

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

OCTOBER 23, 2002
Date of Report (Date of earliest event reported)

WHITE MOUNTAINS INSURANCE GROUP, LTD.
(Exact name of registrant as specified in its charter)

BERMUDA (State or other jurisdiction of incorporation or organization)	1-8993 (Commission file number)	94-2708455 (I.R.S. Employer Identification No.)
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28 GATES STREET, WHITE RIVER JUNCTION, VERMONT 05001
(Address of principal executive offices)

(802) 295-4500
(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS.

On October 23, 2002, White Mountains Insurance Group, Ltd. (NYSE: WTM) entered into a definitive agreement to sell \$225 million of equity in a private transaction. Franklin Mutual Advisers, LLC, an existing shareholder of White Mountains, has subscribed to purchase \$200 million of convertible preference shares based on a value of \$295 per common share. These convertible preference shares will be exchanged for 677,966 common shares of White Mountains if shareholder approval is received for the transaction pursuant to New York Stock Exchange requirements. White Mountains intends to seek shareholder approval at its 2003 Annual General Meeting of Members (Shareholders). Highfields Capital Management LP, an institutional investor, has subscribed to purchase 84,745 common shares for \$25 million, also based on a value of \$295 per common share.

The Subscription Agreements and related exhibits are attached herewith as Exhibits 99 (a) through 99 (e) and are incorporated by reference herein in their entirety.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits. The following exhibits are filed herewith:

Exhibit No.
Description

99(a)
Subscription
Agreement
dated as of
October 23,
2002,
between
investment
funds
managed by
Franklin
Mutual
Advisers,
LLC and
White
Mountains
Insurance
Group, Ltd.
99(b)

Exhibit A
entitled
"Terms and
Conditions
of
Convertible
Preference
Shares of
White
Mountains
Insurance
Group, Ltd."

to
Subscription
Agreement
dated as of
October 23,
2002,
between
investment
funds
managed by
Franklin
Mutual
Advisers,
LLC and
White
Mountains
Insurance
Group, Ltd.
99(c)

Exhibit B
entitled
"Registration
Rights
Agreement"

to
Subscription
Agreement
dated as of
October 23,
2002,
between
investment
funds
managed by
Franklin
Mutual
Advisers,
LLC and
White
Mountains
Insurance
Group, Ltd.
99(d)

Subscription
Agreement
dated as of
October 23,
2002,
between
investment
funds
managed by
Highfields
Capital
Management
LP and White
Mountains
Insurance
Group, Ltd.
99(e)

Exhibit A
entitled
"Registration
Rights
Agreement"

to
Subscription
Agreement
dated as of

October 23,
2002,
between
investment
funds
managed by
Highfields
Capital
Management
LP and White
Mountains
Insurance
Group, Ltd.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

Dated: October 24, 2002

By: /s/ J. Brian Palmer

J. Brian Palmer
Chief Accounting Officer

SUBSCRIPTION AGREEMENT dated as of October 23, 2002, between each of the entities named in Schedule I hereto (each, a "PURCHASER" and, together, the "PURCHASERS") and WHITE MOUNTAINS INSURANCE GROUP, LTD., a company existing under the laws of Bermuda ("WTM").

WHEREAS WTM desires to sell to each Purchaser, and each Purchaser desires to purchase from WTM, preference shares of WTM (the "SECURITIES") upon the terms and subject to the conditions set forth in this agreement and the summary of terms attached hereto as Exhibit A (the "TERM SHEET"), which is incorporated by reference to and expressly made a part of this agreement (together, the "AGREEMENT"); and

WHEREAS pursuant to this Agreement and subject to and conditioned upon the terms and provisions hereof, the parties desire to set forth certain rights and obligations of the Purchasers with respect to the Securities acquired by the Purchasers pursuant hereto, and WTM and each of the Purchasers wish to make various additional agreements, all as expressly set forth below.

NOW, THEREFORE, in consideration of the premises and the respective agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

"CLOSING" shall have the meaning given to such term in Article IV.

"CLOSING DATE" shall have the meaning given to such term in Article IV.

"EXCLUDED LIENS" means Liens imposed by or arising from this Agreement.

"LIENS" means liens, security interests, claims, pledges and encumbrances of any kind.

"MATERIAL ADVERSE EFFECT" with respect to any person means a material adverse effect on (a) the business, financial condition or results of operations of such person

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and its subsidiaries, taken as a whole, or (b) the ability of such person to perform its obligations under this Agreement.

"REGISTRATION RIGHTS AGREEMENT" means a registration rights agreement between WTM and the Purchasers dated as of the Closing Date and in the form of Exhibit B hereto.

"SECURITIES ACT" means the Securities Act of 1933.

ARTICLE II

PURCHASE AND SALE

On the Closing Date, and upon the terms and subject to the conditions herein set forth, WTM agrees to issue and sell to each Purchaser, free and clear of all Liens other than any Excluded Liens, and each Purchaser hereby agrees to purchase and accept from WTM, a face amount of Securities equal to the amount set forth opposite each Purchaser's name in Schedule I hereto (with respect to each Purchaser, its "ALLOCATED SECURITIES"). Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties and agreements of each Purchaser hereunder, WTM shall deliver to each Purchaser on the Closing Date (against payment of the Purchase Price provided for in Article III) certificates representing the Allocated Securities registered in the name of each Purchaser or a designated affiliate thereof.

ARTICLE III

PURCHASE PRICE

On the Closing Date, each Purchaser shall pay to WTM the amount set

forth opposite such Purchaser's name in Schedule I hereto (with respect to such Purchaser, the "PURCHASE PRICE") for the purchase of its Allocated Securities. The Purchase Price shall be paid in immediately available funds by wire transfer to a bank account designated by WTM.

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ARTICLE IV

THE CLOSING

SECTION 4.01. CLOSING DATE. Upon the terms and subject to the conditions herein set forth, the purchase and sale provided for herein (the "CLOSING") will take place (a) at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, NY 10019, at 10:00 a.m., New York City time, on October 24, 2002 or (b) at such other time, date and place as shall be fixed by agreement among the parties hereto. The date and time of Closing are herein referred to as the "CLOSING DATE".

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF WTM

WTM represents and warrants to each Purchaser as follows:

SECTION 5.01. AUTHORITY OF SELLER. WTM has been duly formed and is validly existing under the laws of Bermuda. The issuance, sale and delivery by WTM of the Securities has been duly authorized by WTM. Upon issuance and delivery as contemplated by Article II of this Agreement and upon payment therefor as contemplated by Article III of this Agreement, the Securities will have been duly authorized, validly issued, fully paid and nonassessable. This Agreement has been duly and validly executed and delivered by WTM and is the legal, valid and binding obligation of WTM enforceable against WTM in all material respects in accordance with its terms. No action, consent or approval by, or filing with, any Federal, state, municipal, foreign or other court or governmental or administrative body or agency, or any other regulatory or self-regulatory body (a "GOVERNMENTAL AUTHORITY"), by reason of authority over the affairs of WTM, is required to be made by WTM in connection with the execution and delivery by WTM of this Agreement or the consummation by WTM of the transactions contemplated hereby, other than (a) those which may be required solely by reason of any Purchaser's (as opposed to any other third party's) participation in the transaction contemplated hereby and (b) such other consents, approvals and filings, the failure of which to obtain would not have a Material Adverse Effect on WTM.

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SECTION 5.02. NO CONFLICTS; NO VIOLATIONS. None of the execution, delivery or performance of this Agreement by WTM will (a) result in any violation of or be in conflict with or constitute a default under any term of the constitutive documents of WTM, (b) result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which WTM is a party or by which WTM or its property is bound or (c) violate any judgment, order, decree, statute, law, rule or regulation applicable to WTM except for in the case of the foregoing clauses (b) and (c), any violation, conflict, breach or default which would not have a Material Adverse Effect on WTM.

SECTION 5.03. BROKERS. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of WTM.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF EACH PURCHASER

Each Purchaser, severally and not jointly, represents and warrants to WTM as follows:

SECTION 6.01. AUTHORITY OF PURCHASER. (a) Purchaser has been duly formed and is validly existing under the laws of the state or jurisdiction of its incorporation or formation. Purchaser has full right, power and authority to consummate the transactions contemplated herein. This Agreement has been duly and validly executed and delivered by Purchaser and is the legal, valid and binding obligation of Purchaser enforceable against Purchaser in all material respects in accordance with its terms. No action, consent or approval by, or

filing with, any Governmental Authority, by reason of authority over the affairs of Purchaser, is required to be made or obtained by Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation by Purchaser of the transactions contemplated hereby other than such consents, approvals and filings, the failure of which to obtain would not have a Material Adverse Effect on Purchaser.

(b) No action, consent or approval by, or filing with, any Governmental Authority, by reason of authority

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over the affairs of Purchaser, is required to be made or obtained by Purchaser in connection with the conversion contemplated by Section 6 of Exhibit A (the "Conversion") other than the filing of pre-merger notifications and report forms under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act").

SECTION 6.02. NO CONFLICTS; NO VIOLATIONS. None of the execution, delivery or performance of this Agreement or the receipt of WTM Common Shares pursuant to the Conversion by Purchaser will (a) result in any violation of or be in conflict with or constitute a default under any term of constitutive documents of Purchaser, (b) result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which Purchaser is a party or by which Purchaser or its property is bound or (c) violate any judgment, order, decree, statute, law, rule or regulation applicable to Purchaser, except for in the case of the foregoing clauses (b) and (c), any violation, conflict, breach or default which would not have a Material Adverse Effect on Purchaser.

SECTION 6.03. INVESTMENT INTENTION; NO RESALES. Purchaser is acquiring the Securities hereunder for investment, solely for its own account and not with a view to, or for resale in connection with, the distribution thereof. Purchaser will not resell, transfer, assign or distribute the Securities except in compliance with this Agreement, the Registration Rights Agreement and the registration requirements of the Securities Act and applicable state securities laws or pursuant to an available exemption therefrom.

SECTION 6.04. ACCREDITED INVESTOR; ABILITY TO BEAR RISK; EVALUATION OF RISKS. Purchaser is an "ACCREDITED INVESTOR" (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act). The financial situation of Purchaser is such that it can afford to bear the economic risk of holding the Securities. Purchaser can afford to suffer the complete loss of its investment in the Securities. The knowledge and experience of Purchaser in financial and business matters is such that it, together with its advisors, is capable of evaluating the risks of the investment in the Securities. Purchaser acknowledges that no representations, express or implied, are being made with respect to WTM, the Securities, or otherwise, other than those expressly set forth herein.

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SECTION 6.05. SECURITIES UNREGISTERED. Purchaser has been advised by WTM that (a) the offer and sale of the Securities have not been registered under the Securities Act, (b) the offering and sale of the Securities is intended to be exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act and (c) there is no established market for the Securities and it is not anticipated that there will be any public market for the Securities in the foreseeable future.

SECTION 6.06. BROKERS. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of any Purchaser.

ARTICLE VII

CONDITIONS

SECTION 7.01. CONDITIONS TO OBLIGATIONS OF THE PURCHASERS. The obligations of each Purchaser to perform under this Agreement are subject to the satisfaction or waiver by such Purchaser of each of the following conditions: (a) the delivery to the Purchaser by WTM of its Allocated Securities and a duly executed Registration Rights Agreement and (b) the absence on the Closing Date of any injunction or other order, or statute, rule or regulation, of any Governmental Authority prohibiting the consummation of the sale and purchase of the Securities hereunder.

SECTION 7.02. CONDITIONS TO OBLIGATIONS OF WTM. The obligations of WTM to perform under this Agreement are subject to the satisfaction or waiver by WTM of each of the following conditions: (a) the execution and delivery to WTM by each Purchaser of the Registration Rights Agreement and (b) the absence on the Closing Date of any injunction or other order, or statute, rule or regulation, of any Governmental Authority preventing or the prohibiting the consummation of the sale and purchase of the Securities hereunder.

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ARTICLE VIII

AGREEMENT

SECTION 8.01. REGISTRATION RIGHTS AGREEMENT. WTM and each of the Purchasers hereby agree to duly execute and deliver on the Closing Date the Registration Rights Agreement.

SECTION 8.02. BEST EFFORTS; FURTHER ACTIONS. Each of WTM and the Purchasers will use its best efforts to take or cause to be taken all action and to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement including the Conversion. If, at any time after the Closing Date, any further action is necessary or desirable to carry out the purposes of this Agreement or to vest each Purchaser with full title to the Securities, the proper officers, directors, partners or duly authorized representatives of each party to this Agreement shall take all such necessary action. The Purchasers will file any pre-merger notification and report forms required under the HSR Act with respect to the Conversion, and make any and all other filings that WTM or the Purchasers deem necessary with respect to the Conversion, and each Purchaser will use its best efforts to ensure that all waiting periods and approvals required under the HSR Act and any other approvals that may be required in connection with the Conversion are satisfied and obtained prior to the receipt of the Required Shareholder Approval (as defined in Exhibit A).

SECTION 8.03. CONSENTS. Each of WTM and the Purchasers will cooperate with each other, and use its best efforts, in filing any necessary applications, reports or other documents with, giving any notices to, and seeking any consents from, all regulatory bodies and all governmental agencies and authorities (including the filing of any pre-merger notification and report forms under the HSR Act) and all third parties (including, without limitation, any other equityholders) as may be necessary or desirable in connection with the consummation of the transactions contemplated by this Agreement including the Conversion.

SECTION 8.04. PUBLIC ANNOUNCEMENTS. Each of WTM, the Purchasers, and their respective affiliates, will consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press

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release or other public statement with respect to the sale and purchase of the Securities and the transactions contemplated by this Agreement and shall not issue any press release, disclose the name of any Purchaser or make any such public statement without the advance approval of the other parties following such consultation (such approval not to be unreasonably withheld or delayed), except as may be required by applicable law, court process or by the requirements of any securities exchange.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. AMENDMENT AND WAIVER. This Agreement may not be amended or supplemented except by an instrument in writing signed by each of the Purchasers and WTM. Any term or provision of this Agreement may be waived, but only in writing by the party which is entitled to the benefit thereof. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

SECTION 9.02. COUNTERPARTS. This Agreement may be executed in one or

more counterparts, each of which shall be deemed an original but all of which together shall constitute one instrument. It shall not be necessary for each party to sign each counterpart so long as every party has signed at least one counterpart.

SECTION 9.03. NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been given if delivered personally or sent by registered or certified mail (return receipt requested),

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postage prepaid, or by telecopy to the parties to this Agreement at the following addresses or at such other address for a party as shall be specified by like notice:

If to WTM, at:

White Mountains Insurance Group, Ltd.
28 Gates Street
White River Junction, NH 05001
Attention: Corporate Secretary
Telecopy: (802) 295-4550

with a copy to:

Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019
Attention: Philip A. Gelston, Esq.
Telecopy: (212) 474-3700

If to the Purchasers, at the appropriate address specified on its signature page.

All such notices and communications shall be deemed to have been received on the date of delivery, on the date that the telecopy is confirmed as having been received or on the third business day in New York after the mailing thereof, as the case may be.

SECTION 9.04. ASSIGNMENT. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party to this Agreement without the prior written consent of the other parties, and any attempt to assign any right, remedy, obligation or liability arising hereunder without such consent shall be void.

SECTION 9.05. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, written and oral.

SECTION 9.06. BINDING EFFECT; PARTIES IN INTEREST. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or

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remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 9.07. EXPENSES, INDEMNIFICATION. (a) Whether or not the purchase and sale of the Securities is consummated, each party hereto shall pay its own fees and expenses incident to preparing for, entering into and carrying out this Agreement and the consummation of the transactions contemplated hereby.

(b) A party in breach of this Agreement shall, on demand, indemnify and hold harmless the other parties for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other parties by reason of the enforcement and protection of its rights under this Agreement. The payment of such expenses is in addition to any other relief to which such other party may be entitled.

SECTION 9.08. APPLICABLE LAW AND JURISDICTION; SERVICE OF PROCESS; WAIVER OF JURY TRIAL. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to any applicable principles of conflict of laws to the extent that the application of the laws of another jurisdiction would be required thereby. Any and all suits, legal actions or proceedings against any party hereto arising out of this

Agreement shall be brought in the United States Federal court sitting in the Southern District of New York, or, if such court shall not have jurisdiction, in the Supreme Court of the State of New York sitting in the County of New York, and each party hereby submits to and accepts the exclusive jurisdiction of such courts for the purpose of such suits, legal action or proceedings. Each party hereto hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any such suit, legal action or proceeding in any such court and hereby further waives any claim that any suit, legal action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto agree that service of process in connection with any suit, legal action or proceeding brought hereunder or in connection herewith may be made by any means of service of process permitted by law.

(b) Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation arising out of or relating to this Agreement. Each party (i) certifies that no representative, agent or attorney of another party has presented, expressly or otherwise, that such other party

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would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth in this Section 9.08.

SECTION 9.09. ARTICLE AND SECTION HEADINGS. The article, section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 9.10. TERMINATION. This Agreement may be terminated at any time prior to the Closing by the mutual consent of each of the Purchasers and WTM.

SECTION 9.11. SPECIFIC ENFORCEMENT. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, the non-breaching party would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto will waive the defense in any action for specific performance that a remedy at law would be adequate and that the parties hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof without the necessity of proving actual damage or securing or posting any bond or providing prior notice.

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IN WITNESS WHEREOF, each party hereto has executed this Agreement as of the day and year first above written.

WHITE MOUNTAINS INSURANCE
GROUP, LTD.,

by

Name:
Title:

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MUTUAL SHARES FUND
MUTUAL QUALIFIED FUND
MUTUAL BEACON FUND
MUTUAL DISCOVERY FUND
MUTUAL EUROPEAN FUND
MUTUAL FINANCIAL SERVICES FUND
FRANKLIN MUTUAL BEACON FUND
FRANKLIN MUTUAL BEACON FUND (JAPAN)
FRANKLIN MUTUAL EUROPEAN FUND
MUTUAL BEACON FUND (CANADA)
MUTUAL SHARES SECURITIES FUND
MUTUAL DISCOVERY SECURITIES FUND
MUTUAL SHARES II FUND

BY: FRANKLIN MUTUAL ADVISERS, LLC

by

Name: Bradley Takahashi
Title: Vice President

Address for notices pursuant to
Section 9.03 of this Agreement:

Franklin Mutual Advisers, LLC
51 John F. Kennedy Parkway
Short Hills, NJ 07078
Attention: Bradley Takahashi
Telecopy: (973) 912-0646

SCHEDULE I

NUMBER OF CONVERTIBLE
PREFERENCE NAMES SHARES
PURCHASE PRICE - ----

MUTUAL SHARES FUND
.....
264,064 \$ 77,898,880
MUTUAL QUALIFIED FUND
.....
126,940 \$ 37,447,300
MUTUAL BEACON FUND
.....
139,203 \$ 41,064,885
MUTUAL DISCOVERY FUND
.....
61,515 \$ 18,146,925 MUTUAL
EUROPEAN FUND
.....
20,972 \$ 6,186,740 MUTUAL
FINANCIAL SERVICES FUND
..... 14,148 \$
4,173,660 FRANKLIN MUTUAL
BEACON FUND
..... 12,283
\$ 3,623,485 FRANKLIN
MUTUAL BEACON FUND (JAPAN)
..... 84 \$ 24,780
FRANKLIN MUTUAL EUROPEAN
FUND
1,594 \$ 470,230 MUTUAL
BEACON FUND (CANADA)
..... 3,148 \$
928,660 MUTUAL SHARES
SECURITIES FUND
..... 30,898 \$
9,114,910 MUTUAL DISCOVERY
SECURITIES FUND
..... 2,796 \$
824,820 MUTUAL SHARES II
FUND
.....
321 \$ 94,695 - ----

----- Total
677,966 \$ 199,999,970
=====

TERMS AND CONDITIONS
OF
CONVERTIBLE PREFERENCE SHARES
OF
WHITE MOUNTAINS INSURANCE GROUP, LTD.

Section 1. DESIGNATION AND AMOUNT. The shares of such series shall be designated as the "Convertible Preference Shares" (the "CONVERTIBLE PREFERENCE SHARES") and the number of shares constituting such series shall be 700,000.

Section 2. DIVIDENDS AND DISTRIBUTION. (a) The holders of Convertible Preference Shares, in preference to the holders of common shares, par value \$1.00 per share (the "COMMON SHARES"), of the Company and of any other shares of any other class or series of the share capital of the Company (such Common Shares and other share capital to be referred to collectively as "JUNIOR SHARES"), shall be entitled to receive, subject to Section 54 of The Companies Act 1981 (the "ACT"), and when, as and if declared by the Board of Directors out of net profits or net assets of the Company legally available for the payment of dividends, cumulative dividends payable in cash at the annual rate of \$2.95 per share, and no more, in equal semi-annual payments on June 30 and December 31 (or if either of such days is not a Business Day, the Business Day next preceding such day) in each year (each such date being referred to herein as a "SEMI-ANNUAL DIVIDEND PAYMENT DATE" and any dividend not paid on such date being referred to herein as "PAST DUE"), commencing on the first Semi-Annual Dividend Payment Date that occurs after the issuance of the Convertible Preference Shares, which is expected to be December 31, 2002. The Board of Directors may fix a record date for the determination of holders of Convertible Preference Shares entitled to receive payment of a dividend declared thereon, which record date shall be no more than 60 days nor less than 10 days prior to the date fixed for the payment thereof.

(b) Dividends payable pursuant to paragraph (a) of this Section 2 shall begin to accrue and be cumulative from the date of original issue of the Convertible Preference Shares. The amount of dividends so payable shall be determined on the basis of a 365-day year. On the first Semi-Annual Dividend Payment Date, the holders of shares of Convertible Preference Shares shall be entitled pursuant to this paragraph (b) to receive, when, as and if declared by the Board of Directors out of the net profits or net assets of the Company legally available for the payment of dividends, a cumulative cash dividend per share in the

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amount of (i) \$2.95 multiplied by (ii) a fraction equal to the number of days from (but not including) such date of original issue to (and including) the first Semi-Annual Dividend Payment Date divided by 365, and no more.

(c) If any applicable dividend payment or redemption payment is not made on a Semi-Annual Dividend Payment Date or the date set for such redemption, respectively, thereafter all such dividend payments and redemption payments that are past due and unpaid shall accrue and accumulate additional dividend amounts at an annual rate of 1% compounded each year with respect to any amounts past due, with the amount of such additional dividend amounts added to such amounts past due until all such amounts past due shall have been paid in full.

(d) If any dividend or redemption payment on the Convertible Preference Shares is not paid when due, the Company shall be prohibited from declaring, paying or setting apart for payment any dividends or making any other distributions on any Junior Shares, and from redeeming, purchasing or otherwise acquiring (or making any payment to or available for a sinking fund for the redemption, purchase or other acquisition of any shares of such stock) (either directly or through any Subsidiary) any Junior Shares, until all (i) Accrued Dividends and (ii) redemption payments that are past due are paid in full. Dividends paid on the Convertible Preference Shares in an amount less than the total amount of such Accrued Dividends payable and due on such shares shall be allocated PRO RATA on a share-by-share basis among all such shares at the time outstanding.

(e) The holders of Convertible Preference Shares shall not be entitled to receive any dividends or other distributions except as provided in this Exhibit.

Section 3. VOTING RIGHTS. The holders of shares of Convertible

Preference Shares shall have no voting rights, and their consent shall not be required for the taking of any corporate action, EXCEPT:

(a) for any voting rights provided in the Company's Bye-laws, as they may be amended or restated from time to time (the "BYE-LAWS");

(b) for any voting rights required by the Act; and

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(c) for so long as any Convertible Preference Shares shall be outstanding, the Company shall not present to the Members any proposal to amend, alter or repeal the Company's Memorandum of Continuance, as it may be amended or restated from time to time (the "MEMORANDUM OF CONTINUANCE"), or Bye-laws or this Exhibit A or otherwise alter or change the preferences, rights or powers of the Convertible Preference Shares, in each case in a manner that adversely affects the preferences, rights or powers of the Convertible Preference Shares or increases the authorized number of Convertible Preference Shares, without first obtaining the consent or approval of the holders of at least two-thirds of the number of then-outstanding shares of Convertible Preference Shares, voting as a single class, given in person or by proxy at a meeting at which the holders of such shares shall be entitled to vote separately as a class, or by written consent.

Section 4. REDEMPTION. (a) On October 31, 2012 (the "REDEMPTION DATE"), if any Convertible Preference Shares remain outstanding, the Company shall, subject to Section 42 of the Act, (i) redeem all outstanding Convertible Preference Shares by paying therefor in cash \$295.00 per share and (ii) cause the declaration, as payable, of all Accrued Dividends on the outstanding Convertible Preference Shares to the Redemption Date and shall pay all such declared Accrued Dividends. The amount payable in connection with the redemption of all of the outstanding Convertible Preference Shares pursuant to this Section 4 shall be referred to as the "REDEMPTION PRICE". For the period beginning on the first day after the immediately preceding Semi-Annual Dividend Payment Date and ending on the Redemption Date, the holders of shares of Convertible Preference Shares shall be entitled to receive a cash dividend per share in the amount of (i) \$2.95 multiplied by (ii) a fraction equal to the number of days in such period divided by 365.

(b) On or prior to the Redemption Date, the Company shall Set Apart for Payment the Redemption Price and thereafter the Convertible Preference Shares shall be deemed to have been redeemed on the Redemption Date, whether or not the certificate(s) for such Convertible Preference Shares shall be surrendered for redemption and canceled. Upon surrender to the Company by the holders of such certificate(s) for Convertible Preference Shares, the Company shall cause the Redemption Price to be paid to such holders.

Section 5. REACQUIRED SHARES. Any Convertible Preference Shares redeemed, converted, purchased or otherwise

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acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof, and, if necessary to provide for the lawful redemption or purchase of such shares, the capital represented by such shares shall be reduced in accordance with the Act. All such shares shall upon their cancellation become authorized but unissued preference shares, par value \$1.00 per share, of the Company and may be reissued as part of another series of preference shares, par value \$1.00 per share, of the Company.

Section 6. CONVERSION. (a) Immediately after (i) the approval from the New York Stock Exchange of the listing of the Company's Common Shares issued in exchange for the Convertible Preference Shares and the satisfaction of any conditions to such approval (other than issuance of the Company Common Shares) and (ii) any approvals, if required, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, then on the date the Company makes such determination, each Convertible Preference Share shall, subject to Section 42A of the Act, be automatically and immediately bought back by the Company from its holder, the consideration for such repurchase being the immediate issue by the Company to that holder of a number of Company Common Shares equal to the Conversion Number.

(b) To the extent not previously converted under Section 6(a), after March 31, 2005, each Convertible Preference Share shall be convertible at any time at the holder's option; PROVIDED that, if the Required Shareholders Approval has not been obtained at the time of any such conversion, in lieu of

issuing Common Shares, subject to Section 42 of the Act, the Company shall pay the holder in cash, for each Convertible Preference Share converted, an amount equal to the closing price per Common Share on the trading day immediately preceding the date of delivery of the Conversion Notice (as defined below). Any cash payment by the Company to a holder of the Convertible Preference Shares converted pursuant to this provision shall be made by the Company on the next March 31 or September 30 (each such date, a "PAYMENT DATE") following the date of receipt by the Company of written notice (a "CONVERSION NOTICE") from the holder of its election to convert any of its Convertible Preference Shares into Common Shares, if such Conversion Notice was given at least 60 days prior to such Payment Date, and on the Payment Date following the next Payment Date, if such written notice was given less than 60 days prior to the next Payment Date.

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Section 7. ADJUSTMENT OF CONVERSION NUMBER. (a) SHARE DIVIDENDS, SUBDIVISIONS, RECLASSIFICATIONS, COMBINATIONS. If the Company declares a dividend or makes a distribution on the outstanding Common Shares in Common Shares, or subdivides or reclassifies the outstanding Common Shares into a greater number of Common Shares, or combines the outstanding Common Shares into a smaller number of Common Shares, then, in each such event,

(i) the then applicable Conversion Number shall be adjusted so that the registered holder of each Convertible Preference Share shall be entitled to receive, upon the conversion thereof, the number of Common Shares which such holder would have been entitled to receive immediately after the happening of any of the events described above had such Convertible Preference Share been converted immediately prior to the happening of such event or the record date therefor, whichever is earlier; and

(ii) an adjustment to the Conversion Number made pursuant to this clause (a) shall become effective (A) in the case of any such dividend or distribution, immediately after the close of business on the record date for the determination of holders of Common Shares entitled to receive such dividend or distribution or (B) in the case of any such subdivision, reclassification or combination, at the close of business on the day upon which such corporate action becomes effective.

(b) ISSUANCE OF COMMON SHARES OR CONVERTIBLE SECURITIES.

(i) If the Company issues any Common Shares or Convertible Securities, other than any Permitted Issuance or issuance to which Section 7(a) or (c) applies, without consideration or at a price per Common Share (or having an exercise or conversion price per Common Share) less than the closing price per Common Share on the trading day immediately preceding the date of such issuance, then in each such event, the then applicable Conversion Number shall be adjusted so that the registered holder thereof shall be entitled to receive, upon the conversion of a Convertible Preference Share, the number of Common Shares determined by multiplying the then applicable Conversion Number by a fraction, of which:

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(A) the numerator shall be the sum of (I) the number of Common Shares outstanding on such date and (II) the number of additional Common Shares issued (or into which the Convertible Securities may be exercised or converted), and

(B) the denominator shall be the sum of (I) the number of Common Shares outstanding on such date and (II) the number of Common Shares which the aggregate consideration receivable by the Company for the total number of Common Shares so issued (or into which the Convertible Securities may be exercised or convert) would purchase at the Fair Market Value on such date. For purposes of this subparagraph, the aggregate consideration receivable by the Company in connection with the issuance of Common Shares or of securities exercisable for or convertible into Common Shares shall be deemed to be equal to the sum of the net offering price (after deduction of any related expenses payable to third parties) of all such securities plus the minimum aggregate amount, if any, payable upon exercise or conversion of any such Convertible Securities into Common Shares.

(ii) an adjustment to the Conversion Number made pursuant to this clause (b) shall become effective immediately after the date of such

issuance.

(iii) upon the expiration or termination of any unexercised Convertible Securities or of conversion or exchange privileges pursuant to any Convertible Securities for which any adjustment to the Conversion Number was made pursuant to this clause (b), the then applicable Conversion Number shall be readjusted and shall thereafter be such number as would have been determined had the Conversion Number been originally adjusted (or had the original adjustment not been required, as the case may be) on the basis of (A) the Common Shares, if any, actually issued or sold upon the exercise of such Convertible Securities or conversion or exchange right of such Convertible Securities and (B) the consideration actually received by the Company upon such exercise, conversion or exchange plus the consideration, if any, actually received by the Company for the issuance or sale of all of such Convertible Securities whether or not exercised. No such

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readjustment shall have the effect of decreasing the Conversion Number by an amount in excess of the amount of the adjustment initially made for the issuance or sale of such Convertible Securities.

(c) ISSUANCES UPON MERGER, AMALGAMATION, CONSOLIDATION OR SALE OF COMPANY. If the Company shall be a party to any transaction (including a merger, amalgamation, consolidation, sale of all or substantially all of the Company's assets, liquidation or recapitalization of the Common Shares and excluding any transaction to which Section 7(a) or (b) applies) in which the previously outstanding Common Shares shall be changed into or, pursuant to the operation of law or the terms of the transaction to which the Company is a party, exchanged for different securities of the Company or common shares or other securities of another corporation or interests in a noncorporate entity or other property (including cash) or any combination of any of the foregoing, then, as a condition of the consummation of such transaction, lawful and adequate provision shall be made so that each holder of Convertible Preference Shares shall be entitled, upon conversion, to an amount per Convertible Preference Share equal to (A) the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as applicable, into which or for which each Common Share is changed or exchanged multiplied by (B) the Conversion Number in effect immediately prior to the consummation of such transaction.

(d) ADJUSTMENT TO CERTIFICATE. Irrespective of any adjustments in the Conversion Number or the kind of shares purchasable upon conversion of the Convertible Preference Shares, certificates theretofore or thereafter issued may continue to express the same Conversion Number and kind of shares as are stated on the certificates initially issuable pursuant to this Exhibit A, but such Conversion Price and number and kind of shares shall be understood to be adjusted as provided herein.

(e) NOTICES OF ADJUSTMENT.

(i) Upon any adjustment of the Conversion Number pursuant to Section 7, the Company shall promptly, but in any event within 10 days thereafter, cause to be given to each registered holder of a Convertible Preference Share, at its address appearing on the Register of Members by registered mail, postage prepaid, a certificate signed by an executive officer setting forth the Conversion Number and/or the number of shares of other securities or assets issuable upon the conversion of each Convertible Preference Share as so adjusted and describing in reasonable detail the facts

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accounting for such adjustment and the method of calculation used. Where appropriate, such certificate may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 7.

(ii) In the event the Company proposes to take (or receives notice of) any action which would require an adjustment of the Conversion Number pursuant to Section 7, then the Company shall cause to be given to each registered holder of Convertible Preference Shares at its address appearing on the Register of Members, at least 10 days prior to the applicable record date or effective date for such action, a written notice in accordance with Section 7: (A) stating such record date or effective date, (B) describing such action in reasonable detail and (C) stating the date as of which it is expected that holders of record of Common Shares shall be entitled to

receive any applicable dividends or distributions or to exchange their shares for securities or other property, if any, deliverable upon such action. The failure to give the notice required by this Section 7(f) or any defect therein shall not affect the legality or validity of any such action or the vote upon any such action.

Section 8. LIQUIDATION, DISSOLUTION OR WINDING UP. (a) If the Company shall adopt a plan of liquidation or of dissolution, or commence a voluntary case under applicable bankruptcy, insolvency or similar laws, or consent to the entry of an order for relief in any involuntary case under any such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Company or of any substantial part of its property, or make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts generally as they become due and on account of such event the Company shall liquidate, dissolve or wind up, or upon any other liquidation, dissolution or winding up of the Company, no distribution shall be made to the holders of Junior Shares, unless, prior thereto, the holders of Convertible Preference Shares shall have received \$50.00 per share plus all Accrued Dividends thereon to the date of such payment (the "LIQUIDATION PREFERENCE").

(b) Neither the consolidation, merger, amalgamation or other business combination of the Company with or into any other Person or Persons nor the sale, lease, exchange or conveyance of all or any part of the property, assets or business of the Company to a Person or Persons shall be deemed to be a

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liquidation, dissolution or winding up of the Company for purposes of this Section 8.

Section 9. RANK. The Convertible Preference Shares shall rank, with respect to preferences and relative, participating, optional and other special rights of the shares of such series and the qualifications, limitations and restrictions thereof, including, without limitation, with respect to the payment of dividends and redemption payments and the distribution of assets, prior to all Junior Shares of the Company; PROVIDED that, with respect to any event that would require payment of the Liquidation Preference pursuant to Section 8(a), the Convertible Preference Shares shall rank prior to all Junior Shares with respect to distributions up to an amount equal to such Liquidation Preference, and with respect to all other distributions, PARI PASSU with all Common Shares of the Company.

Section 10. TRANSFER. Except to the extent required by applicable law, Convertible Preference Shares may not be transferred, other than (i) with the prior written consent of the Company, which consent shall not be unreasonably withheld, (ii) by any Initial Holder to one of its Affiliates or (iii) to the Company or any Initial Holder. The Convertible Preference Shares have not been registered under the Securities Act and may not be offered or sold in the United States or to any citizen or resident of the United States in the absence of a valid registration under the Securities Act except in reliance on an exemption from the registration requirements of the Securities Act.

Section 11. DEFINITIONS. For the purposes of this Exhibit:

"ACCRUED DIVIDENDS", with respect to a particular date (the "APPLICABLE DATE"), means all unpaid dividends payable pursuant to Section 2 and/or Section 4, whether or not declared, accrued to the Applicable Date, including any additional dividend amounts accrued on past due dividend or redemption payments pursuant to Section 2(c).

"ACT" means the Companies Act of 1981 as amended from time to time.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" means the

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possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

"BOARD OF DIRECTORS" means the Board of Directors of the Company.

"BUSINESS DAY" means any day other than a Saturday, Sunday, or a day

on which banking institutions in Bermuda or the State of New York are authorized or obligated by law or executive order to close.

"COMPANY" means White Mountains Insurance Group, Ltd.

"CONVERSION NUMBER" means initially one (1) and thereafter shall be subject to adjustment from time to time pursuant to the terms of Section 7 hereof.

"CONVERTIBLE SECURITIES" means any rights, warrants, options or other securities convertible into or exercisable or exchangeable for Common Shares, other than any Permitted Issuances.

"FAIR MARKET VALUE" means, as of any date, with respect to a Common Share, the average of the closing prices of a Common Share for the ten consecutive trading days immediately prior to the determination date or, if the Common Shares are not listed or admitted to trade on any national securities exchange, the fair market value per share as determined in good faith by the Board of Directors of the Company in reliance upon an opinion of a nationally recognized investment bank and certified in a resolution sent to each holder of Convertible Preference Shares.

"INITIAL HOLDERS" means each purchaser of Convertible Preference Shares pursuant to the Subscription Agreement, dated as of October 23, 2002, among such purchasers and the Company.

"MEMBERS" means the shareholders of the Company.

"PERMITTED ISSUANCE" means (a) any shares, warrants, options, rights or other securities of the Company outstanding on the date hereof (and the issuance of any Common Shares upon the exercise or conversion thereof), (b) any Common Shares issued upon exercise of the Warrants, (c) any securities of the Company that are issued in connection with, and on terms substantially consistent with, the Transactions, (d) any share options or other securities of the Company granted pursuant to any employee

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benefit plan or program of the Company and any Common Shares or other securities of the Company issued upon exercise thereof, (e) any securities of the Company issued in consideration for the acquisition of a business and (f) any public offering of any securities of the Company.

"PERSON" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a Company, a partnership, a trust or other entity.

"REQUIRED SHAREHOLDERS APPROVAL" means the shareholder approval required pursuant to Section 312.03(b) of the New York Stock Exchange Listed Company Manual to issue Common Shares necessary for the conversion set forth in Section 6(a).

"SECURITIES ACT" shall mean the United States Securities Act of 1933, and the rules and regulations promulgated thereunder.

"SET APART FOR PAYMENT" means the Company shall have deposited with a bank or trust company doing business in the Borough of Manhattan, the City of New York, and having a capital and surplus of at least \$50,000,000, in trust for the exclusive benefit of the holders of Convertible Preference Shares, funds sufficient to satisfy the Company's payment obligation.

"SUBSIDIARY" of any Person means any Company or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

"TRANSACTIONS" means an issuance, on terms substantially consistent with the terms of the issuance of Convertible Preferences Shares to Franklin Mutual Advisers, LLC pursuant to the Subscription Agreement dated October 23, 2002 or the issuance of Common Shares to Highfields Capital Management LP pursuant to the Subscription Agreement dated October 23, 2002, in order to raise funds to repay the principal of, and accrued interest on, the seller notes that were issued to CGU Holdings LLC on June 1, 2000. "Transactions" shall include the issuance of Common Shares to Highfields Capital Management LP pursuant to the Subscription Agreement dated October 23, 2002.

"WARRANTS" means the warrants to purchase 1,714,285 Common Shares sold pursuant to the Warrant Agreement among the Company and Berkshire Hathaway Inc., dated as of May 30, 2001.

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT"), dated as of October ____, 2002, by and between the Purchasers listed on the signature pages hereto (the "PURCHASERS"), and WHITE MOUNTAINS INSURANCE GROUP, LTD., a company existing under the laws of Bermuda (the "COMPANY").

W I T N E S S E T H:

WHEREAS, this Agreement is entered into pursuant to that certain Subscription Agreement between the Purchasers and the Company dated as of October 23, 2002 (the "SUBSCRIPTION AGREEMENT"), pursuant to which, among other things, the Purchasers agreed to purchase from the Company, for a purchase price of \$199,999,970, 677,966 Convertible Preference Shares, convertible into Common Shares under the terms and conditions set forth in the resolution of the Board of Directors related thereto (the "RESOLUTION"); and

WHEREAS, in connection with the transactions contemplated by the Subscription Agreement, the parties hereto desire to provide for certain rights and obligations in respect of the Common Shares as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual agreements, covenants, representations and warranties contained herein and in the Subscription Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms have the following meanings:

"AFFILIATE" of a specified Person means any Person that is a direct or indirect wholly owned subsidiary of such Person.

"BEST EFFORTS" means the commercially reasonable efforts that a prudent person desirous of achieving a result would use in good faith in similar circumstances to ensure that such result may be achieved as expeditiously as can reasonably be expected.

"BOARD" means the board of directors of the Company.

"COMMON SHARES" means common shares of the Company, par value \$1.00 per share.

"COMPANY REGISTRATION STATEMENT" shall have the meaning ascribed to such term in Section 2(f).

"CONVERSION SHARES" means the Common Shares issuable or issued upon conversion of the Convertible Preference Shares, as the number and/or type of such shares may be adjusted from time to time pursuant to the terms and conditions of the Subscription Agreement and the Resolution.

"DELAY PERIOD" shall have the meaning ascribed to such term in Section 2(f).

"DEMAND" shall have the meaning ascribed to such term in Section 2(a).

"DEMAND REGISTRATION" shall have the meaning ascribed to such term in Section 2(a).

"DISADVANTAGEOUS CONDITION" shall have the meaning ascribed to such term in Section 2(f).

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"HOLDER" or "HOLDERS" means each Purchaser or any Permitted Transferee thereof which is the record holder of Registrable Securities.

"MINIMUM NUMBER" means 250,000 Common Shares; PROVIDED that, the Minimum Number shall be adjusted by the same ratio as the number of outstanding Common Shares is adjusted in the event of any reclassification, share combination, share subdivision, share dividend or similar event with respect to the Common Shares.

"OTHER HOLDERS" shall have the meaning ascribed to such term in Section 3(b).

"OTHER SECURITIES" shall have the meaning ascribed to such term in Section 3.

"PERMITTED TRANSFEREE" shall mean (i) any Affiliate of a Holder or (ii) any permitted transferee of Convertible Preference Shares under Section 10 of the Resolution.

"PERSON" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a trust or other entity.

"PURCHASER" means each person other than the Company listed on the signature pages of this Agreement as a party hereto.

"REGISTRABLE SECURITIES" means the Conversion Shares and any stock or other securities into which or for which such Conversion Shares may hereafter be changed, converted or exchanged upon any reclassification, share combination, share subdivision, share dividend, merger, consolidation or similar transactions or events, including without limitation according to the terms of the Subscription Agreement and the Resolution; PROVIDED that any such securities shall cease to be Registrable Securities if (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with the plan of distribution set forth in such registration statement or (ii) such securities shall have been transferred pursuant to Rule 144.

"REGISTRATION EXPENSES" means all reasonable expenses in connection with any registration of securities pursuant to this Agreement including, without limitation, the following: (i) SEC filing fees; (ii) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Registrable Securities to be disposed of under the Securities Act; (iii) all expenses in connection with the preparation, printing and filing of the registration statement, any preliminary

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prospectus or final prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to any stockholders, underwriters and dealers and all expenses incidental to delivery of the Registrable Securities; (iv) the cost of producing blue sky or legal investment memoranda; (v) all expenses in connection with the qualification of the Registrable Securities to be disposed of for offering and sale under state securities laws, including the reasonable fees and disbursements of counsel for the underwriters and the Holders in connection with such qualification and in connection with any blue sky and legal investments surveys; (vi) the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Registrable Securities to be disposed of; (vii) transfer agents', depositories' and registrars' fees and the fees of any other agent appointed in connection with such offering; (viii) all security engraving and security printing expenses; (ix) all fees and expenses payable in connection with the listing of the Registrable Securities on each securities exchange or inter-dealer quotation system on which a class of common equity securities of the Company is then listed; (x) all reasonable out-of-pocket expenses of the Company incurred in connection with road-show presentations, if any; (xi) courier, overnight delivery, word processing, duplication, telephone and facsimile expenses; (xii) any one-time payment for directors and officers insurance directly related to such offering, provided the insurer provides a separate statement for such payment and (xiii) the reasonable and documented fees and expenses of one law firm for the Holders; PROVIDED, HOWEVER, that each Selling Holder shall pay (y) all underwriting discounts, commissions, fees and expenses (including legal expenses other than as provided above) of any person with respect to the Registrable Securities sold by or on behalf of such Holders. In no event shall the Company pay or be responsible for the fees and disbursements of counsel for the underwriters in connection with any such registrations, except as provided in clause (v) above.

"REQUESTING HOLDER" shall have the meaning ascribed to such term in Section 3.

"RESOLUTION" has the meaning set forth in the preamble to the Agreement.

"RULE 144" means Rule 144 promulgated under the Securities Act, or any successor rule to similar effect.

"SEC" means the United States Securities and Exchange Commission.

"SECURITIES ACT" means the Securities Act of 1933, as amended, or any

successor statute.

"SELLING HOLDER" means any Holder selling Registrable Securities by means of a registration statement pursuant to this Agreement.

"SUBSCRIPTION AGREEMENT" has the meaning set forth in the preamble to the Agreement.

2. DEMAND REGISTRATION.

(a) At any time after the issuance of Conversion Shares upon conversion of Convertible Preference Shares pursuant to the terms and conditions of the Resolution, upon written notice (a "DEMAND") from those Holders together holding not less than the Minimum Number of the Registrable Securities requesting that the Company effect the

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registration under the Securities Act (a "DEMAND REGISTRATION") of any or all of the Registrable Securities held by such Holder(s), which notice shall specify the intended method or methods of disposition of such Registrable Securities, the Company promptly shall give written notice to each other Holder of the receipt by the Company of such Demand. Within 10 days of the date of the written notice by the Company, each other Holder that wishes to participate in such Demand Registration shall notify the Company in writing indicating that such Holder wishes to have its Registrable Securities included in the Demand Registration and the number of Registrable Securities it desires to include in the Demand Registration. The Company shall use its Best Efforts to prepare and file a registration statement under the Securities Act relating to the Registrable Securities to be offered as soon as practicable, but in no event later than 60 days (90 days if the applicable registration form is other than Form S-3) after the date such Demand is given, and use its Best Efforts to cause the same to become effective as promptly as practicable thereafter, in the manner set forth in Section 5.

(b) Notwithstanding any other provision of this Agreement to the contrary, a Demand Registration requested by any Holder(s) pursuant to this Section 2 shall not be deemed to have been effected: (i) if it is withdrawn as a result of a Disadvantageous Condition as described in Section 2(f)(iv); (ii) if after it has become effective such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court for any reason other than a misrepresentation or an omission by such Holder(s) and, as a result thereof, less than 75% of the Registrable Securities requested to be registered can be completely distributed in accordance with the plan of distribution set forth in the related registration statement; (iii) if the conditions to closing that relate to the Company specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied or waived; or (iv) if, with respect to such Demand Registration, the Company fails to keep the related registration statement effective for the period required under Section 5(a)(i)(x).

(c) In the event that any registration pursuant to this Section 2 shall involve, in whole or in part, an underwritten offering, the Holder(s) initiating the Demand Registration pursuant to Section 2(a) shall have the right to designate an underwriter as the sole lead managing underwriter of such underwritten offering, subject to the Company's consent which shall not be unreasonably withheld.

(d) In the event that the Holders participating in a Demand Registration are advised in writing (with a copy to the Company) by the lead managing underwriter designated by the initiating Holder(s) pursuant to Section 2(c) that, in such firm's good-faith opinion, marketing factors require a limitation on the number of shares to be underwritten, the number of shares to be included in the underwriting and registration shall be allocated to the Holders participating in the Demand Registration PRO RATA based on the number of Registrable Securities requested to be included in the Demand Registration by each such Holder.

(e) Unless the number of shares to be underwritten has been limited in accordance with Section 2(d), the Company shall have the right to cause the registration of additional securities for sale for the account of any person (including the Company) in any registration of Registrable Securities requested by any Holder(s) pursuant to Section 2(a); PROVIDED that in the event that such Holder(s) are advised in writing (with a copy to the Company) by the lead managing underwriter designated by the initiating Holder(s)

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pursuant to Section 2(c) that, in such firm's good-faith opinion, marketing factors require a limitation on the number of shares to be underwritten, the number of shares to be included in the underwriting and registration shall be allocated first to the Holder(s) taking part in the Demand Registration pursuant to Section 2(a) and second to such additional persons (including the Company) seeking to participate in such registration on such basis as the Company may determine.

(f) Notwithstanding any other provision of this Agreement to the contrary, (i) the Company shall not be required to effect a Demand Registration within a period of six months after the effective date of any other registration statement of the Company, provided that, if required pursuant to Section 3, notice of such registration statement has been given to all Holders pursuant to Section 3, (ii) the Company shall not be obligated to effect more than a total of one Demand Registration pursuant to this Section 2, (iii) the Company shall not be required to effect a Demand Registration if the Demand related thereto is delivered during the period commencing 45 days prior to the estimated date of filing by the Company of a registration statement pertaining to a public offering of securities of the Company (a "COMPANY REGISTRATION STATEMENT") that are the same as, or convertible into or exchangeable for, Common Shares (other than a registration statement on Form S-8 or successor form) and ending on the date of effectiveness of such registration statement; PROVIDED, that in no event shall the Company be required to file a registration statement pertaining to a Demand Registration at any time prior to 90 days after the effectiveness of any Company Registration Statement and (iv) with respect to any registration statement filed, or to be filed, pursuant to this Section 2, if the Company shall furnish to the Holder(s) requesting such registration a certified resolution of the Board stating that in the good faith judgment of the Board it would not (because of the existence of, or in anticipation of, any acquisition or material financing activity, or the unavailability for reasons beyond the Company's control of any required financial statements, or any other event or condition of similar significance to the Company) be in the best interests (a "DISADVANTAGEOUS CONDITION") of the Company for such a registration statement to be maintained effective, or to be filed and become effective, the Company may postpone the filing or the effectiveness of such registration statement, or delay the filing of any amendment thereto, until the earlier of 90 days following the date such certified resolution is furnished to such Holder(s) or the date such Disadvantageous Condition no longer exists (such period, a "DELAY PERIOD"); PROVIDED, HOWEVER, that the Delay Periods in any six consecutive months may not exceed 90 days. Upon receipt of any such notice of a Disadvantageous Condition, the Holder(s) selling securities pursuant to an effective registration statement shall discontinue use of the prospectus contained in such registration statement and, if so directed by the Company, shall deliver to the Company all copies, other than permanent file copies then in such Holders' possession, of the prospectus then covering such Registrable Securities or, in the event no registration statement shall have been filed, all drafts of the registration statement and the prospectus covering such Registrable Securities.

3. PIGGYBACK REGISTRATION. At any time after the issuance of Conversion Shares pursuant to the conversion of Convertible Preference Shares pursuant to the terms of the Resolution, if the Company proposes to register any of its Common Shares or any other of its common equity securities (collectively, "OTHER SECURITIES") under the Securities Act (other than a registration (i) on Form S-4 or S-8 or any successor form thereto, (ii) filed in connection with an offering of securities solely to the Company's existing shareholders or (iii) pursuant to a registration under Section 2), whether or not for sale for its own account, in a manner which would permit registration

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of Registrable Securities for sale for cash to the public under the Securities Act, at each such time it will give prompt written notice to each Holder of its intention to do so at least thirty (30) days prior to the anticipated filing date of the registration statement relating to such registration. Such notice shall offer each such Holder the opportunity to include in such registration statement such number of Registrable Securities as each such Holder may request. Upon the written request of any such Holder (each, a "REQUESTING HOLDER") made within twenty (20) days after the receipt of the Company's notice (which request shall specify the number of Registrable Securities intended to be disposed of and the intended method of disposition thereof), the Company shall use its Best Efforts to effect, in the manner set forth in the applicable provisions of Section 5, in connection with the registration of the Other Securities, the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register, to the extent required to permit the disposition (in accordance with such intended methods thereof) of the Registrable Securities so requested to be registered, provided that:

(a) if, at any time after giving such written notice of its intention to register any of its securities and prior to the effective date of the

registration statement filed in connection with such registration, the Company shall determine for any reason not to register such securities, the Company may, at its election, give written notice of such determination to each Requesting Holder of Registrable Securities and thereupon shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith as provided in Section 4), without prejudice, however, to the rights of Holders to request that such registration be effected as a registration under Section 2;

(b) if the registration referred to in the first sentence of this Section 3 is to be an underwritten registration on behalf of the Company or on behalf of the holders of securities (other than Registrable Securities) of the Company (the "OTHER HOLDERS"), and the managing underwriter designated by the Company or the Other Holders, as applicable, advises the Company in writing that, in such firm's good-faith opinion, marketing factors require a limitation on the number or amount of shares to be underwritten, the Company shall include in such registration: (1) first, all securities the Company or any Other Holder, as applicable, proposes to sell for its own account and (2) second, up to such number or amount of securities (including Registrable Securities) recommended by such managing underwriter, to such additional persons seeking to participate in such registration, allocated PRO RATA based on the number of shares requested to be included by such additional persons;

(c) in the event that any registration pursuant to this Section 3 shall involve, in whole or in part, an underwritten offering, each Requesting Holder pursuant to this Section 3 hereby agrees to sell such portion of its Registrable Securities to be registered pursuant to Section 3(a) to the managing underwriter(s) designated by the Company or the Other Holders, as applicable, on the same terms and conditions that apply to the Company and/or the Other Holders; PROVIDED, HOWEVER, that any such Requesting Holder shall be permitted to withdraw all or part of the Registrable Securities from such registration at any time prior to the execution of the underwriting agreement relating thereto and PROVIDED FURTHER, HOWEVER, the Requesting Holders shall only be required to make representations

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and warranties and provide indemnity as is customary for selling stockholders in similar registrations; and

(d) no registration of Registrable Securities effected under this Section 3 shall relieve the Company of its obligation to effect a registration of Registrable Securities pursuant to Section 2 hereof.

4. EXPENSES. The Company agrees to pay all Registration Expenses with respect to any offerings pursuant to Section 2 or Section 3 hereof. In addition, but not in duplication of, the foregoing, each Holder shall be entitled to reimbursement from the Company for any out-of-pocket losses actually incurred in the event, and only to the extent, that such Holder suffers such losses as a result of such Holder's inability to make delivery of sold Registrable Securities due to the Company's breach of its commitment to provide timely notice as required by Section 5(a)(v).

5. REGISTRATION AND QUALIFICATION.

(a) If and whenever the Company is required to use its Best Efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 2 or 3 hereof, the Company shall:

(i) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to (x) keep such registration statement effective until the earlier of such time as all of such Registrable Securities have been disposed of in accordance with the intended methods of disposition by the Holder(s) thereof set forth in such registration statement or the expiration of 90 days after such registration statement becomes effective and (y) comply with the provisions of the Securities Act applicable to the Company with respect to the securities covered by such registration statement;

(ii) furnish to the Selling Holder(s) and to any underwriter of such Registrable Securities such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits) and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, and such other documents, as the Selling Holder(s)

or such underwriter may reasonably request in order to facilitate the public sale of the Registrable Securities, and a copy of any and all transmittal letters or other correspondence to, or received from, the SEC or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering;

(iii) unless the exemption from state regulation of securities offerings under Section 18 of the Securities Act applies, use its Best Efforts to register or qualify all Registrable Securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as the Selling Holders or any underwriter of such Registrable Securities shall reasonably request; PROVIDED that the Company shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this

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paragraph (iii), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction;

(iv) furnish, at the written request of any Holder requesting registration pursuant to Section 2, if the method of distribution is by means of an underwritten offering, on the date that the Registrable Securities are delivered to the underwriters for sale pursuant to such registration or, if such Registrable Securities are not being sold through underwriters, on the date that the registration statement with respect to such Registrable Securities becomes effective: (x) an opinion of counsel for the Company, dated such date and (y) a "cold comfort" letter dated such date and the date the offering is priced, signed by the independent public accountants who have certified the Company's financial statements included in such registration statement, covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities;

(v) promptly notify the Selling Holders in writing (x) at any time when a prospectus relating to a registration pursuant to Section 2 or 3 hereof is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (y) of any request by the SEC or any other regulatory body or other body having jurisdiction for any amendment of or supplement to any registration statement or other document relating to such offering, and in either such case (x) or (y) at the request of the Selling Holders, subject to Section 2(f)(iv) and Section 4 hereof, prepare and furnish to the Selling Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(vi) use its Best Efforts to comply with all applicable rules and regulations of the SEC and to make available to its securities holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act; and

(vii) furnish unlegended certificates representing ownership of the Registrable Securities being sold in such denominations as shall be requested by the Selling Holders or the underwriters, with expenses therewith to be paid in accordance with Section 4 hereof.

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(b) The Holder(s) of Registrable Securities on whose behalf Registrable Securities are to be distributed by one or more underwriters shall be parties to any underwriting agreements relating to the distribution of such Registrable Securities.

6. UNDERWRITING, DUE DILIGENCE.

(a) If requested by the underwriters for any underwritten offering of Registrable Securities pursuant to a registration requested under Section 2 of this Agreement, the Company shall enter into an underwriting agreement in customary form with such underwriters for such offering, such agreement to contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in underwriting agreements with respect to such distributions, including, without limitation, indemnities and contribution substantially to the effect and to the extent provided in Section 7 hereof and the provision of opinions of counsel and accountants' letters to the effect and to the extent provided in Section 5(a)(iv) hereof. The Holders on whose behalf the Registrable Securities are to be distributed by such underwriters shall be parties to any such underwriting agreement. Such underwriting agreement shall also contain such representations and warranties by the Holders on whose behalf the Registrable Securities are to be distributed as are customarily contained in underwriting agreements with respect to such distributions. The Selling Holders may require that any additional securities included in a Demand Registration be included on the same terms and conditions as the Registrable Securities that are included therein.

(b) In the event that any registration pursuant to Section 3 shall involve, in whole or in part, an underwritten offering, the Company may require the Registrable Securities requested to be registered pursuant to Section 3 to be included in such underwriting on the same terms and conditions as shall be applicable to the other securities being sold through underwriters under such registration. If requested by the underwriters for such underwritten offering, the Holders on whose behalf the Registrable Securities are to be distributed shall enter into an underwriting agreement with such underwriters, such agreement to contain such representations and warranties by the Holders and such other terms and provisions as are customarily contained in underwriting agreements with respect to such distributions, including, without limitation, indemnities and contribution substantially to the effect and to the extent provided in Section 7 hereof. Such underwriting agreement shall also contain such representations and warranties by the Company and such other person or entity for whose account securities are being sold in such offering as are customarily contained in underwriting agreements with respect to such distributions.

(c) In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Company shall give the Selling Holders and the underwriters, if any, and their respective counsel and accountants, such reasonable and customary access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified the Company's financial statements as shall be necessary, in the opinion of such Selling Holders and such underwriters or their respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

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7. INDEMNIFICATION AND CONTRIBUTION.

(a) In the case of any registration of any Registrable Securities under the Securities Act pursuant to Sections 2 and 3 of this Agreement, the Company agrees to indemnify and hold harmless each Selling Holder, its officers and directors, each underwriter of Registrable Securities so offered and each person, if any, who controls any of the foregoing persons within the meaning of the Securities Act, from and against any and all losses, claims, damages, expenses, judgments or liabilities, joint or several, to which they or any of them may become subject, under the Securities Act or otherwise, including any amount paid in settlement of any litigation commenced or threatened, and shall promptly reimburse them, as and when incurred, for any reasonable legal or other expenses incurred by them in connection with investigating any claims and defending any actions, insofar as such losses, claims, damages, expenses, judgments or liabilities shall arise out of, or shall be based upon, any untrue statement or alleged untrue statement of a material fact contained in the registration statement on the effective date thereof (including any prospectus filed under Rule 424 of the Securities Act) or any amendment thereof or supplement thereto, or in any document incorporated by reference therein, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; PROVIDED, HOWEVER, that the Company shall not be liable to the Selling Holders in any such case to the extent that any such loss, claim, damage, expense, judgment or liability arises out of, or is based upon, any untrue statement or alleged untrue statement, or any omission, if such statement or omission shall have been made in reliance upon and in conformity with information relating to the Selling Holder(s) furnished to the Company in writing by or on behalf of any Selling Holder specifically for use in the preparation of the registration

statement (including any prospectus filed under Rule 424 of the Securities Act) or any amendment thereof or supplement thereto. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of a Selling Holder and shall survive the transfer of such securities. The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to each Selling Holder, its officers and directors, underwriters of the Registrable Securities or any controlling person of the foregoing.

(b) In the case of any registration of any Registrable Securities under the Securities Act pursuant to Sections 2 and 3 of this Agreement, each Selling Holder agrees to indemnify and hold harmless the Company, its officers and directors and each person, if any, who controls any of the foregoing within the meaning of the Securities Act (and if requested by the underwriters, each underwriter who participates in the offering and each person, if any, who controls any such underwriter within the meaning of the Securities Act), from and against any and all losses, claims, damages, expenses, judgments or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or otherwise, including any amount paid in settlement of any litigation commenced or threatened, and shall promptly reimburse them, as and when incurred, for any legal or other expenses incurred by them in connection with investigating any claims and defending any actions, insofar as any such losses, claims, damages, expenses, judgments or liabilities shall arise out of, or shall be based upon, any untrue statement or alleged untrue statement of a material fact relating to such Selling Holder contained in the registration statement on the effective date thereof (including any prospectus filed under Rule 424 of the Securities Act) or any amendment thereof or supplement thereto, or any omission or alleged omission to state therein a material fact relating to such Selling Holder required to be stated therein or necessary to make the statements therein not

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misleading, but in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission relating to such Selling Holder was made in reliance upon information relating to such Selling Holder furnished to the Company in writing by or on behalf of such Selling Holder specifically for use in the preparation of such registration statement (including any prospectus filed under Rule 424 of the Securities Act); PROVIDED, HOWEVER, that in no event shall any Selling Holder be liable for any amount in excess of the net proceeds received from the sale of the Registrable Securities by such Selling Holder in the subject offering. The foregoing indemnity is in addition to any liability which any Selling Holder may otherwise have to the Company, or any of its directors, offices or controlling persons.

(c) PROCEDURE FOR INDEMNIFICATION. Each party indemnified under paragraph (a) or (b) of this Section 7 shall, promptly after receipt of notice of any claim or the commencement of any action against such indemnified party in respect of which indemnity may be sought, notify the indemnifying party in writing of the claim or the commencement thereof; PROVIDED that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party on account of the indemnity agreement contained in paragraph (a) or (b) of this Section 7, except to the extent the indemnifying party was prejudiced by such failure, and in no event shall relieve the indemnifying party from any other liability which it may have to such indemnified party. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 7 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; PROVIDED that each indemnified party, its officers and directors, if any, and each person, if any, who controls such indemnified party within the meaning of the Securities Act, shall have the right to employ separate counsel reasonably approved by the indemnifying party to represent them if the named parties to any action (including any impleaded parties) include both such indemnified party and an indemnifying party or an affiliate of an indemnifying party, and such indemnified party shall have been advised by counsel either (i) that there may be one or more legal defenses available to such indemnified party that are different from or additional to those available to such indemnifying party or such affiliate or (ii) a conflict may exist between such indemnified party and such indemnifying party or such affiliate, and in that event the fees and expenses of one such separate counsel for all such indemnified parties shall be paid by the indemnifying party. An indemnified party will not enter into any settlement agreement which is not approved by the indemnifying party, such approval not to be unreasonably withheld. The indemnifying party may not agree to any settlement of any such claim or action

which provides for any remedy or relief other than monetary damages for which the indemnifying party shall be responsible hereunder, without the prior written consent of the indemnified party, which consent shall not be unreasonably withheld. In any action hereunder as to which the indemnifying party has assumed the defense thereof with counsel reasonably satisfactory to the indemnified party, the indemnified party shall continue to be entitled to participate in the defense thereof, with counsel of its own choice, but, except as set forth above, the indemnifying party shall not be obligated hereunder to reimburse the indemnified party for the costs

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thereof. In all instances, the indemnified party shall cooperate fully with the indemnifying party or its counsel in the defense of each claim or action.

If the indemnification provided for in this Section 7 shall for any reason be unavailable to an indemnified party in respect of any loss, claim, damage, expense, judgment or liability, or any action in respect thereof, referred to herein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage, expense, judgment or liability in respect thereof, or action in respect thereof, in such proportion as shall be appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other with respect to the statements or omissions which resulted in such loss, claim, damage, expense, judgment or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the indemnifying party on the one hand or the indemnified party on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission, but not by reference to any indemnified party's stock ownership in the Company. In no event, however, shall a Selling Holder be required to contribute in excess of the amount of the net proceeds received by such Selling Holder in connection with the sale of Registrable Securities in the offering which is the subject of such loss, claim, damage or liability. The amount paid or payable by an indemnified party as a result of the loss, claim, damage, expense, judgment or liability, or action in respect thereof, referred to above in this paragraph shall be deemed to include, for purposes of this paragraph, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claims. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. RULE 144. The Company shall take such measures and file such information, documents and reports to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder and will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent necessary or desirable from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement, certified by an authorized executive officer of the Company, as to whether the Company has complied with such requirements. The Company shall have no obligation to effect a registration of Registrable Securities pursuant to Section 2 or Section 3 hereof if such Registrable Securities may be sold without registration under the Securities Act within the limitation of the exemption provided by Rule 144(k).

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9. HOLDBACK. Each of the Company and the Selling Holders agrees, if so required by the managing underwriter, not to sell, make any short sale of, loan, grant any option for the purchase of (other than pursuant to employee benefit plans), effect any public sale or distribution of or otherwise dispose of the Company's equity securities or securities convertible into or exchangeable or exercisable for any such securities during the 30 days prior to and the 90 days after any underwritten registration pursuant to Section 2 or 3 hereof has become effective, except as part of such underwritten registration and except, in the case of the Company, pursuant to registrations on Form S-4 or S-8 or any successor form thereto.

10. TRANSFER OF REGISTRATION RIGHTS.

(a) A Holder may transfer all or any portion of its rights under this Agreement only to a Permitted Transferee. The Holder making such transfer shall promptly notify the Company in writing stating the name and address of any

Permitted Transferee and identifying the amount of Registrable Securities with respect to which the rights under this Agreement are being transferred and the nature of the rights so transferred. In connection with any such transfer, the term "Holder" as used in this Agreement shall, where appropriate to assign the rights and obligations of a Holder hereunder to such Permitted Transferee, be deemed to refer to the Permitted Transferee, as holder of such Registrable Securities.

(b) After any such transfer, the Holder making such transfer shall retain its rights under this Agreement with respect to all other Registrable Securities still owned by such Holder.

(c) Upon the request of the Holder making such transfer, the Company shall execute a Registration Rights Agreement with such Permitted Transferee or a proposed Permitted Transferee substantially similar to this Agreement.

11. MISCELLANEOUS.

(a) INJUNCTIONS. Each party acknowledges and agrees that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. Therefore, each party shall be entitled to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which such party may be entitled at law or in equity.

(b) SEVERABILITY. If any term or provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and each of the parties shall use its Best Efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term or provision.

(c) FURTHER ASSURANCES. Subject to the specific terms of this Agreement, each of the parties hereto shall make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as may be reasonably

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required in order to effectuate the purposes of this Agreement and to consummate the transactions contemplated hereby.

(d) WAIVERS, ETC. No failure or delay on the part of either party (or the intended third-party beneficiaries referred to herein) in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement nor consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by an authorized officer of each of the parties, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(e) ENTIRE AGREEMENT. This Agreement contains the entire understanding of the parties with respect to its subject matter. This Agreement supersedes all prior agreements and understandings between the parties, whether written or oral, with respect to the subject matter hereof. The paragraph headings contained in this Agreement are for reference purposes only, and shall not affect in any manner the meaning or interpretation of this Agreement.

(f) COUNTERPARTS. For the convenience of the parties, this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall be one and the same instrument.

(g) AMENDMENT. This Agreement may be amended only by a written instrument duly executed by an authorized officer of the Company and an authorized officer of each Holder.

(h) NOTICES. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given when received if delivered personally, on the next business day if sent by overnight courier for next business day delivery (providing proof of delivery), when confirmation is received, if sent by facsimile or in five business days if sent by U.S. registered or certified mail, postage prepaid (return receipt requested) to the other parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(i) if to the Company, to:

White Mountains Insurance Group, Ltd.
28 Gates Street
White River Junction, NH 05001
Attention: Corporate Secretary
Facsimile: (802) 295-4550

(ii) if to the Purchasers, at the address set forth below each Purchaser's name on the signature pages hereto.

(i) GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

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(j) TERM. This Agreement shall remain in full force and effect until there are no Registrable Securities outstanding or until terminated by the mutual agreement of the parties hereto.

(k) ASSIGNMENT. Except as provided herein, the parties may not assign their rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of successors to the parties hereto.

(l) PRIORITY OF RIGHTS. The Purchasers agree that the rights granted hereunder are expressly made subject to the rights of the "Holders" under the Registration Rights Agreement dated as of May 30, 2001 between the Company and Berkshire Hathaway Inc. in a manner consistent with such agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representative as of the date first above written.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

by:

Name: Dennis Beaulieu
Title: Corporate Secretary

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MUTUAL SHARES FUND
MUTUAL QUALIFIED FUND
MUTUAL BEACON FUND
MUTUAL DISCOVERY FUND
MUTUAL EUROPEAN FUND
MUTUAL FINANCIAL SERVICES FUND
FRANKLIN MUTUAL BEACON FUND
FRANKLIN MUTUAL BEACON FUND (JAPAN)
FRANKLIN MUTUAL EUROPEAN FUND
MUTUAL BEACON FUND (CANADA)
MUTUAL SHARES SECURITIES FUND
MUTUAL DISCOVERY SECURITIES FUND
MUTUAL SHARES II FUND

BY: FRANKLIN MUTUAL ADVISERS, LLC

Address: Franklin Mutual Advisers, LLC
50 John F. Kennedy Parkway
Short Hills, NJ 07078
Attention: Bradley Takahashi
Facsimile: (973) 912-0646

by:

Name: Bradley Takahashi
Title: Vice President

SUBSCRIPTION AGREEMENT dated as of October 23, 2002, between each of the entities named in Schedule I hereto (each, a "PURCHASER" and, together, the "PURCHASERS") and WHITE MOUNTAINS INSURANCE GROUP, LTD., a company existing under the laws of Bermuda ("WTM").

WHEREAS WTM desires to sell to each Purchaser, and each Purchaser desires to purchase from WTM, common shares of WTM, par value \$1.00 per share (the "SECURITIES") upon the terms and subject to the conditions set forth in this agreement (the "AGREEMENT"); and

WHEREAS pursuant to this Agreement and subject to and conditioned upon the terms and provisions hereof, the parties desire to set forth certain rights and obligations of the Purchasers with respect to the Securities acquired by the Purchasers pursuant hereto, and WTM and each of the Purchasers wish to make various additional agreements, all as expressly set forth below.

NOW, THEREFORE, in consideration of the premises and the respective agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

"CLOSING" shall have the meaning given to such term in Article IV.

"CLOSING DATE" shall have the meaning given to such term in Article IV.

"EXCLUDED LIENS" means Liens imposed by or arising from this Agreement.

"LIENS" means liens, security interests, claims, pledges and encumbrances of any kind.

"MATERIAL ADVERSE EFFECT" with respect to any person means a material adverse effect on (a) the business, financial condition or results of operations of such person and its subsidiaries, taken as a whole, or (b) the ability of such person to perform its obligations under this Agreement.

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"REGISTRATION RIGHTS AGREEMENT" means a registration rights agreement between WTM and the Purchasers dated as of the Closing Date and in the form of Exhibit A hereto.

"SECURITIES ACT" means the Securities Act of 1933.

ARTICLE II

PURCHASE AND SALE

On the Closing Date, and upon the terms and subject to the conditions herein set forth, WTM agrees to issue and sell to each Purchaser, free and clear of all Liens other than any Excluded Liens, and each Purchaser hereby agrees to purchase and accept from WTM, the number of shares of Securities set forth opposite each Purchaser's name in Schedule I hereto (with respect to each Purchaser, its "ALLOCATED SECURITIES"). Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties and agreements of each Purchaser hereunder, WTM shall deliver to each Purchaser on the Closing Date (against payment of the Purchase Price provided for in Article III) certificates representing the Allocated Securities registered in the name of each Purchaser or a designated affiliate thereof.

ARTICLE III

PURCHASE PRICE

On the Closing Date, each Purchaser shall pay to WTM the amount set forth opposite such Purchaser's name in Schedule I hereto (with respect to such Purchaser, the "PURCHASE PRICE") for the purchase of its Allocated Securities. The Purchase Price shall be paid in immediately available funds by wire transfer to a bank account designated by WTM.

ARTICLE IV

THE CLOSING

SECTION 4.01. CLOSING DATE. Upon the terms and subject to the conditions herein set forth, the purchase and sale provided for herein (the "CLOSING") will take place

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(a) at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, NY 10019, at 10:00 a.m., New York City time, on the next business day after approval is received from the New York Stock Exchange with respect to the listing of the Common Shares (subject to official notice of issuance) or (b) at such other time, date and place as shall be fixed by agreement among the parties hereto. The date and time of Closing are herein referred to as the "CLOSING DATE".

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF WTM

WTM represents and warrants to each Purchaser as follows:

SECTION 5.01. AUTHORITY OF SELLER. WTM has been duly formed and is validly existing under the laws of Bermuda. The issuance, sale and delivery by WTM of the Securities has been duly authorized by WTM. Upon issuance and delivery as contemplated by Article II of this Agreement and upon payment therefor as contemplated by Article III of this Agreement, the Securities will have been duly authorized, validly issued, fully paid and nonassessable. This Agreement has been duly and validly executed and delivered by WTM and is the legal, valid and binding obligation of WTM enforceable against WTM in all material respects in accordance with its terms. No action, consent or approval by, or filing with, any Federal, state, municipal, foreign or other court or governmental or administrative body or agency, or any other regulatory or self-regulatory body (a "GOVERNMENTAL AUTHORITY"), by reason of authority over the affairs of WTM, is required to be made by WTM in connection with the execution and delivery by WTM of this Agreement or the consummation by WTM of the transactions contemplated hereby, other than (a) those which may be required solely by reason of any Purchaser's (as opposed to any other third party's) participation in the transaction contemplated hereby, (b) approval from the New York Stock Exchange of the listing of the Securities, subject to official notice of issuance and (c) such other consents, approvals and filings, the failure of which to obtain would not have a Material Adverse Effect on WTM.

SECTION 5.02. NO CONFLICTS; NO VIOLATIONS. None of the execution, delivery or performance of this Agreement by WTM will (a) result in any violation of or be in conflict

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with or constitute a default under any term of the constitutive documents of WTM, (b) result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which WTM is a party or by which WTM or its property is bound or (c) violate any judgment, order, decree, statute, law, rule or regulation applicable to WTM except for in the case of the foregoing clauses (b) and (c), any violation, conflict, breach or default which would not have a Material Adverse Effect on WTM.

SECTION 5.03. BROKERS. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of WTM.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF EACH PURCHASER

Each Purchaser, severally and not jointly, represents and warrants to WTM as follows:

SECTION 6.01. AUTHORITY OF PURCHASER. Purchaser has been duly formed and is validly existing under the laws of the state or jurisdiction of its incorporation or formation. Purchaser has full right, power and authority to consummate the transactions contemplated herein. This Agreement has been duly

and validly executed and delivered by Purchaser and is the legal, valid and binding obligation of Purchaser enforceable against Purchaser in all material respects in accordance with its terms. No action, consent or approval by, or filing with, any Governmental Authority, by reason of authority over the affairs of Purchaser, is required to be made or obtained by Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation by Purchaser of the transactions contemplated hereby other than such consents, approvals and filings, the failure of which to obtain would not have a Material Adverse Effect on Purchaser. Each Purchaser is an "institutional investor" for purposes of Section 802.64 of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and is eligible for the exemption of such Section 802.64.

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SECTION 6.02. NO CONFLICTS; NO VIOLATIONS. None of the execution, delivery or performance of this Agreement by Purchaser will (a) result in any violation of or be in conflict with or constitute a default under any term of constitutive documents of Purchaser, (b) result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which Purchaser is a party or by which Purchaser or its property is bound or (c) violate any judgment, order, decree, statute, law, rule or regulation applicable to Purchaser, except for in the case of the foregoing clauses (b) and (c), any violation, conflict, breach or default which would not have a Material Adverse Effect on Purchaser.

SECTION 6.03. INVESTMENT INTENTION; NO RESALES. Purchaser is acquiring the Securities hereunder for investment, solely for its own account and not with a view to, or for resale in connection with, the distribution thereof. Purchaser will not resell, transfer, assign or distribute the Securities except in compliance with this Agreement, the Registration Rights Agreement and the registration requirements of the Securities Act and applicable state securities laws or pursuant to an available exemption therefrom.

SECTION 6.04. ACCREDITED INVESTOR; ABILITY TO BEAR RISK; EVALUATION OF RISKS. Purchaser is an "ACCREDITED INVESTOR" (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act). The financial situation of Purchaser is such that it can afford to bear the economic risk of holding the Securities. Purchaser can afford to suffer the complete loss of its investment in the Securities. The knowledge and experience of Purchaser in financial and business matters is such that it, together with its advisors, is capable of evaluating the risks of the investment in the Securities. Purchaser acknowledges that no representations, express or implied, are being made with respect to WTM, the Securities, or otherwise, other than those expressly set forth herein.

SECTION 6.05. SECURITIES UNREGISTERED. Purchaser has been advised by WTM that (a) the offer and sale of the Securities have not been registered under the Securities Act and (b) the offering and sale of the Securities is intended to be exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act.

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SECTION 6.06. BROKERS. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of any Purchaser.

ARTICLE VII

CONDITIONS

SECTION 7.01. CONDITIONS TO OBLIGATIONS OF THE PURCHASERS. The obligations of each Purchaser to perform under this Agreement are subject to the satisfaction or waiver by such Purchaser of each of the following conditions: (a) the delivery to the Purchaser by WTM of its Allocated Securities and a duly executed Registration Rights Agreement, (b) the absence on the Closing Date of any injunction or other order, or statute, rule or regulation, of any Governmental Authority prohibiting the consummation of the sale and purchase of the Securities hereunder, (c) approval from the New York Stock Exchange of the listing of the Securities, subject to official notice of issuance and (d) the representations and warranties of WTM in Article V of this Agreement shall be true and correct in all material respects as of the Closing Date.

SECTION 7.02. CONDITIONS TO OBLIGATIONS OF WTM. The obligations of WTM to perform under this Agreement are subject to the satisfaction or waiver by WTM of each of the following conditions: (a) the execution and delivery to WTM by

each Purchaser of the Registration Rights Agreement, (b) the absence on the Closing Date of any injunction or other order, or statute, rule or regulation, of any Governmental Authority preventing or the prohibiting the consummation of the sale and purchase of the Securities hereunder, (c) approval from the New York Stock Exchange of the listing of the Securities, subject to official notice of issuance and (d) the representations and warranties of each Purchaser in Article VI of this Agreement shall be true and correct in all material respects as of the Closing Date.

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ARTICLE VIII

AGREEMENT

SECTION 8.01. REGISTRATION RIGHTS AGREEMENT. WTM and each of the Purchasers hereby agree to duly execute and deliver on the Closing Date the Registration Rights Agreement.

SECTION 8.02. BEST EFFORTS; FURTHER ACTIONS. Each of WTM and the Purchasers will use its best efforts to take or cause to be taken all action and to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. If, at any time after the Closing Date, any further action is necessary or desirable to carry out the purposes of this Agreement or to vest each Purchaser with full title to the Securities, the proper officers, directors, partners or duly authorized representatives of each party to this Agreement shall take all such necessary action.

SECTION 8.03. CONSENTS. Each of WTM and the Purchasers will cooperate with each other, and use its best efforts, in filing any necessary applications, reports or other documents with, giving any notices to, and seeking any consents from, all regulatory bodies and all governmental agencies and authorities and all third parties (including, without limitation, any other equityholders) as may be necessary or desirable in connection with the consummation of the transactions contemplated by this Agreement.

SECTION 8.04. PUBLIC ANNOUNCEMENTS. Each of WTM, the Purchasers, and their respective affiliates, will consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press release or other public statement with respect to the sale and purchase of the Securities and the transactions contemplated by this Agreement and shall not issue any press release, disclose the name of any Purchaser or make any such public statement without the advance approval of the other parties following such consultation (such approval not to be unreasonably withheld or delayed), except as may be required by applicable law, court process or by the requirements of any securities exchange.

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ARTICLE IX

MISCELLANEOUS

SECTION 9.01. AMENDMENT AND WAIVER. This Agreement may not be amended or supplemented except by an instrument in writing signed by each of the Purchasers and WTM. Any term or provision of this Agreement may be waived, but only in writing by the party which is entitled to the benefit thereof. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

SECTION 9.02. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one instrument. It shall not be necessary for each party to sign each counterpart so long as every party has signed at least one counterpart.

SECTION 9.03. NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been given if delivered personally or sent by registered or certified mail (return receipt requested), postage prepaid, or by telecopy to the parties to this Agreement at the following addresses or at such other address for a party as shall be specified by like notice:

If to WTM, at:

White Mountains Insurance Group, Ltd.
28 Gates Street
White River Junction, NH 05001
Attention: Corporate Secretary
Telecopy: (802) 295-4550

with a copy to:

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Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019
Attention: Philip A. Gelston, Esq.
Telecopy: (212) 474-3700

If to the Purchasers, at the appropriate address specified on its signature page.

All such notices and communications shall be deemed to have been received on the date of delivery, on the date that the telecopy is confirmed as having been received or on the third business day in New York after the mailing thereof, as the case may be.

SECTION 9.04. ASSIGNMENT. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party to this Agreement without the prior written consent of the other parties, and any attempt to assign any right, remedy, obligation or liability arising hereunder without such consent shall be void.

SECTION 9.05. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, written and oral.

SECTION 9.06. BINDING EFFECT; PARTIES IN INTEREST. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 9.07. EXPENSES, INDEMNIFICATION. (a) Whether or not the purchase and sale of the Securities is consummated, each party hereto shall pay its own fees and expenses incident to preparing for, entering into and carrying out this Agreement and the consummation of the transactions contemplated hereby.

(b) A party in breach of this Agreement shall, on demand, indemnify and hold harmless the other parties for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other parties by reason of the enforcement and protection of its rights under this

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Agreement. The payment of such expenses is in addition to any other relief to which such other party may be entitled.

SECTION 9.08. APPLICABLE LAW AND JURISDICTION; SERVICE OF PROCESS; WAIVER OF JURY TRIAL. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to any applicable principles of conflict of laws to the extent that the application of the laws of another jurisdiction would be required thereby. Any and all suits, legal actions or proceedings against any party hereto arising out of this Agreement shall be brought in the United States Federal court sitting in the Southern District of New York, or, if such court shall not have jurisdiction, in the Supreme Court of the State of New York sitting in the County of New York, and each party hereby submits to and accepts the exclusive jurisdiction of such courts for the purpose of such suits, legal action or proceedings. Each party hereto hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any such suit, legal action or proceeding in any such court and hereby further waives any claim that any suit, legal action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto agree that service of process in connection with any suit, legal action or proceeding brought hereunder or in connection herewith may be made by any means of service of process permitted by law.

(b) Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation arising out of or relating to this Agreement. Each party (i) certifies that no representative, agent or attorney of another party has presented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth in this Section 9.08.

SECTION 9.09. ARTICLE AND SECTION HEADINGS. The article, section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 9.10. TERMINATION. This Agreement may be terminated at any time prior to the Closing by the mutual consent of each of the Purchasers and WTM.

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SECTION 9.11. SPECIFIC ENFORCEMENT. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, the non-breaching party would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto will waive the defense in any action for specific performance that a remedy at law would be adequate and that the parties hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof without the necessity of proving actual damage or securing or posting any bond or providing prior notice.

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IN WITNESS WHEREOF, each party hereto has executed this Agreement as of the day and year first above written.

WHITE MOUNTAINS INSURANCE
GROUP, LTD.,

by

Name: Dennis Beaulieu
Title: Corporate
Secretary

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HIGHFIELDS CAPITAL I LP

By: HIGHFIELDS ASSOCIATES LLC, its General
Partner

by:

Name: Richard Grubman
Title: Senior Managing Member

HIGHFIELDS CAPITAL II LP

By: HIGHFIELDS ASSOCIATES LLC, its General
Partner

by:

Name: Richard Grubman
Title: Senior Managing Member

HIGHFIELDS CAPITAL LTD.

By: HIGHFIELDS CAPITAL MANAGEMENT LP, its

Investment Manager

by:

Name: Richard Grubman
Title: Managing Member of Highfields
GP LLC, General Partner of the
Investment Manager

Address for notices pursuant to Section 9.03
of this Agreement:

Highfields Capital Management LP
200 Clarendon Street
Boston, MA 02116
Attention: Joseph F. Mazzella
Telecopy: (617) 850-7620

SCHEDULE I

NUMBER OF PURCHASE NAMES COMMON SHARES PRICE - -----	

----- HIGHFIELDS CAPITAL I LP.....	7,700 \$ 2,271,500
HIGHFIELDS CAPITAL II LP.....	16,510 \$ 4,870,450
LTD.....	60,535 \$
	17,857,825 - ----

- Total: 84,745 \$	24,999,775
	=====
	=====

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT"), dated as of October ____, 2002, by and between the Purchasers listed on the signature pages hereto (the "PURCHASERS"), and WHITE MOUNTAINS INSURANCE GROUP, LTD., a company existing under the laws of Bermuda (the "COMPANY").

W I T N E S S E T H:

WHEREAS, this Agreement is entered into pursuant to that certain Subscription Agreement between the Purchasers and the Company dated as of October 23, 2002 (the "SUBSCRIPTION AGREEMENT"), pursuant to which, among other things, the Purchasers agreed to purchase from the Company, for a purchase price of \$24,999,775, 84,745 Common Shares of the Company; and

WHEREAS, in connection with the transactions contemplated by the Subscription Agreement, the parties hereto desire to provide for certain rights and obligations in respect of the Common Shares as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual agreements, covenants, representations and warranties contained herein and in the Subscription Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms have the following meanings:

"AFFILIATE" of a specified Person means any Person that is a direct or indirect wholly owned subsidiary of such Person.

"BEST EFFORTS" means the commercially reasonable efforts that a prudent person desirous of achieving a result would use in good faith in similar circumstances to ensure that such result may be achieved as expeditiously as can reasonably be expected.

"BOARD" means the board of directors of the Company.

"COMMON SHARES" means common shares of the Company, par value \$1.00 per share.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"HOLDER" or "HOLDERS" means each Purchaser or any Permitted Transferee thereof which is the record holder of Registrable Securities.

"OTHER HOLDERS" shall have the meaning ascribed to such term in Section 2(b).

"OTHER SECURITIES" shall have the meaning ascribed to such term in Section 2.

"PERMITTED TRANSFEREE" shall mean any Affiliate of a Holder.

"PERSON" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a trust or other entity.

"PURCHASER" means each person other than the Company listed on the signature pages of this Agreement as a party hereto.

"REGISTRABLE SECURITIES" means the Common Shares issued pursuant to the terms of the Subscription Agreement and any stock or other securities into which or for which such Common Shares may hereafter be changed, converted or exchanged upon any reclassification, share combination, share subdivision, share dividend, merger, consolidation or similar transactions or events; PROVIDED that any such securities shall cease to be Registrable Securities if (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with the plan of distribution set forth in such registration statement or (ii) such securities shall have been transferred pursuant to Rule 144.

"REGISTRATION EXPENSES" means all reasonable expenses in connection with any registration of securities pursuant to this Agreement including, without limitation, the following: (i) SEC filing fees; (ii) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Registrable Securities to be disposed of under the Securities Act; (iii) all expenses in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to any stockholders, underwriters and dealers and all expenses incidental to delivery of the Registrable Securities; (iv) the cost of producing blue sky or legal investment memoranda; (v) all expenses in connection with the qualification of the Registrable Securities to be disposed of for offering and sale under state securities laws, including the reasonable fees and disbursements of counsel for the underwriters and the Holders in connection with such qualification and in connection with any blue sky and legal investments surveys; (vi) the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Registrable Securities to be disposed of; (vii) transfer agents', depositories' and registrars' fees and the fees of any other agent appointed in connection with such offering; (viii) all security engraving and security printing expenses; (ix) all fees and expenses payable in connection with the listing of the Registrable Securities on each securities exchange or inter-dealer quotation system on which a class of common equity securities of the Company is then listed; (x) all reasonable out-of-pocket expenses of the Company incurred in connection with road-show presentations, if any; (xi) courier, overnight delivery, word processing, duplication, telephone and facsimile expenses; (xii) any one-time payment for directors and officers insurance directly related to such offering, provided the insurer provides a separate statement for such payment and (xiii) the reasonable and documented fees and expenses of one law firm for the Holders; PROVIDED, HOWEVER, that each Selling Holder shall pay (y) all underwriting discounts, commissions, fees and expenses (including legal expenses other than as provided above) of any person with respect to the Registrable Securities sold by or on behalf of such Holders. In no event shall the Company pay or be responsible for the fees and disbursements of counsel for the underwriters in connection with any such registrations, except as provided in clause (v) above.

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"REQUESTING HOLDER" shall have the meaning ascribed to such term in Section 2.

"RULE 144" means Rule 144 promulgated under the Securities Act, or any successor rule to similar effect.

"SEC" means the United States Securities and Exchange Commission.

"SECURITIES ACT" means the Securities Act of 1933, as amended, or any successor statute.

"SELLING HOLDER" means any Holder selling Registrable Securities by means of a registration statement pursuant to this Agreement.

"SUBSCRIPTION AGREEMENT" has the meaning set forth in the preamble to the Agreement.

2. PIGGYBACK REGISTRATION. If at any time the Company proposes to register any of its Common Shares or any other of its common equity securities (collectively, "OTHER SECURITIES") under the Securities Act (other than a registration (i) on Form S-4 or S-8 or any successor form thereto or (ii) filed in connection with an offering of securities solely to the Company's existing shareholders), whether or not for sale for its own account, in a manner which would permit registration of Registrable Securities for sale for cash to the public under the Securities Act, at each such time it will give prompt written notice to each Holder of its intention to do so at least thirty (30) days prior to the anticipated filing date of the registration statement relating to such registration. Such notice shall offer each such Holder the opportunity to include in such registration statement such number of Registrable Securities as each such Holder may request. Upon the written request of any such Holder (each, a "REQUESTING HOLDER") made within twenty (20) days after the receipt of the Company's notice (which request shall specify the number of Registrable Securities intended to be disposed of and the intended method of disposition thereof), the Company shall use its Best Efforts to effect, in the manner set forth in the applicable provisions of Section 4, in connection with the registration of the Other Securities, the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register, to the extent required to permit the disposition (in accordance with such intended methods thereof) of the Registrable Securities so requested to be registered, provided that:

(a) if, at any time after giving such written notice of its intention to register any of its securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such securities, the Company may, at its election, give written notice of such determination to each Requesting Holder of Registrable Securities and thereupon shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith as provided in Section 3);

(b) if the registration referred to in the first sentence of this Section 2 is to be an underwritten registration on behalf of the Company or on behalf of the holders of securities (other than Registrable Securities) of the Company (the "OTHER HOLDERS"), and the managing underwriter designated by the Company or

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the Other Holders, as applicable, advises the Company in writing that, in such firm's good-faith opinion, marketing factors require a limitation on the number or amount of shares to be underwritten, the Company shall include in such registration: (1) first, all securities the Company or such Other Holder whose exercise of registration rights is being satisfied by such registration, as applicable, proposes to sell for its own account and (2) second, up to such number or amount of securities (including Registrable Securities) recommended by such managing underwriter, to the Requesting Holders and such other additional persons seeking to participate in such registration, allocated PRO RATA based on the number of shares requested to be included by such additional persons; and

(c) in the event that any registration pursuant to this Section 2 shall involve, in whole or in part, an underwritten offering, each Requesting Holder pursuant to this Section 2 hereby agrees to sell such portion of its Registrable Securities to be registered pursuant to Section 2(a) to the managing underwriter(s) designated by the Company or the Other Holders, as applicable, on the same terms and conditions that apply to the Company and/or the Other Holders; PROVIDED, HOWEVER, that any such Requesting Holder shall be permitted to withdraw all or part of the Registrable Securities from such registration at any time prior to the execution of the underwriting agreement relating thereto and PROVIDED FURTHER, HOWEVER, the Requesting Holders shall only be required to make representations and warranties and provide indemnity as is customary for selling stockholders in similar registrations.

3. EXPENSES. The Company agrees to pay all Registration Expenses with respect to any offerings pursuant to Section 2 hereof. In addition, but not in duplication of, the foregoing, each Holder shall be entitled to reimbursement from the Company for any out-of-pocket losses actually incurred in the event, and only to the extent, that such Holder suffers such losses as a result of such Holder's inability to make delivery of sold Registrable Securities due to the Company's breach of its commitment to provide timely notice as required by Section 4(a)(v).

4. REGISTRATION AND QUALIFICATION.

(a) If and whenever the Company is required to use its Best Efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 2 hereof, the Company shall:

(i) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to comply with the provisions of the Securities Act applicable to the Company with respect to the securities covered by such registration statement;

(ii) furnish to the Selling Holder(s) and to any underwriter of such Registrable Securities such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits) and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, and such other documents, as the Selling Holder(s) or such underwriter may reasonably request in order to facilitate the public sale of the Registrable Securities, and a copy of any

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and all transmittal letters or other correspondence to, or received from, the SEC or any other governmental agency or self-regulatory body or other

body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering;

(iii) unless the exemption from state regulation of securities offerings under Section 18 of the Securities Act applies, use its Best Efforts to register or qualify all Registrable Securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as the Selling Holders or any underwriter of such Registrable Securities shall reasonably request; PROVIDED that the Company shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (iii), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction;

(iv) promptly notify the Selling Holders in writing (x) at any time when a prospectus relating to a registration pursuant to Section 2 hereof is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (y) of any request by the SEC or any other regulatory body or other body having jurisdiction for any amendment of or supplement to any registration statement or other document relating to such offering, and in either such case (x) or (y) at the request of the Selling Holders, subject to Section 3 hereof, prepare and furnish to the Selling Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(v) use its Best Efforts to comply with all applicable rules and regulations of the SEC and to make available to its securities holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act; and

(vi) furnish unlegended certificates representing ownership of the Registrable Securities being sold in such denominations as shall be requested by the Selling Holders or the underwriters, with expenses therewith to be paid in accordance with Section 3 hereof.

(b) The Holder(s) of Registrable Securities on whose behalf Registrable Securities are to be distributed by one or more underwriters shall be parties to any underwriting agreements relating to the distribution of such Registrable Securities.

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5. UNDERWRITING, DUE DILIGENCE.

(a) In the event that any registration pursuant to Section 2 shall involve, in whole or in part, an underwritten offering, the Company may require the Registrable Securities requested to be registered pursuant to Section 2 to be included in such underwriting on the same terms and conditions as shall be applicable to the other securities being sold through underwriters under such registration. If requested by the underwriters for such underwritten offering, the Holders on whose behalf the Registrable Securities are to be distributed shall enter into an underwriting agreement with such underwriters, such agreement to contain such representations and warranties by the Holders and such other terms and provisions as are customarily contained in underwriting agreements with respect to such distributions, including, without limitation, indemnities and contribution substantially to the effect and to the extent provided in Section 6 hereof. Such underwriting agreement shall also contain such representations and warranties by the Company and such other person or entity for whose account securities are being sold in such offering as are customarily contained in underwriting agreements with respect to such distributions.

(b) In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Company shall give the Selling Holders and the underwriters, if any, and their respective counsel and accountants, such reasonable and customary access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified the

Company's financial statements as shall be necessary, in the opinion of such Selling Holders and such underwriters or their respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

6. INDEMNIFICATION AND CONTRIBUTION.

(a) In the case of any registration of any Registrable Securities under the Securities Act pursuant to Sections 2 of this Agreement, the Company agrees to indemnify and hold harmless each Selling Holder, its officers and directors, each underwriter of Registrable Securities so offered and each person, if any, who controls any of the foregoing persons within the meaning of the Securities Act, from and against any and all losses, claims, damages, expenses, judgments or liabilities, joint or several, to which they or any of them may become subject, under the Securities Act or otherwise, including any amount paid in settlement of any litigation commenced or threatened, and shall promptly reimburse them, as and when incurred, for any reasonable legal or other expenses incurred by them in connection with investigating any claims and defending any actions, insofar as such losses, claims, damages, expenses, judgments or liabilities shall arise out of, or shall be based upon, any untrue statement or alleged untrue statement of a material fact contained in the registration statement on the effective date thereof (including any prospectus filed under Rule 424 of the Securities Act) or any amendment thereof or supplement thereto, or in any document incorporated by reference therein, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; PROVIDED, HOWEVER, that the Company shall not be liable to the Selling Holders in any such case to the extent that any such loss, claim, damage, expense, judgment or liability arises out of, or is based upon, any untrue statement or alleged untrue statement, or any omission, if such statement or omission shall have been made in reliance upon and in conformity with information

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relating to the Selling Holder(s) furnished to the Company in writing by or on behalf of any Selling Holder specifically for use in the preparation of the registration statement (including any prospectus filed under Rule 424 of the Securities Act) or any amendment thereof or supplement thereto. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of a Selling Holder and shall survive the transfer of such securities. The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to each Selling Holder, its officers and directors, underwriters of the Registrable Securities or any controlling person of the foregoing.

(b) In the case of any registration of any Registrable Securities under the Securities Act pursuant to Section 2 of this Agreement, each Selling Holder agrees to indemnify and hold harmless the Company, its officers and directors and each person, if any, who controls any of the foregoing within the meaning of the Securities Act (and if requested by the underwriters, each underwriter who participates in the offering and each person, if any, who controls any such underwriter within the meaning of the Securities Act), from and against any and all losses, claims, damages, expenses, judgments or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or otherwise, including any amount paid in settlement of any litigation commenced or threatened, and shall promptly reimburse them, as and when incurred, for any legal or other expenses incurred by them in connection with investigating any claims and defending any actions, insofar as any such losses, claims, damages, expenses, judgments or liabilities shall arise out of, or shall be based upon, any untrue statement or alleged untrue statement of a material fact relating to such Selling Holder contained in the registration statement on the effective date thereof (including any prospectus filed under Rule 424 of the Securities Act) or any amendment thereof or supplement thereto, or any omission or alleged omission to state therein a material fact relating to such Selling Holder required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission relating to such Selling Holder was made in reliance upon information relating to such Selling Holder furnished to the Company in writing by or on behalf of such Selling Holder specifically for use in the preparation of such registration statement (including any prospectus filed under Rule 424 of the Securities Act); PROVIDED, HOWEVER, that in no event shall any Selling Holder be liable for any amount in excess of the net proceeds received from the sale of the Registrable Securities by such Selling Holder in the subject offering. The foregoing indemnity is in addition to any liability which any Selling Holder may otherwise have to the Company, or any of its directors, offices or controlling persons.

(c) PROCEDURE FOR INDEMNIFICATION. Each party indemnified under paragraph (a) or (b) of this Section 6 shall, promptly after receipt of notice of any claim or the commencement of any action against such indemnified party in respect of which indemnity may be sought, notify the indemnifying party in

writing of the claim or the commencement thereof; PROVIDED that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party on account of the indemnity agreement contained in paragraph (a) or (b) of this Section 6, except to the extent the indemnifying party was prejudiced by such failure, and in no event shall relieve the indemnifying party from any other liability which it may have to such indemnified party. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein, and, to the extent that it wishes, jointly with any other similarly

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notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 6 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; PROVIDED that each indemnified party, its officers and directors, if any, and each person, if any, who controls such indemnified party within the meaning of the Securities Act, shall have the right to employ separate counsel reasonably approved by the indemnifying party to represent them if the named parties to any action (including any impleaded parties) include both such indemnified party and an indemnifying party or an affiliate of an indemnifying party, and such indemnified party shall have been advised by counsel either (i) that there may be one or more legal defenses available to such indemnified party that are different from or additional to those available to such indemnifying party or such affiliate or (ii) a conflict may exist between such indemnified party and such indemnifying party or such affiliate, and in that event the fees and expenses of one such separate counsel for all such indemnified parties shall be paid by the indemnifying party. An indemnified party will not enter into any settlement agreement which is not approved by the indemnifying party, such approval not to be unreasonably withheld. The indemnifying party may not agree to any settlement of any such claim or action which provides for any remedy or relief other than monetary damages for which the indemnifying party shall be responsible hereunder, without the prior written consent of the indemnified party, which consent shall not be unreasonably withheld. In any action hereunder as to which the indemnifying party has assumed the defense thereof with counsel reasonably satisfactory to the indemnified party, the indemnified party shall continue to be entitled to participate in the defense thereof, with counsel of its own choice, but, except as set forth above, the indemnifying party shall not be obligated hereunder to reimburse the indemnified party for the costs thereof. In all instances, the indemnified party shall cooperate fully with the indemnifying party or its counsel in the defense of each claim or action.

If the indemnification provided for in this Section 6 shall for any reason be unavailable to an indemnified party in respect of any loss, claim, damage, expense, judgment or liability, or any action in respect thereof, referred to herein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage, expense, judgment or liability in respect thereof, or action in respect thereof, in such proportion as shall be appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other with respect to the statements or omissions which resulted in such loss, claim, damage, expense, judgment or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the indemnifying party on the one hand or the indemnified party on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission, but not by reference to any indemnified party's stock ownership in the Company. In no event, however, shall a Selling Holder be required to contribute in excess of the amount of the net proceeds received by such Selling Holder in connection with the sale of Registrable Securities in the offering which is the subject of such loss, claim, damage or liability. The amount paid or payable by an indemnified party as a result of the loss, claim, damage, expense, judgment or liability, or action in respect thereof, referred to above in

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this paragraph shall be deemed to include, for purposes of this paragraph, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claims. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was

not guilty of such fraudulent misrepresentation.

7. RULE 144. The Company shall take such measures and file such information, documents and reports to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder and will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent necessary or desirable from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement, certified by an authorized executive officer of the Company, as to whether the Company has complied with such requirements. The Company shall have no obligation to effect a registration of Registrable Securities pursuant to Section 2 hereof if such Registrable Securities may be sold without registration under the Securities Act within the limitation of the exemption provided by Rule 144(k).

8. HOLDBACK. Each of the Company and the Selling Holders agrees, if so required in writing by the managing underwriter, not to sell, make any short sale of, loan, grant any option for the purchase of (other than pursuant to employee benefit plans), effect any public sale or distribution of or otherwise dispose of the Company's equity securities or securities convertible into or exchangeable or exercisable for any such securities, during the 30 days prior to and the 90 days after any underwritten registration pursuant to Section 2 hereof (in which such Selling Holder is offering Registrable Securities) has become effective, except as part of such underwritten registration and except, in the case of the Company, pursuant to registrations on Form S-4 or S-8 or any successor form thereto.

9. TRANSFER OF REGISTRATION RIGHTS.

(a) A Holder may transfer all or any portion of its rights under this Agreement only to a Permitted Transferee. The Holder making such transfer shall promptly notify the Company in writing stating the name and address of any Permitted Transferee and identifying the amount of Registrable Securities with respect to which the rights under this Agreement are being transferred and the nature of the rights so transferred. In connection with any such transfer, the term "Holder" as used in this Agreement shall, where appropriate to assign the rights and obligations of a Holder hereunder to such Permitted Transferee, be deemed to refer to the Permitted Transferee, as holder of such Registrable Securities.

(b) After any such transfer, the Holder making such transfer shall retain its rights under this Agreement with respect to all other Registrable Securities still owned by such Holder.

(c) Upon the request of the Holder making such transfer, the Company shall execute a Registration Rights Agreement with such Permitted Transferee or a proposed Permitted Transferee substantially similar to this Agreement.

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10. MISCELLANEOUS.

(a) INJUNCTIONS. Each party acknowledges and agrees that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. Therefore, each party shall be entitled to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which such party may be entitled at law or in equity.

(b) SEVERABILITY. If any term or provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and each of the parties shall use its Best Efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term or provision.

(c) FURTHER ASSURANCES. Subject to the specific terms of this Agreement, each of the parties hereto shall make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as may be reasonably required in order to effectuate the purposes of this Agreement and to consummate the transactions contemplated hereby.

(d) WAIVERS, ETC. No failure or delay on the part of either party (or the intended third-party beneficiaries referred to herein) in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single

or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement nor consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by an authorized officer of each of the parties, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(e) ENTIRE AGREEMENT. This Agreement contains the entire understanding of the parties with respect to its subject matter. This Agreement supersedes all prior agreements and understandings between the parties, whether written or oral, with respect to the subject matter hereof. The paragraph headings contained in this Agreement are for reference purposes only, and shall not affect in any manner the meaning or interpretation of this Agreement.

(f) COUNTERPARTS. For the convenience of the parties, this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall be one and the same instrument.

(g) AMENDMENT. This Agreement may be amended only by a written instrument duly executed by an authorized officer of the Company and an authorized officer of each Holder.

(h) NOTICES. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given

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when received if delivered personally, on the next business day if sent by overnight courier for next business day delivery (providing proof of delivery), when confirmation is received, if sent by facsimile or in five business days if sent by U.S. registered or certified mail, postage prepaid (return receipt requested) to the other parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(i) if to the Company, to:

White Mountains Insurance Group, Ltd.
28 Gates Street
White River Junction, NH 05001
Attention: Corporate Secretary
Facsimile: (802) 295-4550

(ii) if to the Purchasers, at the address set forth below each Purchaser's name on the signature pages hereto.

(i) GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

(j) TERM. This Agreement shall remain in full force and effect until there are no Registrable Securities outstanding or until terminated by the mutual agreement of the parties hereto.

(k) ASSIGNMENT. Except as provided herein, the parties may not assign their rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of successors to the parties hereto.

(l) PRIORITY OF RIGHTS. The Purchasers agree that the rights granted hereunder are expressly made subject to the rights of the "Holders" under the Registration Rights Agreement dated as of May 30, 2001 between the Company and Berkshire Hathaway Inc. in a manner consistent with such agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representative as of the date first above written.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

by:

Name: Dennis Beaulieu
Title: Corporate Secretary

HIGHFIELDS CAPITAL I LP

By: HIGHFIELDS ASSOCIATES LLC, its General Partner

by:

Name: Richard Grubman
Title: Senior Managing Member

HIGHFIELDS CAPITAL II LP

By: HIGHFIELDS ASSOCIATES LLC, its General Partner

by:

Name: Richard Grubman
Title: Senior Managing Member

HIGHFIELDS CAPITAL LTD.

By: HIGHFIELDS CAPITAL MANAGEMENT LP, its
Investment Manager

by:

Name: Richard Grubman
Title: Managing Member of Highfields GP LLC,
General Partner of the Investment Manager

Address: 200 Clarendon Street
Boston, MA 02116
Attention: Joseph F. Mazzella
Facsimile: (617) 850-7620