

**SCHEDULE 1**

**Letter dated 18 June 2009 from Equitas Holdings to Equitas Limited and  
Equitas Insurance Limited**

# EQUITAS

EQUITAS HOLDINGS LIMITED  
33 ST MARY AXE LONDON EC3A 8LL  
TEL: 020 7342 2000 FAX: 020 7342 2001

18 June 2009

The Directors  
Equitas Limited  
33 St Mary Axe  
London  
EC3A 8LL

The Directors  
Equitas Insurance Limited  
33 St Mary Axe  
London  
EC3A 8LL

Dear Sirs

**Undertaking in relation to the Capital Resources of Equitas Limited (EL) and Equitas Insurance Limited (EIL)**

As a condition of the FSA granting authorisation to EIL, Equitas Holdings Limited (EHL) has agreed with the FSA to enter into an undertaking to support EL and EIL on the terms of this letter.

This letter also replaces the letter dated 3 May 2007 between EHL and EL under which EHL gave certain undertakings to EL with respect to uses of any contribution made by Lloyd's in relation to the retrocession transaction entered into by way of an agreement between EHL, EL, Equitas Management Services Limited (since renamed Resolute Management Services Limited) and National Indemnity Company (*National Indemnity*) dated 10 November 2006 and amended on 4 March 2007 (the *Retrocession and Run-off Agreement*).

Word and expressions used in this letter shall, unless otherwise defined, have the meaning given to them in the *Retrocession and Run-off Agreement*.

EHL hereby undertakes that it will not without the prior written consent of the FSA use any part of the financial resources for the time being available to it for any purpose other than:

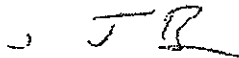
- (a) to purchase additional retrocession cover by EL pursuant to the Retrocession and Run-off Agreement upon the Transfer of Business or to contribute toward the purchase of such insurance;
- (b) to provide additional capital to EL or EIL, whether by way of capital contribution, subscription for shares or otherwise pursuant to the terms of this letter; or
- (c) in the ordinary course of its business (including in the ordinary course of the business of its subsidiaries), provided that any disbursement exceeding one million pounds will be notified to the FSA in advance.

EHL undertakes that, if at any time:

1. EL's capital resources (within the meaning of the FSA Handbook) are less than its minimum capital requirement (within the meaning of the FSA Handbook), then EHL shall, if requested in writing by EL to do so make available such amounts as are required to eliminate or reduce the amount of such deficit (whether by way of a capital contribution to EL, subscription for shares in the capital of EL or otherwise); and
2. EIL's capital resources (within the meaning of the FSA Handbook) are less than its minimum capital requirement (within the meaning of the FSA Handbook), then EHL shall, if requested in writing by EIL to do so, and to the extent it has financial resources which are not required to support EL under paragraph 1 above, make available such amounts as are required to eliminate or reduce such deficit (whether by way of a capital contribution to EIL, subscription for shares in the capital of EIL or otherwise).

The terms of this letter shall be governed by and construed in accordance with English law.

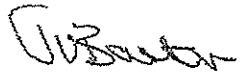
Yours faithfully



For and on behalf of

**Equitas Holdings Limited**

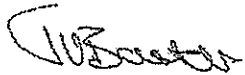
We confirm and agree to the above.

A handwritten signature in black ink, appearing to be 'J. B. ...'.

For and on behalf of

**Equitas Limited**

We confirm and agree to the above.

A handwritten signature in black ink, appearing to be 'J. B. ...'.

For and on behalf of

**Equitas Insurance Limited**