

Order in these terms

M. 27
v.
06.

Claim Nos: 1611, 1618, 1621-1622, 1624-1626, 1628-1630, 1632-1635, 1647 and 1648 of
2006

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

The Honourable Mr Justice Warren

27th June
27th
.....day the *27th* day of June 2006 *M.*

IN THE MATTERS OF

- (1) SOVEREIGN MARINE & GENERAL INSURANCE COMPANY LIMITED
 - (2) ALLIANZ CORNHILL INSURANCE PLC
 - (3) ALLIANZ MARINE & AVIATION (FRANCE) (a company incorporated in France)
 - (4) ATLANTIC MUTUAL INSURANCE COMPANY (a company incorporated in the State of New York)
 - (5) CONTINENTAL REINSURANCE CORPORATION INTERNATIONAL LIMITED (a company incorporated in Bermuda)
 - (6) GREYFRIARS INSURANCE COMPANY LIMITED
 - (7) HEDDINGTON INSURANCE (U.K.) LIMITED
 - (8) HIBERNIAN GENERAL INSURANCE LIMITED (a company incorporated in Ireland)
 - (9) MITSUI SUMITOMO INSURANCE COMPANY (EUROPE), LIMITED
 - (10) THE OCEAN MARINE INSURANCE COMPANY LIMITED
 - (11) OSLO REINSURANCE COMPANY (UK) LIMITED
 - (12) SOVEREIGN INSURANCE (UK) LIMITED
 - (13) SPHERE DRAKE INSURANCE LIMITED
 - (14) THE SEA INSURANCE COMPANY LIMITED
 - (15) TOKIO MARINE EUROPE INSURANCE LIMITED
 - (16) WAUSAU INSURANCE COMPANY (U.K.) LIMITED
- (the "Scheme Companies" and each a "Scheme Company")

AND IN THE MATTER OF THE COMPANIES ACT 1985

ORDER

UPON THE APPLICATIONS made by each of the Scheme Companies by Part 8 Claim Forms dated 3 March 2006

AND UPON HEARING Leading Counsel for the 2nd, to 5th, 7th to 11th and 13th to 16th Applicant Companies ("the Solvent Companies"), Leading Counsel for the 1st, 6th and 12th Applicant Companies ("the Sovereign Companies") and Leading Counsel for Goodrich Corporation, Textron Inc., Sears Holdings Corporation and Exxon Mobil Corporation (and certain of their affiliates) ("the Opposing Creditors")



AND UPON READING the ~~documents recorded on the Court file as having been read~~

AND UPON the Solvent Companies and the 6th and 12th Applicant Companies, through their respective Leading Counsel, undertaking not to obtain orders from the U.S. Bankruptcy Court granting recognition or any interim relief (other than scheduling or other procedural orders) under Chapter 15 of the United States Bankruptcy Code in connection with the proposed schemes of arrangement referred to below prior to the date of sanction of any one or more of the schemes of arrangement or without the leave of this Court or the consent of the Opposing Creditors. For the avoidance of doubt, this undertaking does not prevent the Solvent Companies or the Sovereign Companies, or any of them, from filing petitions or applications with the U.S. Bankruptcy Court seeking recognition or other relief, to become effective on or after such sanction, under Chapter 15 or section 304 of the United States Bankruptcy Code at anytime

AND UPON the Scheme Companies, through their respective Leading Counsel, giving the following undertakings:

1. The Scheme Companies will procure that the Website (defined below) contains a readily accessible secure section in which any Scheme Creditor may require his name to be inserted together with such (if any) of the following information which that Scheme Creditor may require namely: his address, a contact name, phone number, fax number and email address, and whether or not he invites communication from other Scheme Creditors;
2. The covering letter under which the Notice (defined below) convening the Meetings (defined below) is sent shall draw attention to the provision of the facility specified in undertaking 1 above either explaining how the section of the Website may be accessed or giving information about where such information can be obtained (whether on the Website itself or otherwise)

IT IS ORDERED THAT:

1. Each of Sovereign Marine & General Insurance Company Limited (“Sovereign”), Greyfriars Insurance Company Limited and Sovereign Insurance (UK) Limited do convene a single meeting of its Scheme Creditors (as defined in the proposed scheme of arrangement referred to below); and
2. Each Scheme Company other than those mentioned in (1) above do convene two meetings as follows:
 - (i) of its Scheme Creditors in relation to their Scheme Claims other than IBNR Claims; and
 - (ii) of its Scheme Creditors in relation to their IBNR Claims,(“IBNR Claims” being as described in the Voting and Proxy Form referred to below);
3. The meetings described in (1) and (2) above (together the “Meetings”) are in each case to be held no earlier than 11 September 2006 and no later than 31 October 2006, at Plaisterers' Hall, 1 London Wall, London EC2Y 5JU (or, if such venue is not available, such other suitable venue in central London as the Scheme Companies may

select), for the purpose of considering and if thought fit approving (with or without modification) a scheme of arrangement under Section 425 of the Companies Act 1985 proposed to be made between each respective Scheme Company and its Scheme Creditors (the "**Scheme**").

4. Each Scheme Company do convene its Meeting(s) at 11am on the date determined. The Meetings then be held as follows:
 - (i) following the Chairman's address, the Meetings of the Solvent Companies be adjourned and the Meetings of the Sovereign Companies be held concurrently, with the vote for each Meeting held separately;
 - (ii) the Meetings of the Sovereign Companies then be adjourned and the Meetings of the Solvent Companies described in paragraph 2(i) be reconvened and held concurrently, with the vote for each Meeting to be held separately;
 - (iii) the Meetings described in paragraph 4(ii) then be adjourned and the Meetings of the Solvent Companies described in paragraph 2(ii) be reconvened and held concurrently, with the vote for each Meeting to be held separately.
5. Stephen Adamson, a Fellow of the Institute of Chartered Accountants or, if for any reason he is unable so to act, such other independent person as the Scheme Companies may nominate, be appointed to act as chairman of each of the Meetings (the "**Chairman**") and be directed to report the results of the said Meetings to the Court;
6. The Chairman, at the commencement of the Meetings, be at liberty to address all Scheme Creditors of all Scheme Companies generally on the Schemes, the method of voting at the Meetings and any other appropriate matters and that such address will be deemed to have been made at and for the purposes of all the Meetings;
7. The Chairman be at liberty to adjourn any of the Meetings provided that such adjourned Meeting recommences as soon as reasonably practicable thereafter;
8. At least 56 clear days prior to the Meetings a covering letter (the "**Covering Letter**"), in the form or substantially in the form of the draft covering letter exhibited at exhibit "HEJ1" to the First Witness Statement of Helen Elizabeth Jenkinson, containing, amongst other things, details of how to access on the website at www.wfumpools.com (the "**Website**"), or obtain a paper copy of, the voting and proxy form, in the form or substantially in the form of the draft voting and proxy form exhibited at exhibit "HEJ1" to the First Witness Statement of Helen Elizabeth Jenkinson, (the "**Voting and Proxy Form**"), and enclosing:
 - (i) a copy of the Scheme, the explanatory statement required to be provided pursuant to section 426 of the Companies Act 1985 (the "**Explanatory Statement**"), and the appendices and schedules thereto (together comprising the "**Scheme Document**") in electronic format on a CD-Rom;
 - (ii) a paper copy of the notice convening the Meetings (the "**Notice**");
 - (iii) a map showing the location of the Meetings at Plaisterers' Hall; and


- (iv) a copy of the protocol for the vote adjudication process (the "**Vote Adjudication Protocol**"),


be sent by pre-paid first class mail or airmail (as appropriate) addressed to (i) each person or entity of which PRO Insurance Solutions Limited of Bruton Court, Bruton Way, Gloucester, GL1 1DA, United Kingdom ("**PRO**") is aware and which it believes is or might be a Scheme Creditor, and for which it has a last known contact address; and (ii) to those existing London market brokers believed by PRO to have placed business with or on behalf of the Scheme Companies. Such documents and notification shall not be sent to those persons or entities which have confirmed to PRO that they have no continuing interest in respect of the Scheme Companies or in respect of which the Covering Letter is returned to PRO for any reason (including because that person or entity is unknown at the address recorded in PRO's records) without a substitute or forwarding address for that person or entity having been provided;

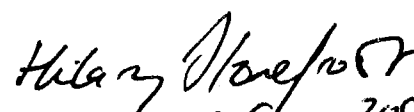
9. An advertisement of the notice convening the said Meetings (the "**Advertisement**") be inserted once in the newspapers and publications listed in the Schedule to this Order, or such further or other publications as may be deemed appropriate by PRO, as soon as possible after the date hereof;
10. The Scheme Document, Covering Letter, Notice, Advertisement, map of the location of the Meetings, Voting and Proxy Form and Vote Adjudication Protocol shall be in the form or substantially in the form of the drafts exhibited at exhibit "HEJ1" to the First Witness Statement of Helen Elizabeth Jenkinson, subject to completion of blanks and minor modifications as advised by solicitors or Counsel;
11. Copies of the documents referred to in paragraph 8 above be made available on the Website;
12. The said Scheme Document, Covering Letter, Notice, Advertisement, map, Voting and Proxy Form and Vote Adjudication Protocol be approved for the purpose of the Meetings;
13. Unless the Court orders otherwise, the accidental omission to serve any Scheme Creditor or other person with notice of the Meetings or the non-receipt of notice of the Meetings by a Scheme Creditor or other person shall not invalidate the proceedings at the relevant Meeting;
14. Scheme Creditors be permitted to complete their Voting and Proxy Form either:
 - 14.1 by filling in the Voting and Proxy Form on the Website, in which case discounts and calculations of total balances on the Voting and Proxy Form shall be carried out automatically and the Scheme Creditor will then be sent by e-mail a completed copy of its Voting and Proxy Form which it must print out, sign, and return by post, fax or e-mail as described in paragraph 15 below; or
 - 14.2 by manually filling in a paper copy of the Voting and Proxy Form, which it must sign and return by post, fax or e-mail as described in paragraph 15 below;

15. Scheme Creditors be requested to return their completed and signed Voting and Proxy Form to PRO, marked for the attention of Toby Wooldridge, by post, fax or e-mail to be received no later than 4.00pm (English time) on the date falling seven days before the Meetings, or if the Scheme Creditor is attending the Meetings in person or by proxy, to be handed in at the registration desk prior to the commencement of the Meetings;
16. The Chairman be at liberty to accept a Voting and Proxy Form sent by e-mail or fax provided that it is legible but shall be entitled to disregard any vote in respect of which an original is not returned to PRO, for the attention of Toby Wooldridge, within 7 days of the Meetings, or handed in at the registration desk prior to the commencement of the Meetings;
17. The Chairman be entitled to rely on the signature on the Voting and Proxy Form as a warranty that the signatory has been duly authorised by the relevant Scheme Creditor to sign the Voting and Proxy Form on behalf of that Scheme Creditor;
18. The Chairman be entitled to allow each numbered underwriting syndicate at Lloyd's of London, whose underwriting members are or may be creditors of the Scheme Companies in their capacity as members of such syndicate, one vote in number only, the value of the said vote being the aggregate of the claims of such members in respect of their membership of such syndicate;
19. Save as provided herein, the Chairman be responsible for determining the entitlement of and value for which any Scheme Creditor be permitted to vote at the Meetings by reference to any information supplied by the relevant Scheme Creditor (whether in connection with its Voting and Proxy Form or otherwise), and any information (including any estimates and/or reserves provided in respect of any Liability of the Scheme Companies) contained in PRO's books and records. Votes will be valued with a discount to reflect the time value of money with set-off being applied in respect of, and only in respect of, any amounts which are currently established as being due from Scheme Creditors to the Scheme Company. In respect of Sovereign only, votes will also be valued net of amounts agreed and offset against Scheme Claims under the Original Sovereign Scheme. For the avoidance of doubt, Scheme Creditors of Sovereign will vote without deduction of any payment actually made under the Original Sovereign Scheme;
20. For the purposes of determining whether the required statutory majorities of Scheme Creditors voting for the Scheme have been achieved, the Chairman shall convert all claims of Scheme Creditors voting (whether in person or by Proxy at the Meetings) into US dollars (at the rates of exchange shown in the Financial Times as at the 31 October 2005);
21. The Chairman has absolute discretion and the power to reject a vote or determine what he considers to be a fair and reasonable assessment of the Scheme Creditor's vote value. If the Chairman disagrees with the vote value submitted by the Scheme Creditor and he cannot resolve the dispute with the Scheme Creditor, then the vote value will be assessed by a Vote Adjudicator who will be the first Scheme Actuary proposed in respect of each of the relevant Scheme Companies, in accordance with the Vote Adjudication Protocol;

22. At the Meetings, and without prejudice to paragraphs 15 and 16 above, the Chairman be at liberty to accept the value for which a Scheme Creditor seeks to vote, in whole or in part, notwithstanding failure by such Scheme Creditor to comply with the relevant requirements contained in the Voting and Proxy Form, if sufficient information has been provided in the Voting and Proxy Form or by some other means to enable the Chairman to assess the fairness and reasonableness of the value for which such Scheme Creditor should be permitted to vote and to accept otherwise incomplete or late Voting and Proxy Forms at his discretion after the date fixed in the Notice;
23. The Chairman be at liberty to permit the attendance of persons who are not entitled to attend and vote at any particular Meeting (including Scheme Creditors of another Scheme Company) unless an objection is made by (or by a person appointed to vote by proxy for) a Scheme Creditor entitled to attend and vote at such Meeting, but such a person shall not be entitled to speak at the said Meeting;
24. The Chairman be at liberty to notify the results of the voting at the Meetings, including the results of valuations carried out by a Vote Adjudicator, on the Website at www.wfumpools.com and to report such results to the Hearing of the application for Sanction of the Schemes;
25. It is declared, affirmed and certified that (i) proceedings pursuant to section 425 of the Companies Act 1985 have been commenced by the Scheme Companies and are pending before the High Court of Justice of England and Wales and (ii) PRO Insurance Solutions Limited has been duly appointed as, and is, the foreign representative of the pending proceedings concerning the schemes of arrangement of the Scheme Companies (other than Atlantic Mutual Insurance Company, Continental Reinsurance Corporation International Limited and Sovereign) for the purpose of filing petitions for recognition of those schemes, and for additional relief, with the United States Bankruptcy Court under Chapter 15 of the United States Bankruptcy Code;
26. It is declared that the Scheme Administrators of Sovereign are authorised to seek an order in the United States Bankruptcy Court for modification of Sovereign's existing permanent injunction order under Section 304 of the United States Bankruptcy Code to grant recognition of its Scheme;
27. There be liberty to apply;
28. The Opposing Creditors do pay 75% of the Solvent Companies' costs of dealing with the issue of whether the Court has jurisdiction to sanction schemes of arrangement for those of the Solvent Companies which are incorporated outside this jurisdiction, such costs to be assessed by way of a detailed assessment if not agreed;
29. The Solvent Companies do pay 90% of the costs of the Opposing Creditors of dealing with the issue of whether the Solvent Companies have more than one class of Scheme Creditor, such costs to be assessed by way of a detailed assessment if not agreed;
30. Save as aforesaid, there be no Order as to costs.


27.6.06
(Solicitor Counsel for the Solvent Companies)


Counsel for
Sovereign &
the Sovereign
Subsidiaries


Junior 27 June 2006
Counsel for the
Opposing Creditors

**Schedule to Draft Order
Publication List**

Publication	Country	Type
El Cronista	Argentina	National newspaper - business
Australian Financial Review	Australia	National newspaper - business
The Australian	Australia	National newspaper - quality
De Tijd	Belgium	National/regional newspaper - business
L'Echo	Belgium	National/regional newspaper - business
Royal Gazette (Bermuda)	Bermuda	National newspaper
Gazeta Mercantil	Brazil	National newspaper - business
The British Virgin Islands Beacon	British Virgin Islands	National newspaper - general
Globe & Mail	Canada	National newspaper - quality
Borsen	Denmark	National newspaper - business
Les Echos	France	National newspaper - business
Handelsblatt	Germany	National newspaper - business
Naftemboriki	Greece	National newspaper - business
South China Morning Post	Hong Kong	National newspaper
Irish Times	Ireland	National newspaper - quality
Il Sole 24 Ore	Italy	National newspaper - business
Daily Gleaner	Jamaica	National newspaper - general
Nihon Keizai Shimbun	Japan	National newspaper - business
NRC Handelsblad	Netherlands	National newspaper - business
National Business Review	New Zealand	National newspaper - business
Dagens Naeringsliv	Norway	National newspaper - business/financial
Gestion	Peru	National newspaper - business
Jornal de Negocios	Portugal	National newspaper - business
Business Times	Singapore	National newspaper - business
Business Day	South Africa	National newspaper - business
Expansion	Spain	National newspaper - business
Dagens Industri	Sweden	National newspaper - business
Finanz und Wirtschaft	Switzerland	National newspaper - business
Post Magazine	UK	Trade journal - insurance

Publication	Country	Type
Financial Times	UK	International newspaper - business
Insurance Day	UK	Trade newspaper - insurance
Lloyds List	UK	Trade newspaper - shipping
London Gazette	UK	Official gazette
Strategic Risk	UK	Trade journal - insurance risk management
The Times	UK	National newspaper - general
Aviation Week and Space Technology	USA	Trade journal - aviation
Business Insurance	USA	Trade journal - insurance
Insurance Journal	USA	Trade journal - insurance
New York Times	USA	National newspaper - quality
USA Today	USA	National newspaper - general
Wall Street Journal (USA National)	USA	National newspaper - business
Wall Street Journal (Europe and Asia)	USA	National newspaper - business

Total number of countries

28

Total publications

42

Claim Nos: 1611, 1618, 1621-1622, 1624-1626,
1628-1630, 1632-1635, 1647 and 1648 of 2006

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

MR JUSTICE WARREN
27 JUNE 2006

IN THE MATTERS OF

- (1) SOVEREIGN MARINE & GENERAL INSURANCE COMPANY LIMITED
- (2) ALLIANZ CORNHILL INSURANCE PLC
- (3) ALLIANZ MARINE & AVIATION (FRANCE) (a company incorporated in France)
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- (16) WAUSAU INSURANCE COMPANY (U.K.) LIMITED

AND IN THE MATTER OF THE COMPANIES ACT 1985

ORDER

THE COURT SENT SEALED COPIES OF THIS ORDER TO: —

MICHAEL COLLINGWOOD + SURLINIA

265 STRAND

LONDON EC2R 1BH

REF: ~~XXXXXXXX~~ RICHARD MATTICK

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