrees and consents to the provisions of this Clause 28 (*Jurisdiction*) and Clause 27 (*Governing Law*).

EXECUTED AS A DEED and delivered on the date appearing at the beginning of this Deed.

SIGNATURE PAGES

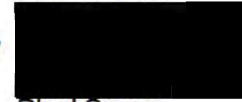
EXECUTED as a Deed)
by **POOL REINSURANCE COMPANY LIMITED**)
acting by two Directors or a Director)
and its Secretary:)

Director



Tom Clementi

Secretary



Rhod Cruwys

Notice details:

Address: 7 Savoy Court, London, United Kingdom, WC2R 0EX

Email: generalcounsel@poolre.co.uk

Executed as a Deed by

COMMISSIONER OF HIS MAJESTY'S
TREASURY, in the presence of:

)
)
)

[Redacted]
Commissioner of His Majesty's Treasury

Witness's signature:

[Redacted]

Name (print):

[Redacted]

Occupation:

Court servant

Address:

H.M. Treasury, 1 Horse Guards
London SW1A 2HQ

Executed as a Deed by

COMMISSIONER OF HIS MAJESTY'S
TREASURY, in the presence of:

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)
)
)

[Redacted]
Commissioner of His Majesty's Treasury

Witness's signature:

[Redacted]

Name (print):

[Redacted]

Occupation:

Court servant

Address:

H.M. Treasury, 1 Horse Guards
London SW1A 2HQ

Notice details:

Address: 1 Horse Guards Road, London SW1A 2HQ

Email: To be confirmed by the Chargeholder once any dispute or difference has arisen (and until such confirmation of dispute or difference has been provided, communication by hard copy only shall suffice).

IN WITNESS whereof this Retrocession Agreement has been signed in duplicate for and on behalf of and by the authority of each contracting Party.

In London, this *14th* day of *January* 2025

For and on behalf of the Retrocedant


Tom Clementi

Chief Executive Officer

On behalf of Pool Reinsurance Company Limited

In London, this *14th* day of *January* 2025

For and on behalf of the Retrocessionaire


Gwyneth Nurse

Director-General, Financial Services, His Majesty's Treasury

On behalf of The Lords Commissioners of His Majesty's Treasury

The Schedules are deemed to form an integral part of this Retrocession Agreement.

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk

Pool Reinsurance Company Limited contacts

If you have general enquiries about Pool Re and its work, contact:

Pool Re
Equitable House
47 King William Street
London
EC4R 9AF

Tel: 020 7337 7170

Email: contact@poolre.co.uk