

TO ALL MEMBERS AND BROKERS OF THE STANDARD LONDON CLASS

25 November 2013

Dear Sirs

OPEN POLICY YEARS AND RENEWAL 2014

The committee reviewed the class's financial position, the open policy years, and the requirements for the 2014 renewal at its meeting on 15 November 2013.

OPEN POLICY YEARS

2011/12 policy year

There has been a slight improvement in the underwriting position during this year.

The committee reviewed the release call percentage for the policy year, and confirmed it at 3.5% of the estimated total premium.

2012/13 policy year

There has been a slight deterioration in the retained claims during this year partially offset by a reduction in reinsurance premiums.

The committee reviewed the release call percentage for the policy year and confirmed it at 4.5% of the estimated total premium.

2013/14 policy year

The growing claims trend appears to be continuing with claims expected to be slightly above the original forecast, although in general the underwriting performance is satisfactory. The committee reviewed the release call percentage for the policy year and confirmed it at 10% of the estimated total premium.

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RENEWAL 20 FEBRUARY 2014

The committee reviewed the premium requirements for the class for the 2014/15 policy year.

In determining the renewal requirements, the committee took into consideration the projected cost of claims, reinsurance costs and other outgoings. Investment income is credited directly to the class reserves.

Despite the on-going upturn in the cost of claims, the board has determined that members should be offered renewal on an as expiring basis inclusive of reinsurance costs. In addition, the committee has determined that a zero release call should be set to reflect the class's strong financial position.

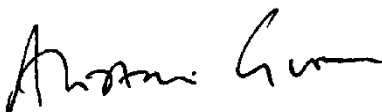
Accordingly, the committee has set the renewal requirements as follows:

- No general increase
- Any increase in the cost of the International Group reinsurance contract will not be charged to members
- Accounts with adverse records will, as usual, be subject to individual negotiation
- Zero release call set for the 2014/15 policy year

The committee further decided that the estimated total premium should be payable in one instalment at 20 February 2014. Members are advised that they are allowed a credit period of 42 days from the date of debiting for the payment of premiums. Where it has been agreed with members that premiums may be paid in more than one instalment, payments (other than the first instalment) are due on the dates specified without any further credit period. Late payment of premiums may prejudice cover and also give rise to interest charges.

As usual, renewal will be subject to there being no sums due and outstanding to the class as at 20 February 2014. In the event that renewal terms have been agreed but there are sums outstanding and due to the class, cover will be suspended from 20 February 2014 pending receipt of the outstanding sums.

Yours faithfully



Alistair Groom
Chief Executive
Charles Taylor & Co. Limited