

Lloyd's Members Agency Services Limited

LMAS/JAM/«MEMBER_CODE»

17 September 2009

«CorrespondenceName»

ion»

«Address_Lines»

«Post_Code»

«COUNTRY»

Please reply to: LMAS
Fidentia House
Walter Burke Way
Chatham Maritime
Chatham Kent
ME4 4RN

e-mail: «EMail»

Telephone: 01634 39
Facsimile: 01634 392081 «Extens
Web site: <http://www.lmas.co.uk>

MEMORANDUM

PARTIAL RELEASE OF FUNDS AT LLOYD'S (FAL)

We have received your Lloyd's Capital Test calculation as at 30 June, 2009. This test determines whether you are entitled to any partial release from your funds at Lloyd's. Accordingly, attached is a schedule showing the maximum partial release to which you are entitled.

However, our records indicate that you have an outstanding debt and until the entire debt is cleared we cannot process any partial release application. I enclose a copy of your current Debt Summary for your reference.

In considering whether or not you wish to request a release, please take into account the tendency for the results of syndicates in run-off to deteriorate. In view of this you may wish to retain all of your FAL until all of your syndicates have closed. However, if (after speaking with your normal taxation adviser) you would like to effect a partial release, then please would you complete the schedule and return it to me. If the form is not completed in full, then it will be returned to you for completion.

Due to the challenging Lloyd's business timetable, the deadline for the submission of partial release applications has been brought forward from previous years by one month. **The deadline for processing release applications is now 23rd October 2009.** Requests should not be left until the deadline, as it cannot be guaranteed that applications submitted close to the deadline will be processed.

Please note that, as in previous years, New Special Reserve Fund (NSRF) assets are not available for release as part of this exercise.

cont/.....

Apart from specifying the sum you wish to have released, you will see that the form also requires you to indicate which assets you wish to have released and the order of preference. In doing this, you should take into account the concentration of assets rules which have been varied this year in accordance with FSA requirements. A maximum of 10% of your FAL valuation may be in any one qualifying unit trust, investment trust or any one qualifying equity stock. Cash held at a third party bank/building society is now also restricted to 20% of your FAL valuation. US municipal bonds and debt securities are restricted to 10% of any one stock, unless issued by qualifying countries (which include, inter alia, England, USA, Canada, Australia and most European countries). Government quoted securities and bonds remain at 100% of FAL.

These limits are primarily designed to ensure that you have a sufficiently broadly based portfolio and have an allowance to ensure that you do not fail future tests and for those Names holding assets within their FAL that fall within the 10% criteria, we would expect to see a minimum of three holdings within FAL.

We suggest that you include in your release application any assets (other than those in liquidation) valued by Lloyd's at nil value, such as PRF guarantees.

- a) In respect of releases of cash, in addition to providing us with your preferred bank details, we will also require documentary evidence of the account details, such as copy paying-in slip, copy cheque, copy bank statement. This is to enable us to fulfil the due diligence requirements of the 2007 anti-money laundering regulations. If, however, you provided such evidence to us recently for the same bank account, there is no need to provide further evidence to us.
- b) For the release of shares, specific re-registration details need to be provided on the attached pro-forma.

I would also mention that because of the regulations in respect of money laundering all unit trust managers now insist on evidence being provided if unit trusts are re-registered into an individual name. This would require you providing your original Passport or Photocard Driving Licence together with a utility bill with your current address on. Due to this requirement it would be easier to nominate a broker/nominee as this would not require the documentation to be provided.

There are also three holdings that cannot be registered into an individual name, being Zurich Financial, Syngenta and Banco Santander and should these be contained in your portfolio and you wish to have these released it will be necessary for them to be registered to a broker/nominee.

We appreciate that some of the information contained in this Memorandum will not apply to your specific circumstances but please do not hesitate to contact me if you have any questions in relation to the matters set out in this letter.

Enc(s).

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MEMORANDUM

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If you have recently purchased an "Exeat" policy please ignore this memorandum, as you are entitled to a total release of funds.

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In considering whether or not you wish to request a release, please take into account the tendency for the results of syndicates in run-off to deteriorate, and the current financial climate.

In view of the above you may wish to retain all of your FAL until all of your syndicates have closed. However, if (after speaking with your normal taxation adviser) you would like to effect a partial release, then please would you complete the schedule and return it to me. If the form is not completed in full, then it will be returned to you for completion.

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«**LetterName**»

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