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

MAY 19, 2003
Date of Report (Date of earliest event reported)

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

| BERMUDA | 1-8993 | 94-2708455 |
|---|---|---|
| (State or other jurisdiction of incorporation or organization) | (Commission file number) | (I.R.S. Employer Identification No.) |

80 SOUTH MAIN STREET, HANOVER, NEW HAMPSHIRE 03755
(Address of principal executive offices)

(603) 640-2200
(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS.

On May 19, 2003, Fund American Companies, Inc. completed an offering of $700,000,000 aggregate principal amount of its 5.875% Senior Notes due 2013, guaranteed by White Mountains Insurance Group, Ltd. The Underwriting Agreement, Senior Indenture and First Supplemental Indenture, executed in connection therewith, are attached hereto as Exhibits 1(a), 4(a) and 4(b), respectively.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

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

EXHIBIT INDEX

1(a) Underwriting Agreement dated May 14, 2003, among Fund American Companies, Inc., White Mountains Insurance Group, Ltd. and Lehman Brothers Inc., Banc of America Securities LLC and Credit Suisse First Boston LLC, as representatives of the several Underwriters listed therein.

4(a) Senior Indenture dated as of May 19, 2003, among Fund American Companies, Inc., White Mountains Insurance Group, Ltd. and Bank One, National Association, as Trustee.

4(b) First Supplemental Indenture dated as of May 19, 2003, among Fund American Companies, Inc., White Mountains Insurance Group, Ltd. and Bank One, National Association, as Trustee.

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: MAY 21, 2003

BY: /s/ J. BRIAN PALMER
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J. BRIAN PALMER
CHIEF ACCOUNTING OFFICER

Exhibit 1(a)

FUND AMERICAN COMPANIES, INC.
WHITE MOUNTAINS INSURANCE GROUP, LTD.
UNDERWRITING AGREEMENT

May 14, 2003

To the Representatives
named in Schedule I
hereto of the Under-
writers named in
Schedule II hereto

Ladies and Gentlemen:

Fund American Companies, Inc., a company organized under the laws of the State of Delaware (the "Company"), proposes to sell to the underwriters named in Schedule II hereto (the "UNDERWRITERS"), for whom you (the "REPRESENTATIVES") are acting as representatives, the principal amount of the securities identified in Schedule I hereto (the "SECURITIES"), to be issued under an Indenture dated as of May 19, 2003 (the "ORIGINAL INDENTURE"), between the Company, White Mountains Insurance Group, Ltd., a company existing under the laws of Bermuda, as guarantor (the "PARENT"), and Bank One, National Association, as trustee (the "TRUSTEE"), as supplemented by the First Supplemental Indenture, dated as of May 19, 2003 (the "SUPPLEMENTAL INDENTURE" and, together with the Original Indenture, as so supplemented, the "INDENTURE"). The Securities will be guaranteed on an unsecured senior basis by guarantees ("GUARANTEES") of the Parent. If the firm or firms listed in Schedule II hereto include only the firm or firms listed in Schedule I hereto, then the terms "Underwriters" and "Representatives", as used herein, shall each be deemed to refer to such firm or firms. To the extent there are no additional Underwriters listed on Schedule II other than you, the term Representatives as used herein shall mean you, as Underwriters, and the terms Representatives and Underwriters shall mean either the singular or plural as the context requires. Any reference herein to the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, as the case may be; and any reference herein to the terms "amend", "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, any Preliminary Final

Prospectus or the Final Prospectus, as the case may be, deemed to be incorporated therein by reference.

1. REPRESENTATIONS AND WARRANTIES. The Company and the Parent, jointly and severally, represent and warrant to, and agree with, each Underwriter as set forth below in this Section 1. Certain terms used in this Section 1 are defined in Section 16 hereof.

(a) The Parent and the Company meet the requirements for the use of Form S-3 under the Act and have filed with the Commission a registration statement (the file number of which is set forth in Schedule I hereto) on such Form, including a basic prospectus, for registration under the Act of the offering and sale of the Securities, and such registration statement has become effective under the Act. The Parent may have filed one or more amendments thereto, including a Preliminary Final Prospectus, each of which has previously been furnished to you. The Parent will next file with the Commission the Final Prospectus relating to the Securities in accordance with Rules 430A and 424(b)(1) or (4). The Parent has included in such registration statement, as amended at the Effective Date, all information (other than Rule 430A Information) required by the Act and the rules thereunder to be included in such registration statement and the Final Prospectus. As filed, such final prospectus supplement shall contain all Rule 430A Information, together with all other such required information, and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Basic Prospectus and any Preliminary Final Prospectus) as the Company or the Parent has advised you, prior to the Execution Time, will be included or made therein. The Commission has not issued any order preventing or suspending the use of the Basic Prospectus, any Preliminary Final Prospectus or the Registration Statement.

(b) On the Effective Date, the Registration Statement did, and when the Final Prospectus is first filed (if required) in accordance with Rule 424(b) and on the Closing Date, the Final Prospectus (and any amendment or supplement thereto) will, comply in all material respects with the applicable requirements of the Act, the Exchange Act and the Trust Indenture Act and the respective rules thereunder; on the Effective Date and at the Execution Time, the Registration Statement did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; on the Effective Date and on the

Closing Date the Indenture did or will comply in all material respects with the requirements of the Trust Indenture Act and the rules thereunder; and, on the Effective Date, the Final Prospectus, if not filed pursuant to Rule 424(b), will not, and on the date of any filing pursuant to Rule 424(b) and on the Closing Date, the Final Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each document filed or to be filed pursuant to the Exchange Act and incorporated by reference in the Final Prospectus, when read in conjunction with all such documents, did not contain or will not contain when so filed any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and complied or will comply when so filed in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder; PROVIDED, HOWEVER, that the Company and the Parent make no representations or warranties as to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee or (ii) the information contained in or omitted from the Registration Statement or the Final Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company or the Parent by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Registration Statement or the Final Prospectus (or any supplement thereto).

(c) PricewaterhouseCoopers LLP, whose reports are included or incorporated by reference in the Basic Prospectus, Preliminary Final Prospectus and Final Prospectus, are independent certified public accountants with respect to the Parent and its subsidiaries and CGU Corporation and its subsidiaries, within the meaning of the Act and the rules and regulations adopted by the Commission thereunder. PricewaterhouseCoopers, whose reports are included or incorporated by reference in the Basic Prospectus, Preliminary Final Prospectus and Final Prospectus, are independent certified public accountants with respect to Montpelier Re Holdings Ltd. ("Montpelier"), within the meaning of the Act and the rules and regulations adopted by the Commission thereunder. The financial statements of the Parent and its subsidiaries, CGU Corporation and its subsidiaries and Montpelier(including the related notes and supporting schedules) included or incorporated by reference in the Registration Statement, the Basic Prospectus, any Preliminary Final Prospectus and the Final Prospectus present fairly in all material respects the financial condition, results of operations and cash flows of the entities purported to be shown thereby at the dates and for the periods indicated

and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated and conform in all material respects with the rules and regulations adopted by the Commission under the Act, except as otherwise noted therein; and the supporting schedules included or incorporated by reference in the Registration Statement, Basic Prospectus, Preliminary Final Prospectus and Final Prospectus present fairly in all material respects the information required to be stated therein. The PRO FORMA condensed combined financial information included or incorporated by reference in the Basic Prospectus, Preliminary Final Prospectus and Final Prospectus (i) is presented fairly in all material respects, (ii) has been prepared in accordance with the rules and regulations under the Act with respect to pro forma statements and (iii) has been properly compiled on the bases described therein, and the assumptions used in the preparation of the pro forma consolidated financial information included or incorporated by reference in the Final Prospectus are reasonable and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein.

(d) Each of the Company, the Parent and each of the subsidiaries of the Company listed on Schedule III hereto (the "DESIGNATED SUBSIDIARIES") has been duly organized or formed and is validly existing in good standing under the laws of the jurisdiction of its organization or formation, with full power and authority to own, lease and operate its properties and conduct its business and to enter into and perform its obligations under this Agreement and the Indenture; and each of the Company, the Parent and Designated Subsidiaries is duly qualified to do business and is in good standing in each jurisdiction in which the character of the business conducted by it or the location of the properties owned, leased or operated by it make such qualification necessary, except where the failure to so qualify would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), results of operations, business or prospects of the Company or the Parent and their respective subsidiaries taken as a whole (a "MATERIAL ADVERSE EFFECT"). The Designated Subsidiaries, on an unconsolidated basis, for the year ended on December 31, 2002 accounted for in the aggregate at least 90% of the premiums earned (calculated in accordance with statutory accounting principles) by the Parent and its consolidated subsidiaries in each of its property and casualty insurance business (exclusive of the reinsurance business) and its reinsurance business.

(e) The capitalization of the Parent as of December 31, 2002 is as set forth in the Final Prospectus. All of the outstanding shares of capital stock of the Parent, the Company and each Designated Subsidiary

of the Company or the Parent that is a corporation have been duly authorized and validly issued and are fully paid and nonassessable. Except as disclosed in the Final Prospectus, all of the outstanding shares of capital stock, partnership interests or other ownership interests of each Designated Subsidiary of the Company or the Parent are owned directly or indirectly by the Company or the Parent, as the case may be, free and clear of any claim, lien, encumbrance, security interest, restriction upon voting or transfer, preemptive rights or any other claim of any third party.

(f) Except as described in or contemplated by the Registration Statement and the Final Prospectus, (i) there has not been any event or development that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, from the respective dates as of which information is given in the Final Prospectus and (ii) since such dates, there has not been any material increase in the long-term debt or, to the knowledge of the Company and Parent after due inquiry, loss and loss adjustment expense reserves (net of applicable reinsurance recoverables) for accident periods ending on or prior to December 31, 2002 of the Company and Parent and their respective consolidated subsidiaries.

(g) None of (i) the execution or delivery hereof by the Company and the Parent, (ii) the consummation of the transactions contemplated hereby, (iii) the execution and delivery of the Indenture and the Securities by the Company and the Parent or (iv) compliance by the Company and the Parent with all of the provisions of this Agreement, the Indenture and the Securities, will result in a breach or violation of, or constitute a default under, the certificate of incorporation, memorandum of association, by-laws, partnership agreement or other governing documents of the Company, the Parent or any of their Designated Subsidiaries, or (B) will result in a breach or violation of, or constitute a default under, any agreement, indenture or other instrument to which the Company, the Parent or any of the Designated Subsidiaries is a party or by which any of them is bound, or to which any of their properties is subject, or (C) will result in a violation of any law, rule, administrative regulation or decree of any court, or any governmental agency or body having jurisdiction over the Company, the Parent, Designated Subsidiaries or any of their respective properties, or (D) will result in the creation or imposition of any lien, charge, claim or encumbrance upon any property or asset of the Company, the Parent or any Designated Subsidiaries except (other than with respect to (A) above), as would not have, individually or in the aggregate, a Material Adverse Effect. Except for permits, consents, approvals and similar authorizations required under the securities or "Blue Sky" laws of certain jurisdictions, and except for such permits, consents,

approvals and authorizations which have been obtained, no permit, consent, approval, authorization or order of any court, governmental agency or body or financial institution is required in connection with the consummation of the transactions contemplated by this Agreement, the Indenture and the Securities.

(h) This Agreement has been duly authorized, executed and delivered by the Company and the Parent.

(i) None of the Company, the Parent or any of their respective Designated Subsidiaries (i) is in violation of its certificate of incorporation or by laws or other governing documents, (ii) is in default and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any agreement, indenture or other instrument to which it is a party or by which it is bound or to which any of its properties is subject, except for any such defaults that would not, individually or in the aggregate, have a Material Adverse Effect, or (iii) is in violation of any insurance law or insurance regulation to which it or its property may be subject, except for any such violations that would not, individually or in the aggregate, have a Material Adverse Effect.

(j) The Indenture has been duly and validly authorized, executed and delivered by the Company and the Parent and is a valid and binding agreement of the Company and the Parent, enforceable against the Company and the Parent in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, liquidation, moratorium or similar laws relating to or affecting creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Indenture (i) has been duly qualified under the Trust Indenture Act of 1939, as amended (the "TRUST INDENTURE ACT"), (ii) complies as to form with the requirements of the Trust Indenture Act and (iii) conforms to the description thereof in the Registration Statement and the Final Prospectus.

(k) The Securities have been duly and validly authorized by the Company for issuance and sale to the Underwriters pursuant to this Agreement and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to the Underwriters against payment therefor in accordance with the terms hereof, will have been validly issued and delivered, and will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as

enforcement thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, liquidation, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in a proceeding in equity or at law), and the Securities conform, or will conform in all material respects, to the description thereof in the Registration Statement and the Final Prospectus. Neither the filing of the Registration Statement nor the offering or sale of the Securities as contemplated by this Agreement gives rise to any rights, other than those which have been duly waived or satisfied, for or relating to the registration of any securities of the Company or the Parent.

(l) The issuance and delivery of the Guarantees have been duly authorized by all necessary corporate action of the Parent, and upon their issuance by the Parent, will constitute the valid and binding obligations of the Parent entitled to the benefits of the Indenture and enforceable against the Parent in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, liquidation, moratorium or other similar laws affecting the rights and remedies of creditors generally and except as may be subject to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(m) There are no contracts or other documents which are required to be described in the Final Prospectus or filed as exhibits to the Registration Statement or the documents incorporated by reference therein by the Act or the Exchange Act, as the case may be, which have not been described in the Final Prospectus or filed as exhibits to the Registration Statement or the documents incorporated by reference therein as permitted by the Act or Exchange Act, as the case may be.

(n) There is no litigation or governmental proceeding to which the Company, the Parent or any of their respective subsidiaries is a party or to which any property of the Company, the Parent or any of their respective subsidiaries is subject or which is pending or, to the knowledge of the Company or the Parent, threatened against the Company, the Parent or any of their respective subsidiaries that could reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect or which is required to be disclosed in the Final Prospectus and is not disclosed.

(o) Each of the Company, the Parent and their respective subsidiaries has (i) all licenses, certificates, permits, authorizations, approvals, franchises and other rights from, and has made all declarations

and filings with, all federal, state and local governmental authorities (including, without limitation, from the insurance regulatory agencies of the various jurisdictions where it conducts business) and all courts and other governmental tribunals (each, an "AUTHORIZATION") necessary to engage in the business currently conducted by it in the manner described in the Final Prospectus, except where failure to hold such Authorizations would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (ii) fulfilled and performed all obligations necessary to maintain each authorization and (iii) no knowledge of any threatened action, suit or proceeding or investigation that would reasonably be expected to result in the revocation, termination or suspension of any Authorization, the revocation, termination or suspension of which would reasonably be expected to have a Material Adverse Effect. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all such Authorizations are valid and in full force and effect and the Company, the Parent and their respective subsidiaries are in compliance in all material respects with the terms and conditions of all such Authorizations and with the rules and regulations of the regulatory authorities having jurisdiction with respect thereto. No insurance regulatory agency or body has issued any order or decree impairing, restricting or prohibiting the payment of dividends by any subsidiary of the Company or the Parent to its parent, other than any such orders or decrees the issuance of which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(p) The 2002 statutory annual statements of each Designated Subsidiary which is a regulated insurance subsidiary of the Company and the Parent and the statutory balance sheets and income statements included in such statutory annual statements together with related schedules and notes, have been prepared, in all material respects, in conformity with statutory accounting principles or practices required or permitted by the appropriate insurance regulator of the jurisdiction of domicile of each such subsidiary, and such statutory accounting practices have been applied on a consistent basis throughout the periods involved, except as may otherwise be indicated therein or in the notes thereto, and present fairly, in all material respects, the statutory financial position of the such insurance subsidiaries as of the dates thereof, and the statutory basis results of operations of the such insurance subsidiaries for the periods covered thereby.

(q) The Company, the Parent and their respective insurance subsidiaries have made no material changes in their insurance reserving practices since December 31, 2002, except where such change in such

insurance reserving practices would not reasonably be expected to have a Material Adverse Effect.

(r) The Company and the Parent are not aware of any threatened or pending downgrading of any Designated Subsidiary's claims-paying ability or financial strength rating or in the rating accorded any of the Company's, the Parent's or any Designated Subsidiary's securities by A.M. Best Company, Inc. or any other "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Securities Act.

(s) None of the Company, the Parent or any of their respective subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "1940 ACT"), and subject to regulation as an "investment company" under the 1940 Act.

(t) There are no Bermuda stamp duty, transfer or similar taxes payable in respect of this Agreement and the Indenture (together, the "Guarantee Agreements"). The Guarantee Agreements are not subject to ad valorem stamp duty in Bermuda, and no registration, documentary, recording, transfer or other similar tax, fee or charge by any Bermuda government authority is payable in connection with the execution, delivery, filing, registration or performance of the Guarantee Agreements.

(u) There is no capital gains, income or other tax of Bermuda imposed by withholding or otherwise on any payment to be made to or by the Parent pursuant to the Guarantee Agreements.

(v) Any certificate signed by any officer of the Company or the Parent and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Securities shall be deemed solely to be a representation and warranty by the Company or the Parent, as applicable, as to matters covered thereby, to each Underwriter.

2. PURCHASE AND SALE. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at the purchase price set forth in Schedule I hereto the principal amount of the Securities set forth opposite such Underwriter's name in Schedule II hereto.

3. DELIVERY AND PAYMENT. Delivery of and payment for the Securities shall be made on the date and at the time specified in Schedule I hereto (or at such time on such later date not more than three Business Days after the foregoing date as the Representatives shall designate), which date and time may be postponed by

agreement between the Representatives and the Company or as provided in Section 8 hereof (such date and time of delivery and payment for the Securities being herein called the "CLOSING DATE"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same day funds to an account specified by the Company. Delivery of the Securities shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct. Time shall be of the essence, and delivery of the Securities at the time and place specified in this Agreement is a further condition to the obligations of each Underwriter hereunder.

4. AGREEMENTS. Each of the Company and the Parent agrees with the several Underwriters that:

(a) Prior to the termination of the offering of the Securities, neither the Parent nor the Company will file any amendment of the Registration Statement or supplement (including the Final Prospectus or any Preliminary Final Prospectus) to the Basic Prospectus or any Rule 462(b) Registration Statement unless either the Parent or the Company has furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object in writing. Subject to the foregoing sentence, the Parent and the Company will cause the Final Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Parent and the Company will promptly advise the Representatives (i) when the Final Prospectus, and any supplement thereto, shall have been filed with the Commission pursuant to Rule 424(b) or when any Rule 462(b) Registration Statement shall have been filed with the Commission, (ii) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (iii) of any request by the Commission or its staff for any amendment of the Registration Statement, or any Rule 462(b) Registration Statement, or for any supplement to the Final Prospectus or of any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (v) of the receipt by the Parent or the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. Each of the Parent and the Company will use its reasonable

efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act, any event occurs as a result of which the Final Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Registration Statement or supplement the Final Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, the Parent and the Company promptly will (i) prepare and file with the Commission, subject to the first sentence of paragraph (a) of this Section 4, an amendment or supplement, or, if appropriate, a filing under the Exchange Act, which will correct such statement or omission or effect such compliance and (ii) supply any supplemented Final Prospectus to you in such quantities as you may reasonably request.

(c) As soon as practicable, the Parent will make generally available to its security holders and to the Representatives an earnings statement or statements of the Parent and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(d) The Parent and the Company will furnish to the Representatives and counsel for the Underwriters, without charge, such number of conformed copies of the Registration Statement (including exhibits thereto) and, so long as delivery of a prospectus by an underwriter or a dealer may be required by the Act, as many copies of any Preliminary Final Prospectus and the Final Prospectus and any supplement thereto as the Representatives may reasonably request. The Parent and the Company will pay the expenses of printing or other production of all documents relating to the offering.

(e) The Parent and the Company will arrange, if necessary, for the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate, will maintain such qualifications in effect so long as required for the distribution of the Securities, will arrange for the determination of the legality of the Securities for purchase by institutional investors and will pay any fee of the National Association of Securities Dealers, Inc., in connection with its review of the offering, provided that neither the Parent nor the Company will be required to file a consent to service of process in any state in which it is not qualified or for which consent has not been given.

(f) Until the business date set forth on Schedule I hereto, neither the Parent nor the Company will, without the consent of the Representatives, offer, sell or contract to sell, or otherwise dispose of (or enter into any transaction which is designed to, or could be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company, the Parent or any affiliate thereof or any person in privity with the Company, the Parent or any affiliate thereof) directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by the Company or the Parent (other than the Securities).

(g) The Company shall apply the net proceeds from the sale of the Securities as set forth in the Final Prospectus.

(h) Whether or not this Agreement is terminated or the sale of the Securities to the Underwriters is consummated, the Company and the Parent shall, jointly and severally, pay or cause to be paid (i) all fees and expenses (including, without limitation, all registration and filing fees and fees and expenses of the Company's or the Parent's accountants but excluding fees and expenses of counsel for the Underwriters) incurred in connection with the preparation, printing, filing, delivery and shipping of the Registration Statement (including the financial statements therein and all amendments and exhibits thereto), the Basic Prospectus, the Preliminary Final Prospectus, the Final Prospectus, the Indenture, the Statement of Eligibility and Qualification of the Trustee on Form T-1 filed with the Commission and any amendments or supplements of the foregoing and any documents incorporated by reference into any of the foregoing and the copying, delivery and shipping of this Agreement and Blue Sky Memoranda, (ii) all fees and expenses incurred in connection with the preparation and delivery to the Underwriters of the Securities (including the cost of printing the Securities), (iii) all filing fees and fees and disbursements of counsel to the Underwriters incurred in connection with the qualification of the Securities under state securities or Blue Sky laws, (iv) any fees required to be paid to rating agencies incurred in connection with the rating of the Securities, (v) the fees, costs and charges of the Trustee, including the fees and disbursements of counsel for the Trustee, and (vi) all other costs and expenses incident to the performance of its obligations hereunder for which provision is not otherwise made in this Section. It is understood, however, that, except as provided in this Section, Section 6 and Section 7 hereof, the Underwriters shall pay the fees of their counsel.

5. CONDITIONS TO THE OBLIGATIONS OF THE UNDERWRITERS. The obligations of the Underwriters to purchase the Securities shall be subject to the accuracy of

the representations and warranties on the part of the Company and the Parent contained herein as of the Execution Time and the Closing Date, to the accuracy of the statements of the Company and the Parent made in any certificates pursuant to the provisions hereof, to the performance by the Company and the Parent of their respective obligations hereunder and to the following additional conditions:

(a) If filing of the Final Prospectus, or any supplement thereto, is required pursuant to Rule 424(b), the Final Prospectus, and any such supplement, shall have been filed in the manner and within the time period required by Rule 424(b); no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for any such purpose shall have been instituted or threatened; and any request of the Commission for additional information (to be included in the Registration Statement or the Final Prospectus or otherwise) shall have been disclosed to the Representatives and complied with in all material respects.

(b) The Company and the Parent shall have furnished to the Representatives the opinion of Cravath, Swaine & Moore LLP, counsel for the Company and the Parent, and Conyers, Dill & Pearman, Bermuda counsel for the Parent, each dated the Closing Date, substantially in the form attached hereto as Exhibits A and B, respectively, and a 10b-5 statement from Cravath, Swaine & Moore LLP, substantially in the form of Exhibit C.

(c) The Representatives shall have received on the Closing Date an opinion of Robert Seelig, General Counsel for the Parent, dated the Closing Date, substantially in the form of Exhibit D.

(d) The Representatives shall have received on the Closing Date an opinion of Roger M. Singer, General Counsel for OneBeacon Insurance Company, dated the Closing Date, substantially in the form of Exhibit E.

(e) The Representatives shall have received on the Closing Date an opinion of Donald A. Emeigh, General Counsel for Folksamerica Holding Company, Inc., dated the Closing Date, substantially in the form of Exhibit F.

(f) The Representatives shall have received from Davis Polk & Wardwell, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with respect to the issuance and sale of the Securities, the Indenture, the Registration Statement, the Final Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Company and the Parent

shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(g) Each of the Company and the Parent shall have furnished to the Representatives a certificate of the Company or the Parent, as applicable, signed by the Chairman of the Board or the President and the principal financial or accounting officer of the Company or the Parent, as applicable, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Final Prospectus, any supplements to the Final Prospectus and this Agreement and that:

(i) the representations and warranties of the Company or the Parent, as applicable, in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date and the Company or the Parent, as applicable, has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge or the Parent's knowledge, as applicable, threatened;

(iii) since the dates as of which information is given in the Final Prospectus (exclusive of any supplement thereto), there has not been any event or development that has had or would reasonably be expected to have a material adverse effect on the financial condition, results of operation, business or property of the Company or the Parent and their respective subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Prospectus (exclusive of any supplement thereto); and

(iv) since the Effective Date there has occurred no event required to be set forth in an amendment or supplement to the Registration Statement or the Final Prospectus which has not been so set forth.

(h) At the Execution Time PricewaterhouseCoopers LLP shall have furnished to the Representatives letters (which may refer to letters previously delivered to one or more of the Representatives) containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial

statements and certain financial information contained in the Registration Statement and the Final Prospectus (including the documents incorporated by reference therein), dated as of the Execution Time, in form and substance satisfactory to the Representatives.

In addition, at the Closing Date, such auditors shall have furnished to the Representatives a letter or letters, dated as of the Closing Date, in form and substance satisfactory to the Representatives, to the effect set forth above.

(i) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraph (h) of this Section 5 or (ii) any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), earnings, business or properties of the Company or the Parent and their respective subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Prospectus (exclusive of any supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the sole judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any supplement thereto).

(j) Subsequent to the Execution Time, there shall not have been any decrease in the rating of any of the Company's or the Parent's or any Designated Subsidiary's debt securities or of any subsidiary's financial strength or claims-paying ability by any "nationally recognized statistical rating organization" (as defined for purpose of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(k) The Company and the Parent shall have executed and delivered the Indenture in a form and substance reasonably satisfactory to the Representatives.

(l) Prior to the Closing Date, the Company and the Parent shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request.

(m) No Underwriter shall have been advised by either the Company or the Parent or shall have discovered and disclosed to the Company or the Parent that the Registration Statement or the Final Prospectus or any amendment or supplement thereto, contains an untrue statement of fact which in the Representatives' opinion, or in the opinion or counsel to the Underwriters, is material, or omits to state a fact which, in the Representatives' opinion, or in the opinion of counsel to the Underwriters, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(n) Subsequent to the execution and delivery of this Agreement, there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange, the Nasdaq National Market or the over-the-counter market, or trading in any securities of the Parent on any exchange shall have been suspended, the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or state authorities, (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis, (iv) there shall have occurred a material disruption of securities settlement or clearance services or (v) there shall have occurred a material adverse change in general domestic or international economic, political or financial conditions, including, without limitation, as a result of terrorist activities, the effect of which on the financial markets in the United States shall be such, as to make it in the sole judgment of the Representatives, impracticable or inadvisable to proceed with the public offering or delivery of the Securities being delivered on the Closing Date on the terms and in the manner contemplated in the Final Prospectus.

If any of the conditions specified in this Section 5 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Company and the Parent in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 5 shall be delivered at the office of Davis Polk & Wardwell, counsel for the Underwriters, at 450 Lexington Avenue, New York, New York 10017, on the Closing Date.

6. REIMBURSEMENT OF UNDERWRITERS' EXPENSES. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth herein is not satisfied, because of any termination pursuant to Section 9 hereof or because of any refusal, inability or failure on the part of the Company or the Parent to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company and the Parent, jointly and severally, will reimburse the Underwriters severally through Lehman Brothers Inc. on demand for all reasonable out of pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities, but the Company and the Parent shall not be liable in any event to any of the Underwriters for damages on account of loss of anticipated profits from the sale of the Securities.

7. INDEMNIFICATION AND CONTRIBUTION. The Company and the Parent, jointly and severally, agree to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement for the registration of the Securities as originally filed or in any amendment thereof, or in the Basic Prospectus, any Preliminary Final Prospectus or the Final Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agree to reimburse each such indemnified party, as reasonably incurred, for any legal or other expenses reasonably incurred by them in connection with investigating, defending or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action; provided, however, that with respect to any untrue statement or omission of material fact made in any Preliminary Prospectus, the indemnity agreement contained in this Section 7(a) shall not inure to the benefit of any Underwriter from whom the person asserting any such loss, claim, damage or liability purchased the securities concerned, to the extent that any such loss, claim, damage or liability of such Underwriter occurs under the circumstance where it shall have been determined by a court of competent jurisdiction by final and nonappealable judgment that (i) the Company

or the Parent had previously furnished copies of the Final Prospectus to the Representatives, (ii) delivery of the Final Prospectus was required by the Act to be made to such person, (iii) the untrue statement or omission of a material fact contained in the Preliminary Prospectus was corrected in the Final Prospectus and (iv) there was not sent or given to such person, at or prior to the written confirmation of the sale of such securities to such person, a copy of the Final Prospectus. This indemnity agreement will be in addition to any liability which the Company or the Parent may otherwise have.

(b) Each Underwriter severally, but not jointly, agrees to indemnify and hold harmless the Company, the Parent, each of their respective directors, each of their respective officers who signs the Registration Statement, and each person who controls the Company or the Parent within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Company by or on behalf of such Underwriter through the Representatives specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. The Company and the Parent acknowledge that the statements set forth in the last paragraph of the cover page regarding delivery of the Securities, and, under the heading "Underwriting" or "Plan of Distribution", (i) the sentences related to concessions and reallowances and (ii) the paragraph related to stabilization in any Preliminary Final Prospectus or the Final Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in the documents referred to in the foregoing indemnity.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the prejudice by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be

responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); PROVIDED, HOWEVER, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to a total of one separate counsel (and, if reasonably necessary, one additional local counsel) and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party which are different from or additional to those available to the indemnifying party and in the reasonable judgment of such counsel it is advisable for the indemnified party to employ separate counsel, (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, in which case such consent shall not be unreasonably withheld.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 7 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company, the Parent and the Underwriters agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "LOSSES") to which the Company, the Parent and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company and the Parent on the one hand and by the Underwriters on the other from the offering of the Securities; provided, however, that in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Securities) be responsible for any amount in excess of the underwriting discount or commission applicable to the Securities purchased by such

Underwriter hereunder. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company, the Parent and the Underwriters shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Parent on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company and the Parent shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Final Prospectus. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company and the Parent on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company, the Parent and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of an Underwriter shall have the same rights to contribution as such Underwriter, and each person who controls the Company or the Parent within the meaning of either the Act or the Exchange Act, each officer of the Company or the Parent who shall have signed the Registration Statement and each director of the Company or the Parent shall have the same rights to contribution as the Company or the Parent, as applicable, subject in each case to the applicable terms and conditions of this paragraph (d). The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

8. DEFAULT BY AN UNDERWRITER. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up

and pay for within 24 hours (in the respective proportions which the amount of the Securities set forth opposite their names in Schedule II hereto bears to the aggregate amount of the Securities set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of Securities set forth in Schedule II hereto, the remaining Underwriters shall have the right to purchase within 24 hours all, but shall not be under any obligation to purchase any, of the Securities, and if such nondefaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any nondefaulting Underwriter, the Company or the Parent. In the event of a default by any Underwriter as set forth in this Section 8, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Final Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company, the Parent and any nondefaulting Underwriter for damages occasioned by its default hereunder.

9. TERMINATION. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company and the Parent prior to delivery of and payment for the Securities, if at any time prior to such time (i) the Company or the Parent shall have failed, refused or been unable, at or prior to the Closing Date, to perform any agreement on its part to be performed hereunder, (ii) any of the events described in Sections 5(j) or 5(n) shall have occurred or (iii) if the Underwriters shall decline to purchase the Securities for any reason permitted under this Agreement.

10. REPRESENTATIONS AND INDEMNITIES TO SURVIVE. The respective agreements, representations, warranties, indemnities and other statements of the Company, the Parent or their respective officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, the Company or the Parent or any of the officers, directors or controlling persons referred to in Section 7 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 4(h), 6 and 7 hereof shall survive the termination or cancellation of this Agreement.

11. NOTICES. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, mailed or delivered to:

c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
Attention: Debt Capital Markets, Financial Institutions Group
Fax No.: 646-758-3858

with a copy to the General Counsel at such address

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Winthrop B. Conrad, Jr. Esq.
Fax No.: 212-450-3890

or, if sent to the Company, mailed or delivered to:

370 Church Street
Guilford, Connecticut 06437
Attention: Reid Campbell
Fax No.: 203-458-0754

With a copy to:

White Mountains Insurance Group, Ltd.
80 South Main Street
Hanover, New Hampshire 03755-2053
Attention: Robert Seelig
Fax No.: 603-643-4592

If sent to the Parent, mailed or delivered to:

80 South Main Street
Hanover, New Hampshire 03755-2053
Attention: Robert Seelig
Fax No.: 603-643-4592

and confirmed to it at:

12 Church Street, Suite 322
Hamilton HM11
Bermuda
Attention: Dennis Beaulieu
Fax No.: 441-296-9904

12. SUCCESSORS. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7 hereof, and no other person will have any right or obligation hereunder. The term "successors" shall not include any purchaser of the Securities merely because of such purchase.

13. APPLICABLE LAW. This Agreement will be governed by and construed in accordance with the laws of the State of New York.

14. COUNTERPARTS. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

15. HEADINGS. The section headings used herein are for convenience only and shall not affect the construction hereof.

16. DEFINITIONS. The terms which follow, when used in this Agreement, shall have the meanings indicated.

"ACT" shall mean the Securities Act of 1933, as amended.

"BASIC PROSPECTUS" shall mean the prospectus referred to in paragraph 1(a) above contained in the Registration Statement at the Effective Date, as amended on or prior to the date of this Agreement.

"BUSINESS DAY" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City or Bermuda.

"EFFECTIVE DATE" shall mean each date and time that the Registration Statement, any post effective amendment or amendments thereto and any Rule 462(b) Registration Statement became or become effective.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended.

"EXECUTION TIME" shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

"FINAL PROSPECTUS" shall mean the form of final prospectus relating to the Securities, including the Basic Prospectus.

"PRELIMINARY FINAL PROSPECTUS" shall mean any preliminary prospectus supplement to the Basic Prospectus which describes the Securities and the offering thereof and is used prior to filing of the Final Prospectus.

"PRELIMINARY PROSPECTUS" shall mean any preliminary prospectus referred to in paragraph 1(a) above and any preliminary prospectus included in the Registration Statement at the Effective Date that omits Rule 430A Information.

"REGISTRATION STATEMENT" shall mean the registration statement referred to in paragraph 1(a) above, including exhibits and financial statements, as amended at the Execution Time (or, if not effective at the Execution Time, in the form in which it shall become effective) and, in the event any post effective amendment thereto or any Rule 462(b) Registration Statement becomes effective prior to the Closing Date (as hereinafter defined), shall also mean such registration statement as so amended or such Rule 462(b) Registration Statement, as the case may be. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Date as provided by Rule 430A.

"RULE 424", "RULE 430A" and "RULE 462" refer to such rules under the Act.

"RULE 430A INFORMATION" shall mean information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

"RULE 462(B) REGISTRATION STATEMENT" shall mean a registration statement and any amendments thereto filed pursuant to Rule 462(b) relating to the offering covered by the initial registration statement.

"TRUST INDENTURE ACT" shall mean the Trust Indenture Act of 1934, as amended.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, the Parent and the several Underwriters.

Very truly yours,

Fund American Companies, Inc.
By: /s/ David Staples
---
Name: David Staples
Title: Vice President

White Mountains Insurance Group, Ltd.
By: /s/ Dennis Beaulieu
---
Name: Dennis Beaulieu
Title: Secretary & Treasurer

The foregoing Agreement is hereby confirmed and accepted as of the date specified in Schedule I hereto.

Lehman Brothers Inc.
Banc of America Securities LLC
Credit Suisse First Boston LLC

By: Lehman Brothers Inc.
By: /s/ Martin Goldberg
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Name: Martin Goldberg
Title: Senior Vice President

For themselves and the other several Underwriters, if any, named in Schedule II to the foregoing Agreement.

SCHEDULE I

Underwriting Agreement dated May 14, 2003

Registration Statement No.: 333-73012

Representatives:

Lehman Brothers Inc.
Banc of America Securities LLC
Credit Suisse First Boston LLC

| | |
|---|---|
| Principal Amount: | $700,000,000 |
| Public Offering Price: | 99.710% of the principal amount, plus accrued interest, if any, from May 19, 2003 |
| Purchase price: | 99.060% of the principal amount, plus accrued interest, if any, from May 19, 2003 |
| Interest rate: | 5.875% per annum |
| Closing Date, Time and Location: | May 19, 10:00 am (New York City time), Cravath, Swaine & Moore LLP Worldwide Plaza 825 Eighth Ave. New York, NY 10019-7475 |

Date referred to in Section 4(f) after which the Company may offer or sell debt securities issued or guaranteed by the Company or the Parent without the consent of the Representative(s): 30 days after Closing Date

SCHEDULE II

| UNDERWRITERS | |
|---|---|
| Lehman Brothers Inc. | $427,000,000 |
| Banc of America Securities LLC. | 87,500,000 |
| Credit Suisse First Boston LLC. | 87,500,000 |
| Banc One Capital Markets, Inc. | 28,000,000 |
| BNY Capital Markets, Inc. | 28,000,000 |
| Fleet Securities, Inc. | 42,000,000 |
| Total | $700,000,000 |

SCHEDULE III

DESIGNATED SUBSIDIARIES

OneBeacon Insurance Company
OneBeacon America Insurance Company
The Camden Fire Insurance Association
Homeland Insurance Company of New York
Northern Assurance Company of America
Pennsylvania General Insurance Company
National Farmers Union P&C Company
Folksamerica Reinsurance Company

EXHIBIT A

May 19, 2003

FUND AMERICAN COMPANIES, INC.
$700,000,000 5.875% SENIOR NOTES DUE 2013

Ladies and Gentlemen:

We have acted as special counsel for Fund American Companies, Inc., a Delaware corporation (the "Company") and White Mountains Insurance Group, Ltd. (the "Guarantor"), in connection with the purchase by the several Underwriters (the "Underwriters") listed in Schedule II to the Underwriting Agreement dated May 14, 2003 (the "Underwriting Agreement"), among Lehman Brothers Inc., Banc of America Securities LLC and Credit Suisse First Boston LLC, as Representatives of the Underwriters, the Company and the Guarantor, of $700,000,000 aggregate principal amount of the Company's 5.875% Senior Notes Due 2013 (the "Senior Notes"), to be issued pursuant to a Senior Indenture dated as of May 19, 2003 (the "Original Indenture") among the Guarantor, the Company and Bank One, National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of May 19, 2003 (the "Supplemental Indenture" and together with the Original Indenture, as so supplemented, the "Indenture").

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion, including: (a) the Certificate of Incorporation of the Company, as amended; (b) the By-laws of the Company; (c) resolutions adopted by the Board of Directors of the Company on March 6, 2002; (d) the Registration Statement on Form S-3 (Registration No. 333-73012) filed with the Securities and Exchange Commission (the "Commission") on November 8, 2001, (the "Registration Statement"), for registration under the Securities Act of 1933 (the "Securities Act") of $1,000,000,000 aggregate amount of various securities of the Company, to be issued from time to time by the Company and guaranteed by the Guarantor, as amended by Amendment No. 1 thereto filed with the Commission on December 10, 2001; (e) the related Prospectus dated May 14, 2003, filed with the Commission on May 16, 2003 pursuant to Rule 424(b) under the Securities Act (together with the documents incorporated therein by reference, the "Base Prospectus"); (f) the Prospectus Supplement dated May 14, 2003, filed with the Commission pursuant to Rule 424(b) under the Securities Act (together with the Base Prospectus, the "Prospectus"); (g) the Underwriting Agreement; (h) the Indenture; and (i) the form of the Senior Notes. We have also relied upon advice from the Commission that the Registration Statement was declared effective on December 10, 2001.

Based on the foregoing, we are of opinion as follows:

1. Based solely on a certificate from the Secretary of State of Delaware, the Company is a corporation validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to own, lease and operate its properties and conduct its businesses as described in the Prospectus.

2. The Company has the necessary corporate power and authority to enter into and perform its obligations under the Indenture and the Underwriting Agreement and to file the Registration Statement.

3. The Indenture has been duly authorized, executed and delivered by the Company, has been duly qualified under the Trust Indenture Act of 1939 and constitutes a legal, valid and binding obligation of the Company and, assuming the due authorization, execution and delivery of the Indenture by the Guarantor, of the Guarantor enforceable against the Company and the Guarantor in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law); and the Senior Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters pursuant to the Underwriting Agreement, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding in equity or at law).

4. The Underwriting Agreement has been duly authorized, executed and delivered by the Company.

5. The filing of the Registration Statement has been duly authorized by the Company.

6. No authorization, approval or other action by, and no notice to, consent of, order of, or filing with, any United States Federal, New York or, to the extent required under the General Corporation Law of the State of Delaware, Delaware governmental authority or regulatory body is required for the consummation by the Company or the Guarantor of the transactions contemplated by the Underwriting Agreement, except such as have been obtained under the Act or the Trust Indenture Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Senior Notes by the Underwriters.

7. None of the issue and sale of the Senior Notes, the consummation of any other of the transactions contemplated by the Underwriting Agreement or the performance of the terms of the Underwriting Agreement (i) will conflict with, result in a breach of, will result in the creation or imposition of any Lien upon any property of the Company or the Guarantor or their respective subsidiaries pursuant to, or constitute a default under, the Certificate of Incorporation or By-laws of the Company, or the terms of any indenture or other agreement or instrument to which the Company, the Guarantor or any of their respective subsidiaries is a party or bound and listed as an exhibit to the Form 10-K for the fiscal year ended December 31, 2002 filed with the Commission on March 31, 2003 or to any filing made with the Commission by the Guarantor or the Company subsequent to the filing of such Form 10-K, or (ii) will contravene any law, rule or regulation of the United States or the State of New York or the General Corporation Law of the State of Delaware. In connection with the foregoing, we point out that certain of the agreements referred to in clause (i) above are or may be governed by laws other than the laws of the State of New York. For purposes of the opinion expressed in this paragraph, however, we have assumed that all such agreements are governed by and would be interpreted in accordance with the laws of the State of New York.

8. The statements made in the Prospectus under the captions "Description of the Notes" and "Description of Debt Securities" (except for the statements contained in the sections titled "Description of the Notes--Book-Entry; Delivery and Form" and "Description of Debt Securities--Global Securities"), insofar as they purport to constitute summaries of the terms of the Senior Notes, and under the caption "U.S. Federal Income Tax Consequences", insofar as they purport to describe the material tax consequences of an investment in the Senior Notes, fairly summarize the matters therein described.

9. The Registration Statement became effective upon the Securities Act on December 10, 2001, and thereupon the offering of the Senior Notes as contemplated by the Prospectus became registered under the Securities Act and, to our knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Securities Act.

10. It is not, and immediately after giving effect to the offering and sale of the Senior Notes, it will not be, necessary to register the Guarantor or the Company as an "investment company" under the Investment Company Act of 1940.

We are admitted to practice in the State of New York, and we express no opinion as to any matters governed by any law other than the law of the State of New York, the General Corporation Law of the State of Delaware and the Federal law of the United States of America. In particular, we do not purport to pass on any matter governed by the laws of Bermuda. We also do not purport to pass on any law, rule or regulation, or any order or decree, having particular applicability to the insurance industry.

We are furnishing this opinion to you, as Representatives, solely for your benefit and the benefit of the several Underwriters. This opinion may not be relied upon by any other person (including any person that acquires the Senior Notes from the several Underwriters) or for any other purpose or used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

Lehman Brothers Inc.
Banc of America Securities LLC
Credit Suisse First Boston LLC,
as representatives of the Underwriters,
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019

EXHIBIT B

19 May, 2003

Lehman Brothers Inc.

Banc of America Securities LLC
Credit Suisse First Boston LLC
as representatives of the Underwriters

DIRECT LINE: 441-299-4951
E-MAIL: emlucas@cdp.bm
OUR REF: 3233698/corpdoc.
YOUR REF:

C/o Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019
USA

Dear Sirs,

WHITE MOUNTAINS INSURANCE GROUP, LTD. (THE "COMPANY")

We have acted as special Bermuda counsel to the Company in connection with the Company's guarantee of USD$700,000,000 5.875% Senior Notes due 2013 (the "Debt Securities") of Fund American Companies Inc. ("Fund American"). The Debt Securities are described in the prospectus dated May 14, 2003 (the "Prospectus, which term does not include any other documents whether or not specifically incorporated by reference therein or attached as an exhibit of schedule thereto) contained in the registration statement of the Company and Fund American on Form S-3 (Registration No. 333-73012) dated 8 November, 2001, as amended by Amendment No. 1 thereto filed with the U.S. Securities and Exchange Commission on December 10, 2001(the "Registration Statement", which term does not include any other documents whether or not specifically incorporated by reference therein or attached as an exhibit or schedule thereto).

For the purposes of giving this opinion, we have examined copies of the following Agreements:

a. the Prospectus;

b. the Registration Statement;

c. a facsimile copy of an underwriting agreement dated 14 May, 2003 between the Company, Fund American and the Underwriters (such term having herein the same meaning as therein) (the "Underwriting Agreement");

d. a facsimile copy of an Indenture dated as of 19 May, 2003 (the "Senior Indenture") among the Company, Fund American and Banc One, National Association, as trustee (the "Trustee"); and

e. a facsimile copy of a first supplement to the Indenture dated as of 19 May, 2003 (the "Supplemental Indenture" and together with the Senior Indenture, the "Indenture") among the Company, Fund American and the Trustee.

The agreements referred to in paragraphs (c), (d) and (e) above are herein sometimes collectively referred to herein as the "Agreements" (which term does not include any other instrument or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto).

We have also reviewed and have relied upon:

a. the memorandum of continuance and the bye-laws of the Company certified by an Officer of the Company on 16 May, 2003;

b. an extract from minutes of a meeting of the board of directors of the Company (the "Board"), containing resolutions adopted by the Board, held on 28 February, 2002;

c. a Certificate of Compliance under Act issued on 16 May, 2003 by or on behalf of the Registrar of Companies in respect of the Company;

d. letters of consent from the Bermuda Monetary Authority dated 21 October, 1999 and 22 October, 1999; and

e. a copy of the Register of Members of the Company as at 31 March, 2003, duly certified to be true and correct by Equiserve Trust Company, N.A., the Registrar and Transfer Agent of the Company.

and such other documents and have made such enquiries as to questions of Bermuda law as we have deemed necessary in order to render the opinions set forth below.

We have assumed (a) the genuineness and authenticity of all signatures and the conformity to the originals of all copies (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken; (b) that where a document has been examined by us in draft form, it will be or has been executed in the form of that draft, and where a number of drafts of a document have been

examined by us all changes thereto have been marked or otherwise drawn to our attention, (c) the capacity, power and authority of each of the parties to the Agreements, other than the Company, to enter into and perform its respective obligations under the Agreements; (d) the due execution of the Agreements by each of the parties thereto, other than the Company, and the delivery of the Agreements by each of the parties thereto; (e) the accuracy and completeness of all factual statements and representations made in the Agreements and other documents reviewed by us; (f) that the resolutions contained in the Minutes remain in full force and effect and have not been rescinded, amended or supplemented; (g) that there is no provision of the law of any jurisdiction, other than Bermuda, which would have any implication in relation to the opinions expressed herein; (h) the validity and binding effect under the laws of the State of New York (the "Foreign Laws") of the Agreements; (i) the validity under the Foreign Laws of the submission pursuant to the Agreements to the exclusive jurisdiction of any New York Court, (the "Foreign Courts"); (j) that at the time of entering into the Agreements, and after entering into the Agreements, the Company is and will be able to pay its liabilities as they become due; (k) that none of the parties to the Agreements has carried on or will carry on activities, other than the performance of its obligations under the Agreements, which would constitute the carrying on of investment business in or from within Bermuda and that none of the parties to the Agreements, other than the Company, will perform its obligations under the Agreements in or from within Bermuda.

Our opinion in paragraph 4 below is subject to the assumption that no selling or purchasing or other trade or business or acts are conducted in or from within Bermuda or elsewhere in connection with the public offering of shares in the Company which would violate Bermuda laws pertaining to restrictions on the activities in Bermuda of persons not being local companies or entities or Bermudians and pertaining to Bermuda foreign exchange control restrictions on non-Bermuda dollars and non-Bermuda dollar investments by persons deemed to be resident for Bermuda exchange control purposes.

Our opinion in paragraph 5(b) below is based solely on our review of the Register.

The obligations of the Company under the Agreements (a) will be subject to the laws from time to time in effect relating to bankruptcy, insolvency, liquidation, possessory liens, rights of set-off, amalgamation, reorganization, moratorium or any other laws or legal procedures, whether of a similar nature or otherwise, generally affecting the rights of creditors, (b) will be subject to statutory limitation of the time within which proceedings may be brought, (c) will be subject to general principles of equity and, as such, specific performance and injunctive relief, being equitable remedies, may not be available, (d) may not be given effect to by a Bermuda court, whether or not it was applying the Foreign Laws, if and to the extent they constitute the payment of an amount

which is in the nature of a penalty and not in the nature of liquidated damages. Notwithstanding any contractual submission to the jurisdiction of specific courts, a Bermuda court has inherent discretion to stay or allow proceedings in the Bermuda courts.

We express no opinion as to the enforceability of any provision of the Agreements which provides for the payment of a specified rate of interest on the amount of a judgment after the date of judgment or which purports to fetter the statutory powers of the Company (Section 501(5) of the Senior Indenture does not constitute such fetter).

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Bermuda. This opinion is to be governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda. This opinion is issued solely for your benefit, with respect to matters referred to herein, and is not to be relied upon by any other person, firm or entity or in respect of any other matter without our written consent.

On the basis of and subject to the foregoing, we are of the opinion that:

1. The Company is duly incorporated and existing under the laws of Bermuda as an exempted company (as defined in Section 127 of the Act) and is in good standing (meaning that it has not failed to make any required filing with any Bermuda government authority or to pay any Bermuda government fee or tax, which would make it liable to be struck off the register of companies and thereby cease to exist under the laws of Bermuda), with corporate power and authority to own its properties and conduct its business as described under the caption "Business" in the Prospectus.

2. The Company has the necessary corporate power and authority to enter into and perform its obligations under the Agreements and to execute and file the Registration Statement. The execution and delivery of the Agreements by the Company and the performance by the Company of its obligations thereunder will not violate the memorandum of continuance or bye-laws of the Company nor any applicable law, regulation, order or decree in Bermuda.

3. The Company has taken all corporate action required to authorize its execution, delivery and performance of the Agreements and the execution and filing of the Registration Statement. The Agreements have been duly executed by or on behalf of the Company and constitute the valid and

binding obligations of the Company enforceable in accordance with their respective terms.

4. No order, consent, approval, licence, authorization or validation of or exemption by any government or public body or authority of Bermuda or any sub-division thereof is required to authorize or is required in connection with the execution, delivery, performance and enforcement of the Agreements, except such as have been duly obtained in accordance with Bermuda law and which are in full force and effect.

5. (a) The authorized capital of the Company is as set forth in the Prospectus.

   (b) All of the issued share capital of the Company at 31 March, 2003 was validly issued, and such shares of the Company were fully paid and non-assessable (meaning that no further sums are required to be paid by the holders thereof in connection with the issue thereof).

6. There are no Bermuda stamp duty, transfer or similar taxes payable in respect of the Agreements. The Agreements are not subject to ad valorem stamp duty in Bermuda, and no registration, documentary, recording, transfer or other similar tax, fee or charge by any Bermuda government authority is payable in connection with the execution, delivery, filing, registration or performance of the Agreements.

7. There is no capital gains, income or other tax of Bermuda imposed by withholding or otherwise on any payment to be made to or by the Company pursuant to the Agreements.

8. The Company is not entitled to any immunity under the laws of Bermuda, whether characterised as sovereign immunity or otherwise, from any legal proceedings to enforce the Agreements in respect of itself or its property.

9. It is not necessary or desirable to ensure the enforceability in Bermuda of the Agreements that they be registered in any register kept by, or filed with, any governmental authority or regulatory body in Bermuda.

10. The Company is not registered as an insurer under the Insurance Act, 1978 of Bermuda (the "Insurance Act") and is therefore not required to comply with the requirements of the Insurance Act applicable to registered insurers by virtue of their registration under the Insurance Act.

11. All statements made in the Prospectus with respect to statutes, regulations, and other laws of Bermuda fairly and accurately present the information set forth therein.

12. The Company's agreement to the choice of law provisions set forth in Section 13 of the Underwriting Agreement is a valid choice of law and would be recognised and given effect to in any action brought before a court of competent jurisdiction in Bermuda except for those laws (i) which such court considers to be procedural in nature, (ii) which are revenue or penal laws or (iii) the application of which would be inconsistent with public policy, as such term is interpreted under the laws of Bermuda.

13. The courts of Bermuda would recognise as a valid judgment, a final and conclusive judgment in personam obtained in the federal courts of New York against the Company based upon the Agreements under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) and would give a judgment based thereon provided that (a) such courts had proper jurisdiction over the parties subject to such judgment, (b) such courts did not contravene the rules of natural justice of Bermuda, (c) such judgment was not obtained by fraud, (d) the enforcement of the judgment would not be contrary to the public policy of Bermuda, (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of Bermuda and (f) there is due compliance with the correct procedures under the laws of Bermuda.

Yours faithfully,

CONYERS DILL & PEARMAN

EXHIBIT C

May 19, 2003

FUND AMERICAN COMPANIES, INC.
$700,000,000 5.875% SENIOR NOTES DUE 2013

Ladies and Gentlemen:

We have acted as special counsel for Fund American Companies, Inc., a Delaware corporation (the "Company") and White Mountains Insurance Group, Ltd. (the "Guarantor"), in connection with the purchase by the several Underwriters (the "Underwriters") listed in Schedule II to the Underwriting Agreement dated May 14, 2003 (the "Underwriting Agreement"), among Lehman Brothers Inc., Banc of America Securities LLC and Credit Suisse First Boston LLC, as Representatives of the Underwriters, the Company and the Guarantor, of $700,000,000 aggregate principal amount of the Company's 5.875% Senior Notes Due 2013 (the "Senior Notes"), to be issued pursuant to a Senior Indenture dated as of May 19, 2003 (the "Original Indenture") among the Guarantor, the Company and Bank One, National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of May 19, 2003 (the "Supplemental Indenture" and together with the Original Indenture, as so supplemented, the "Indenture").

In that capacity, we participated in conferences with certain officers of, and with the accountants and foreign counsel for, the Company and the Guarantor, and with representatives of and counsel for the Representatives concerning the preparation of the Prospectus Supplement dated May 14, 2003 (together with the related Base Prospectus (as defined herein), the "Prospectus"), relating to the Senior Notes, filed with the Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b) of the General Rules and Regulations under the Securities Act of 1933 (the "Securities Act"). The Prospectus was filed as part of the Registration Statement on Form S-3 (Registration No. 333-73012) filed with the Commission on November 8, 2001 for registration under the Securities Act of $1,000,000,000 aggregate amount of various securities of the Company, to be issued from time to time by the Company and guaranteed by the Guarantor, as amended by Amendment No. 1 thereto filed with the Commission on December 10, 2001 (the "Registration Statement"), which Registration Statement includes a prospectus dated May 14, 2003 filed with the Commission on May 16, 2003 pursuant to Rule 424(b) under the Securities Act (together with the documents incorporated therein by reference, the "Base Prospectus"). The documents incorporated by reference in the Registration Statement and Prospectus were prepared and filed by the Company without our participation.

Although we have made certain inquiries and investigations in connection with the preparation of the Registration Statement and the Prospectus, the limitations inherent in the role of outside counsel are such that we cannot and do not assume responsibility for the accuracy or completeness of the statements made in the Registration Statement and Prospectus, except insofar as such statements relate to us and except to the extent set forth in paragraph (8) of our opinion to you dated the date hereof. Subject to the foregoing, we confirm to you, on the basis of information gained in the course of the performance of the services rendered above that, the Registration Statement at the time it was deemed to be amended, and the Prospectus, as of the date of the Prospectus Supplement and as of the date hereof (in each case except the financial statements and other information of a statistical, accounting or financial nature included therein, as to which we do not express any view), appeared on their face to be appropriately responsive in all material respects to the requirements of the Securities Act and the applicable rules and regulations thereunder. Furthermore, subject to the foregoing, we hereby advise you that our work in connection with this matter did not disclose any information that gave us reason to believe that the Registration Statement at the time the Registration Statement was deemed to be amended, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of the date of the Prospectus Supplement and at the date hereof, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (in each case except for the financial statements and other information of a statistical, accounting or financial nature included therein, as to which we do not express any view).

We are furnishing this letter to you, as Representatives, solely for the benefit of the several Underwriters in order to assist the several Underwriters in establishing appropriate defenses under applicable securities laws. This letter may not be relied upon by any other person (including any person that acquires the Senior Notes from the several Underwriters) or for any other purpose or used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

Lehman Brothers Inc.
Banc of America Securities LLC
Credit Suisse First Boston LLC,
as representatives of the Underwriters,
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019

EXHIBIT D

May 19, 2003

Lehman Brothers Inc.
Banc of America Securities LLC
Credit Suisse First Boston LLC
as representatives of the Underwriters
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019

Re: OFFERING OF $700,000,000 5.875% SENIOR NOTES DUE 2013

Ladies and Gentlemen:

I am issuing this letter in my capacity as Vice President and General Counsel of White Mountains Insurance Group, Ltd., a company existing under the laws of Bermuda (the "Company"), in response to the requirement in Section 5(c) of the Underwriting Agreement, dated May 14, 2003 (the "Underwriting Agreement"), among Fund American Companies, Inc. (the "Issuer") and the Company, as Guarantor, on the one hand, and Lehman Brothers Inc., Banc of America Securities LLC and Credit Suisse First Boston LLC as representatives of the Underwriters on the other hand (herein referred to as "you"), relating to $700,000,000 aggregate principal amount of the Issuer's 5.875% Senior Notes due 2013 (the "Senior Notes"). Every term which is defined in the Underwriting Agreement and which is not given a different meaning in this letter has the same meaning whenever it is used in this letter as the meaning it is given in the Underwriting Agreement.

In connection with the preparation of this letter, I have, among other things, read:

(a) the Registration Statement on Form S-3 (Registration No. 333-73012) filed with the Securities and Exchange Commission (the "Commission") on November 8, 2001, for registration under the Securities Act of 1933 (the "Securities Act") of $1,000,000,000 aggregate amount of various securities of the Fund American Companies, Inc., to be issued from time to time by the Fund American Companies, Inc. and guaranteed by the Company, as amended by Amendment No. 1 thereto filed with the Commission on December 10, 2001 (the "Registration Statement");

(b) The prospectus supplement and prospectus dated May 14, 2003, filed with the Securities and Exchange Commission on May 16, 2003 (together with the Registration Statement, the "Prospectus");

(c) an executed original of the Underwriting Agreement; and

(d) a certified copy of resolutions adopted by the Board of Directors of the Company on March 6, 2002.

Subject to the assumptions, qualifications and limitations that are identified in this letter, I am of opinion as follows:

1. The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction, within the United States, in which the ownership or leasing of its properties or the conduct of its business requires such qualification, other than jurisdictions in which the failure to so qualify would not have a material adverse effect on the Company and its subsidiaries taken as a whole.

2. To my knowledge, (a) there are not any pending or threatened actions, suits or proceedings before any United States or New York court or governmental agency or authority or any arbitrator against the Issuer or the Company of a character required to be disclosed in the Registration Statement or Prospectus which is not adequately disclosed as required, and (b) there is no contract, indenture, mortgage, loan agreement, note, lease or other document of a character required to be described in the Registration Statement or Prospectus, or to be filed as an exhibit, which is not described or filed as required.

3. None of the issue and sale of the Senior Notes, the consummation of any other of the transactions contemplated by the Underwriting Agreement or the performance of the terms of the Underwriting Agreement will contravene, to my knowledge, any order or decree of any United States or New York court or government agency or instrumentality.

4. The documents incorporated by reference in the Prospectus, when they were filed, complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable.

I make no representation that I have independently verified the accuracy, completeness or fairness of the Prospectus or that the actions taken in connection with the preparation of the Prospectus (including the actions described in the next paragraph) were sufficient to cause the Prospectus to be accurate, complete or fair. I am not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the Prospectus.

I have assumed for purposes of this letter: (i) each document I have reviewed for purposes of this letter is accurate and complete; (ii) each such document that is an original is authentic; (iii) each such document that is a copy conforms to an authentic original; and (iv) all signatures on each such document are genuine. I have also assumed that you have acted in good faith and without notice of any fact which has caused you to reach any conclusions contrary to any of the advice provided in this letter.

In preparing this letter, I have relied without independent verification upon: (i) information contained in certificates obtained from governmental authorities; (ii) factual information represented to be true in the Underwriting Agreement and the Prospectus; (iii) factual information provided to me by the Company; and (iv) factual information I have obtained from such other sources as I have deemed reasonable in light of the matters set out in this opinion. For purposes of numbered paragraph 1, I have relied exclusively upon certificates issued by governmental authorities in the relevant jurisdictions and such opinion is not intended to provide any conclusion or assurance beyond that conveyed by those certificates. In rendering my opinion set forth in paragraphs 2 and 3, I did not review or survey any court dockets or the files of any governmental agency.

I confirm that I do not have knowledge that has caused me to conclude that my reliance and assumptions cited in the two immediately preceding paragraphs are unwarranted. Whenever this letter provides advice about (or based upon) my knowledge of any particular information or about any information which has or has not come to my attention, such advice is based entirely on my knowledge at the time this letter is delivered on the date it bears.

I am admitted to practice in the State of New York, and I express no opinion as to any matters governed by any law other than the law of the State of New York, the General Corporation Law of the State of Delaware and the Federal law of the United States of America. In particular, I do not purport to pass on any matter governed by the laws of Bermuda.

I am furnishing this opinion to you, as Representatives, solely for your benefit and the benefit of the several Underwriters. This opinion may not be relied upon by any other person (including any person that acquires the Senior Notes from the several Underwriters) or for any other purpose or used, circulated, quoted or otherwise referred to for any other purpose.

Sincerely,

Robert Seelig
Vice President and General Counsel
White Mountains Insurance Group, Ltd.

EXHIBIT E

May 19, 2003

Lehman Brothers Inc.
Banc of America Securities LLC
Credit Suisse First Boston LLC
as representatives of the Underwriters
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019

Re: OFFERING OF $700,000,000 5.875% SENIOR NOTES DUE 2013

Ladies and Gentlemen:

I am issuing this letter in my capacity as Senior Vice President and General Counsel for OneBeacon Insurance Company, a Pennsylvania corporation, in response to the requirement in Section 5(d) of the Underwriting Agreement, dated May 14, 2003 (the "Underwriting Agreement"), among Fund American Companies, Inc. and White Mountains Insurance Group, Ltd. (the "Company"), as Guarantor, on the one hand, and Lehman Brothers Inc., Banc of America Securities LLC and Credit Suisse First Boston LLC as representatives of the Underwriters on the other hand (herein referred to as "you"). Every term which is defined in the Underwriting Agreement and which is not given a different meaning in this letter has the same meaning whenever it is used in this letter as the meaning it is given in the Underwriting Agreement. For the purposes of this opinion, the companies listed at Schedule I are referred to as the "Group Companies".

In connection with the preparation of this letter, I have, among other things, read:

(a) the Registration Statement on Form S-3 (Registration No. 333-73012) filed with the Securities and Exchange Commission (the "Commission") on November 8, 2001, for registration under the Securities Act of 1933 (the "Securities Act") of $1,000,000,000 aggregate amount of various securities of the Fund American Companies, Inc., to be issued from time to time by the Fund American Companies, Inc. and guaranteed by the Company, as amended by Amendment No. 1 thereto filed with the Commission on December 10, 2001 (the "Registration Statement");

(b) The prospectus supplement and prospectus dated May 14, 2003, filed with the Securities and Exchange Commission May 16, 2003 (together with the Registration Statement, the "Prospectus");

(c) the Company's Annual Report on Form 10 K/A for the year ended December 31, 2002 (the "Annual Report");

(d) an executed original of the Underwriting Agreement; and

(e) a certified copy of resolutions adopted by the Board of Directors of the Company on March 6, 2002.

Subject to the assumptions, qualifications and limitations that are identified in this letter, I am of opinion as follows:

1. Each Group Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which the ownership or leasing of its properties or the conduct of its business requires such qualification, other than to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect.

2. Each Group Company is a corporation validly existing and in good standing under the laws of the jurisdiction of its incorporation, with full corporate power and authority to own, lease and operate its properties and conduct their business as described in the Prospectus, other than to the extent that the failure to be so validly existing and in good standing or to have such corporate power and authority would not, individually or in the aggregate, have a Material Adverse Effect.

3. To my knowledge, after reasonable inquiry, there are no pending or threatened legal or governmental proceedings against any Group Company except for those matters disclosed in the Prospectus which, if determined adversely would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

4. The execution, delivery and performance of the Underwriting Agreement (a) will not conflict with, result in a breach of, constitute a default or create any charge, encumbrance or lien under the terms of any agreement or instrument to which a Group Company is a party or bound other than to the extent that the conflict, breach or default would not have a Material Adverse Effect and (b) will not contravene the certificate of incorporation or by-laws of any Group Company.

5. No authorization, approval or other action by, and no notice to, consent of, order of, or filing with any state governmental authority or regulatory body is required to be made by any of the Group Companies for the consummation of the transactions contemplated by the Underwriting Agreement, except such as have been obtained under the Act and such as may be required

under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the notes by the Underwriters.

6. The statements made in the Annual Report under the caption "Business-Regulation" and in the prospectus supplement under the caption "Business-OneBeacon-Terrorism", insofar as it purports to describe the regulatory environment applicable to any of the Group Companies, fairly summarize in all material respects the matters therein described.

I make no representation that I have independently verified the accuracy, completeness or fairness of the Prospectus or that the actions taken in connection with the preparation of the Prospectus (including the actions described in the next paragraph) were sufficient to cause the Prospectus to be accurate, complete or fair. I am not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the Prospectus.

I have assumed for purposes of this letter: (i) each document I have reviewed for purposes of this letter is accurate and complete; (ii) each such document that is an original is authentic; (iii) each such document that is a copy conforms to an authentic original; and (iv) all signatures on each such document are genuine. I have also assumed that you have acted in good faith and without notice of any fact which has caused you to reach any conclusions contrary to any of the advice provided in this letter.

In preparing this letter, I have relied without independent verification upon: (i) information contained in certificates obtained from governmental authorities; (ii) factual information represented to be true in the Underwriting Agreement and the Prospectus; (iii) factual information provided to me by the Company; and (iv) factual information I have obtained from such other sources as I have deemed reasonable in light of the matters set out in this opinion. For purposes of numbered paragraphs 1 and 2, I have relied exclusively upon certificates issued by governmental authorities in the relevant jurisdictions and such opinion is not intended to provide any conclusion or assurance beyond that conveyed by those certificates. In rendering my opinion set forth in paragraph 3, I did not review or survey any court dockets or the files of any governmental agency.

I confirm that I do not have knowledge that has caused me to conclude that my reliance and assumptions cited in the two immediately preceding paragraphs are unwarranted. Whenever this letter provides advice about (or based upon) my knowledge of any particular information or about any information which has or has not come to my attention, such advice is based entirely on my knowledge at the time this letter is delivered on the date it bears.

This letter speaks as of the time of its delivery on the date it bears. I do not assume any obligation to provide you with any subsequent opinion or advice by reason of any fact about which I did not have knowledge at that time, by reason of any change subsequent to that time in any law other governmental requirement or interpretation thereof covered by any of my opinions or advice, or for any other reason. I am admitted to the Bar in the State of Massachusetts. For purposes of rendering this opinion, I assume that no relevant difference exists between the laws of the State of Massachusetts and the laws that may govern the sale of the notes or the Prospectus.

This letter may be relied upon by the Underwriters only for the purpose served by the provision in the Underwriting Agreement cited in the initial paragraph of this letter in response to which it has been delivered. Without my written consent: (i) no person other than the Underwriters may rely on this letter for any purpose; (ii) this letter may not be cited or quoted in any financial statement, offering circular, private placement circular or other document; (iii) this letter may not be cited or quoted in any other document or communication which might encourage reliance upon this letter by any person or for any purpose excluded by the restrictions in this paragraph; and (iv) copies of this letter may not be furnished to anyone for purposes of encouraging such reliance.

Sincerely,

Roger M. Singer
Senior Vice President
and General Counsel
OneBeacon Insurance Company

SCHEDULE I

1. A.W.G. Dewar, Inc.
2. American Central Insurance Company
3. American Employers' Insurance Company
4. Beacon Advertising Corporation
5. CU Lloyd's of Texas
6. General Assurance Company
7. Homeland Central Insurance Company
8. Homeland Insurance Company of New York
9. Houston General Insurance Company
10. Houston General Lloyds
11. National Farmers Union Property and Casualty Company
12. National Farmers Union Standard Insurance Company
13. OneBeacon America Insurance Company
14. OneBeacon Asset Management, Inc.
15. OneBeacon Finance Corporation
16. OneBeacon Insurance Company
17. OneBeacon Investors Co. #15
18. OneBeacon Investors Co. #16
19. OneBeacon Investors Co. #18
20. OneBeacon Investors Co. #21
21. OneBeacon Leasing, Inc.
22. OneBeacon Lloyd's Inc.
23. OneBeacon Midwest Insurance Company
24. OneBeacon Risk Management, Inc.
25. OneBeacon Services Corporation
26. Pennsylvania General Insurance Company
27. PG Insurance Company of New York

28. Potomac Insurance Company
29. Potomac Insurance Company of Illinois
30. TCH Insurance Agency, Inc.
31. The Camden Fire Insurance Association
32. The Northern Assurance Company of America
33. Traders & General Insurance Company
34. Traders & Pacific Insurance Company
35. United Security Insurance Company
36. Western States Insurance Company
37. York Insurance Company of Maine

EXHIBIT F

May 19, 2003

Lehman Brothers Inc.
Banc of America Securities LLC
Credit Suisse First Boston LLC
as representatives of the Underwriters
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019

Re: OFFERING OF $700,000,000 5.875% SENIOR NOTES DUE 2013

Ladies and Gentlemen:

I am issuing this letter in my capacity as Executive Vice President, General Counsel & Secretary for Folksamerica Holding Company, Inc. a New York corporation, in response to the requirement in Section 5(e) of the Underwriting Agreement, dated May 14, 2003 (the "Underwriting Agreement"), among, Fund American Companies, Inc. and White Mountains Insurance Group, Ltd. (the "Company"), as Guarantor, on the one hand, and Lehman Brothers Inc., Banc of America Securities LLC and Credit Suisse First Boston LLC as representatives of the Underwriters on the other hand (herein referred to as "you"). Every term which is defined in the Underwriting Agreement and which is not given a different meaning in this letter has the same meaning whenever it is used in this letter as the meaning it is given in the Underwriting Agreement. For the purposes of this opinion, the companies listed at Schedule I are referred to as the "Group Companies".

In connection with the preparation of this letter, I have, among other things, read:

(a) the Registration Statement on Form S-3 (Registration No. 333-73012) filed with the Securities and Exchange Commission (the "Commission") on November 8, 2001, for registration under the Securities Act of 1933 (the "Securities Act") of $1,000,000,000 aggregate amount of various securities of the Fund American Companies, Inc., to be issued from time to time by the Fund American Companies, Inc. and guaranteed by the Company, as amended by Amendment No. 1 thereto filed with the Commission on December 10, 2001 (the "Registration Statement");

(b) The prospectus supplement and prospectus dated May 14, 2003, filed with the Securities and Exchange Commission on May 16, 2003 (together with the Registration Statement, the "Prospectus");

(c) the Company's Annual Report on Form 10 K/A for the year ended December 31, 2002 (the "Annual Report");

(d) an executed original of the Underwriting Agreement; and

(e) a certified copy of resolutions adopted by the Board of Directors of the Company on March 6, 2002.

Subject to the assumptions, qualifications and limitations that are identified in this letter, I am of opinion as follows:

1. Each Group Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which the ownership or leasing of its properties or the conduct of its business requires such qualification, other than to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect.

2. Each Group Company is a corporation validly existing and in good standing under the laws of the jurisdiction of its incorporation, with full corporate power and authority to own, lease and operate its properties and conduct their business as described in the Prospectus, other than to the extent that the failure to be so validly existing and in good standing or to have such corporate power and authority would not, individually or in the aggregate, have a Material Adverse Effect.

3. To my knowledge, after reasonable inquiry, there are no pending or threatened legal or governmental proceedings against any Group Company except for those matters disclosed in the Prospectus which, if determined adversely would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

4. The execution, delivery and performance of the Underwriting Agreement (a) will not conflict with, result in a breach of, constitute a default or create any charge, encumbrance or lien under the terms of any agreement or instrument to which a Group Company is a party or bound other than to the extent that the conflict, breach or default would not have a Material Adverse Effect and (b) will not contravene the certificate of incorporation or by-laws of any Group Company.

5. No authorization, approval or other action by, and no notice to, consent of, order of, or filing with any state governmental authority or regulatory body is required to be made by any of the Group Companies for the consummation of the transactions contemplated by the Underwriting Agreement, except such as have been obtained under the Act and such as may be required

under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the notes by the Underwriters.

6. The statements made in the Annual Report under the caption "Business-Regulation", insofar as it purports to describe the regulatory environment applicable to any of the Group Companies, fairly summarize in all material respects the matters therein described.

I make no representation that I have independently verified the accuracy, completeness or fairness of the Prospectus or that the actions taken in connection with the preparation of the Prospectus (including the actions described in the next paragraph) were sufficient to cause the Prospectus to be accurate, complete or fair. I am not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the Prospectus.

I have assumed for purposes of this letter: (i) each document I have reviewed for purposes of this letter is accurate and complete; (ii) each such document that is an original is authentic; (iii) each such document that is a copy conforms to an authentic original; and (iv) all signatures on each such document are genuine. I have also assumed that you have acted in good faith and without notice of any fact which has caused you to reach any conclusions contrary to any of the advice provided in this letter.

In preparing this letter, I have relied without independent verification upon: (i) information contained in certificates obtained from governmental authorities; (ii) factual information represented to be true in the Underwriting Agreement and the Prospectus; (iii) factual information provided to me by the Company; and (iv) factual information I have obtained from such other sources as I have deemed reasonable in light of the matters set out in this opinion. For purposes of numbered paragraphs 1 and 2, I have relied exclusively upon certificates issued by governmental authorities in the relevant jurisdictions and such opinion is not intended to provide any conclusion or assurance beyond that conveyed by those certificates. In rendering my opinion set forth in paragraph 3, I did not review or survey any court dockets or the files of any governmental agency.

I confirm that I do not have knowledge that has caused me to conclude that my reliance and assumptions cited in the two immediately preceding paragraphs are unwarranted. Whenever this letter provides advice about (or based upon) my knowledge of any particular information or about any information which has or has not come to my attention, such advice is based entirely on my knowledge at the time this letter is delivered on the date it bears.

This letter speaks as of the time of its delivery on the date it bears. I do not assume any obligation to provide you with any subsequent opinion or advice

by reason of any fact about which I did not have knowledge at that time, by reason of any change subsequent to that time in any law other governmental requirement or interpretation thereof covered by any of my opinions or advice, or for any other reason. I am admitted to the Bar in the States of New Jersey and Pennsylvania. For purposes of rendering this opinion, I assume that no relevant difference exists between the laws of the States of New Jersey or Pennsylvania and the laws that may govern the sale of the notes or the Prospectus.

This letter may be relied upon by the Underwriters only for the purpose served by the provision in the Underwriting Agreement cited in the initial paragraph of this letter in response to which it has been delivered. Without my written consent: (i) no person other than the Underwriters may rely on this letter for any purpose; (ii) this letter may not be cited or quoted in any financial statement, offering circular, private placement circular or other document; (iii) this letter may not be cited or quoted in any other document or communication which might encourage reliance upon this letter by any person or for any purpose excluded by the restrictions in this paragraph; and (iv) copies of this letter may not be furnished to anyone for purposes of encouraging such reliance.

Sincerely,

Donald A. Emeigh, Jr.
Executive Vice President
General Counsel & Secretary
Folksamerica Holding Company, Inc.

SCHEDULE I

| |
|---|
| 1. American Centennial Insurance Company |
| 2. British Insurance Company of Cayman |
| 3. C F Insurance Company |
| 4. Esurance, Inc. |
| 5. Folksamerica Holding Company, Inc. |
| 6. Folksamerica Reinsurance Company |
| 7. Folksamerica Specialty Underwriting Inc. |
| 8. IA Management Company |
| 9. Imperial Casualty & Indemnity Co. |
| 10. International American Management Company |
| 11. National Credit Plan Corp. |
| 12. Peninsula Indemnity Company |
| 13. Peninsula Insurance Company |

EXHIBIT 4(a)

==========

WHITE MOUNTAINS INSURANCE GROUP, LTD.
and FUND AMERICAN COMPANIES, INC.

and

BANK ONE, NATIONAL ASSOCIATION
Trustee

SENIOR INDENTURE

Dated as of May 19, 2003

Providing for Issuance of Securities in Series

==========

CROSS-REFERENCE TABLE

| TIA Indenture Section | Section |
|---|---|
| 310(a)(1) | ------- |
| 609 | (a)(2) |
| 609 | (a)(3) |
| N.A. | (a)(4) |
| N.A. | (b) |
| 608; 610 | (c) |
| N.A. | 311(a) |
| 613 | (b) |
| 613 | (c) |
| N.A. | 312(a) |
| 701 | (b) |
| 702 | (c) |
| 702 | 313(a) |
| 703 | (b)(1) |
| N.A. | (b)(2) |
| 703 | (c) |
| 703 | (d) |
| 703 | 314(a) |
| 704 | (b) |
| N.A. | (c)(1) |
| 102 | (c)(2) |
| 102 | (c)(3) |
| N.A. | (d) |
| N.A. | (e) |
| 102 | 315(a) |

| | |
|---|---|
| | 601 (b) |
| | 602 (c) |
| | 602 (d) |
| | 602 (e) |
| | 602 316(a)(last sentence) |
| | 502 (a)(1)(A) |
| | 512 (a)(1)(B) |
| | 502 (a)(2) |
| | N.A. (b) |
| | 508 317(a)(1) |
| | 503 (a)(2) |
| | 504 (b) |
| | 1003 318(a) |

107 N.A. means Not Applicable.

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Note: This Cross-Reference Table shall not, for any purpose, be deemed to be part of the Indenture.

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SENIOR INDENTURE (this "Indenture") between WHITE MOUNTAINS INSURANCE GROUP, LTD. a company existing under the laws of Bermuda (the "Guarantor") having its principal office at 80 South Main Street, Hanover, New Hampshire 03755-2053, FUND AMERICAN COMPANIES, INC., a Delaware corporation (the "Company") having its principal office at One Beacon Street, Boston, Massachusetts 02108-3100, and BANK ONE, NATIONAL ASSOCIATION, trustee (hereinafter called the "Trustee"), is made and entered into as of this 19th day of May, 2003.

Recitals of the Company and the Guarantor

The Company and the Guarantor each has duly authorized the execution and delivery of this Indenture to provide for in the case of the Company, the issuance of, and in the case of the Guarantor, the guarantee of, the Company debentures, notes, bonds or other evidences of indebtedness, to be issued in one or more fully registered series.

All things necessary to make this Indenture a valid agreement of each of the Company and the Guarantor, in accordance with its terms, have been done.

Agreements of the Parties

To set forth or to provide for the establishment of the terms and conditions upon which the Securities are and are to be authenticated, issued and delivered, and in consideration of the premises and the purchase of Securities by the Holders thereof, it is mutually covenanted and agreed as follows, for the equal and proportionate benefit of all Holders of the Securities or of a series thereof, as the case may be:



ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

Section 101. DEFINITIONS. For all purposes of this Indenture and of any indenture supplemental hereto, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act or by Commission rule under the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States of America at the date of such computation;

(4) all references in this instrument to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision; and

(5) "including" and words of similar import shall be deemed to be followed by "without limitation".

Certain terms, used principally in Article Six, are defined in that Article.

"Act", when used with respect to any Security-holder, has the meaning specified in Section 104.



"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 the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authenticating Agent" means any Person authorized by the Trustee to authenticate Securities under Section 614.

"Bank Debt" means all Obligations pursuant to the Amended and Restated Credit Agreement dated as of October 30, 2002, among Fund American Enterprises Holdings, Inc., the Company, as Borrower, the several Lenders from time to time parties thereto, Lehman Brothers Inc., as Arranger, Fleet National Bank, as Syndication Agent, Bank of America, N.A. and Bank One, NA, as Co-Documentation Agents, and Lehman Commercial Paper Inc., as Administrative Agent, as such Amended and Restated Credit Agreement may be extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement or indenture (and related document or instrument) governing Debt incurred to refinance, in whole or in part, the borrowings and commitments then outstanding under such Amended and Restated Credit Agreement.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means each day which is neither a Saturday, Sunday or other day on which banking institutions in the pertinent Place or Places of Payment are authorized or required by law or executive order to be closed.



"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor replaces it and, thereafter, "Company" shall mean the successor and, for purposes of any provision contained herein and required by the TIA, each other obligor on the Securities.

"Company Request", "Company Order" and "Company Consent" mean, respectively, a written request, order or consent signed in the name of the Company by its Chairman of the Board, President or a Vice President, and by its Treasurer, an Assistant Treasurer, Controller, an Assistant Controller, Secretary or an Assistant Secretary, and delivered to the Trustee.

"Corporate Trust Office" means the principal office of the Trustee in New York at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located at 153 West 51st Street, New York, New York 10019, except that with respect to the presentation of Securities for payment or for registration of transfer and exchange, such term shall mean the office or the agency of the Trustee in said city at which at any particular time its corporate agency business shall be conducted, which office at the date hereof is located at 55 Water Street, First Floor, Jeanette Park Entrance, New York, New York 10041.

"Debt" means indebtedness for money borrowed.

"Defaulted Interest" has the meaning specified in Section 307.

"Depositary" means, unless otherwise specified by the Company pursuant to either Section 204 or 301, with respect to Securities of any series issuable or issued as a Global Security, The Depository Trust Company, New York, New York, or any successor thereto registered as a clearing



agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation.

"Event of Default" has the meaning specified in Article Five.

"Global Security" means with respect to any series of Securities issued hereunder, a Security which is executed by the Company and authenticated and delivered by the Trustee to the Depositary or pursuant to the Depositary's instruction, all in accordance with this Indenture and an indenture supplemental hereto, if any, or Board Resolution and pursuant to a Company Request, which shall be registered in the name of the Depositary or its nominee and which shall represent, and shall be denominated in an amount equal to the aggregate

principal amount of, all of the Outstanding Securities of such series or any portion thereof, in either case having the same terms, including, without limitation, the same original issue date, date or dates on which principal is due, and interest rate or method of determining interest.

"Guarantee" means the irrevocable and unconditional guarantee by the Guarantor of any Security of any series of the Company authenticated and delivered pursuant to Article Twelve.

"Guarantor" means the Person named as the "Guarantor" in the first paragraph of this instrument until a successor replaces it and, thereafter, "Guarantor" shall mean the successor.

"Guarantor Board of Directors" means either the board of directors of the Guarantor or any duly authorized committee of that board.

"Guarantor's Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Guarantor to have been duly adopted by the Guarantor Board of Directors.

"Guarantor Request", "Guarantor Order", "Guarantor Consent" means, respectively, a written request, order or consent signed in the name of the Guarantor by its Chairman of the Board, President or a Vice President, and by its Treasurer, an Assistant Treasurer, Controller, an Assistant Controller, Secretary or an Assistant Secretary, and delivered to the Trustee.



"Holder", when used with respect to any Security, means a Securityholder.

"Indenture" or "this Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities established as contemplated by Section 301.

"Interest", when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

"Interest Payment Date", when used with respect to any series of Securities, means the Stated Maturity of any installment of interest on those Securities.

"Lien" means any mortgage, pledge, security interest, encumbrance, charge or security interest of any kind.

"Maturity", when used with respect to any Securities, means the date on which the principal of any such Security becomes due and payable as therein or herein provided, whether on a Repayment Date, at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Obligations" means, with respect to any Bank Debt, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing or relating to such Bank Debt, including security agreements, pledge agreements, mortgages, guarantees and any similar agreements or instruments.

"Officers' Certificate" means, with respect to the Company or the Guarantor, a certificate signed by the Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be, and delivered to the Trustee. Wherever this Indenture requires that an Officers' Certificate be signed also by an engineer or an accountant or other expert, such engineer, accountant or other expert (except as otherwise



expressly provided in this Indenture) may be in the employ of the Company or the Guarantor, as the case may be, and shall be acceptable to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may (except as otherwise expressly provided in this Indenture) be an employee of or of counsel to the Company or the Guarantor. Such counsel shall be acceptable to the Trustee, whose acceptance shall not be unreasonably withheld.

"Original Issue Discount Security" means (i) any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof, and (ii) any other Security deemed an Original Issue Discount Security for United States Federal income tax purposes.

"Outstanding", when used with respect to Securities or Securities of any series, means, as of the date of determination, all such Securities theretofore authenticated and delivered under this Indenture, except:

(i) such Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) such Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(iii) such Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, or which shall have been paid pursuant to the terms of Section 306 (except with respect to any such Security as to which proof satisfactory to the Trustee is presented that such Security is held by a person in whose hands such Security is a legal, valid and binding obligation of the Company).



In determining whether the Holders of the requisite principal amount of such Securities Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (i) the principal amount of any Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of the taking of such action upon a declaration of acceleration of the Maturity thereof and (ii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding. In determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which a Responsible Officer assigned to the corporate trust department of the Trustee knows to be owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to act as owner with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor.

"Paying Agent" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Securities on behalf of the Company.

"Permitted Liens" means (i) any Lien upon Property to secure any part of the cost of development, construction, alteration, repair or improvement of such Property, or Debt incurred to finance such cost; (ii) any extension, renewal or replacement, in whole or in part, of any Lien referred to in the foregoing clause (i); (iii) any Lien relating to a sale and leaseback transaction permitted by Section 1007 (other than by operation of this clause (iii) of this definition); (iv) any Lien in favor of the Company, the Guarantor or any Subsidiary granted by the Company, the Guarantor or any Subsidiary in order to secure any intercompany obligations; (v) mechanic's, materialmen's, carriers' or other like Liens arising in the ordinary course of business (including construction of facilities) in respect of obligations which are not due or which are being contested in good faith; (vi) any Lien



arising in connection with any legal proceeding which is being contested; (vii) Liens for taxes not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings; (viii) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business

of such Person or to the ownership of its properties which were not incurred in connection with Debt and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person; (ix) pledges or deposits under workers' compensation laws, unemployment insurance laws or similar social security legislation; (x) any deposit to secure performance of letters of credit, bids, leases, statutory obligations, surety and appeal bonds, performance bonds or other obligations of a like nature in the ordinary course of business; (xi) any interest or title of a lessor under any lease entered into in the ordinary course of business; (xii) Liens on assets of any Subsidiary which is required to be licensed as an insurer or reinsurer (or any Subsidiary of such Subsidiary) securing (a) Debt of any such Subsidiary to any other such Subsidiary, (b) short-term Debt incurred to provide short-term liquidity to facilitate claims payments in the event of catastrophe, (c) Debt incurred in the ordinary course of its business or in securing insurance-related obligations (that do not constitute Debt) and letters of credit issued for the account of any such Subsidiary in the ordinary course of its business or in securing insurance-related obligations (that do not constitute Debt) or (d) insurance-related obligations (that do not constitute Debt); and (xiii) additional Liens to secure Bank Debt so long as the amount of such Bank Debt outstanding from time to time does not exceed $175 million.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" means with respect to any series of Securities issued hereunder the city or political



subdivision so designated with respect to the series of Securities in question in accordance with the provisions of Section 301.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the lost, destroyed or stolen Security.

"Property" means any property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price", when used with respect to any Security to be redeemed, means the price specified in the Security at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Security on any Interest Payment Date means the date specified in such Security as the Regular Record Date.

"Repayment Date", when used with respect to any Security to be repaid, means the date fixed for such repayment pursuant to such Security.

"Repayment Price", when used with respect to any Security to be repaid, means the price at which it is to be repaid pursuant to such Security.

"Responsible Officer", when used with respect to the Trustee, means any officer of the Trustee assigned to administer corporate trust matters and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Security" or "Securities" means any note or notes, bond or bonds, debenture or debentures, or any other



evidences of indebtedness, as the case may be, of any series authenticated and delivered from time to time under this Indenture.

"Security Register" shall have the meaning specified in Section 305.

"Security Registrar" means the Person who keeps the Security Register specified in Section 305.

"Securityholder" means a Person in whose name a Security is registered in the Security Register.

"Special Record Date" for the payment of any Defaulted Interest (as defined in Section 307) means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity" when used with respect to any Security or any installment of principal thereof or interest thereon means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

"Subsidiary" of any specified Person means any corporation, limited liability company, limited or general partnership, business trust or other business entity at least a majority of whose outstanding Voting Stock shall at the time be owned, directly or indirectly, by the specified Person or by one or more of its Subsidiaries, or both.

"Trust Indenture Act" or "TIA" means the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, as in force at the date as of which this instrument was executed except as provided in Section 905.

"Trustee" means the Person named as the Trustee in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean and include each Person who is then a Trustee hereunder.

If at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.



"U.S. Government Obligations" means securities that are (x) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (y) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof.

"Vice President" when used with respect to the Guarantor, the Company or the Trustee means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president", including, without limitation, an assistant vice president.

"Voting Stock", as applied to the stock of any Person, means stock of any class or classes (however designated) having by the terms thereof ordinary voting power to elect a majority of the members of the board of directors (or other governing body) of such Person other than stock having such power only by reason of the happening of a contingency.

Section 102. COMPLIANCE CERTIFICATES AND OPINIONS. Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Guarantor, as applicable, shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such Counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (except for the written statement required by Section 1004) shall include



(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein

relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 103. FORM OF DOCUMENTS DELIVERED TO TRUSTEE. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to the other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Guarantor may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company or the Guarantor, as the case may be, stating that the information with respect to such factual matters is in the possession of the Company or the Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.



Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 104. ACTS OF SECURITYHOLDERS. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Securityholders or Securityholders of any series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Securityholders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Company or the Guarantor or both of them. If any Securities are denominated in coin or currency other than that of the United States, then for the purposes of determining whether the Holders of the requisite principal amount of Securities have taken any action as herein described, the principal amount of such Securities shall be deemed to be that amount of United States dollars that could be obtained for such principal amount on the basis of the spot rate of exchange into United States dollars for the currency in which such Securities are denominated (as evidenced to the Trustee by an Officers' Certificate) as of the date the taking of such action by the Holders of such requisite principal amount is evidenced to the Trustee as provided in the immediately preceding sentence. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Securityholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee, the Guarantor and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where

such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) If the Company or the Guarantor shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other action, the Company or the Guarantor, as the case may be, may, at its option, by Board Resolution or Guarantor's Board Resolution, as applicable, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other action, but the Company or the Guarantor, as the case may be, shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other action may be given before or after the record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Securities Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other action, and for that purpose the Securities Outstanding shall be computed as of the record date; provided that no such authorization, agreement or consent by the Holders on the record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Security shall bind the Holder of every Security issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Company or the Guarantor in reliance thereon whether or not notation of such action is made upon such Security.



Section 105. NOTICES, ETC., TO TRUSTEE, GUARANTOR AND COMPANY. Any request, demand, authorization, direction, notice, consent, waiver or Act of Securityholders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Securityholder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, or

(2) the Company or the Guarantor by the Trustee or by any Securityholder shall be sufficient for every purpose hereunder (except as provided in Section 501(4) or (5) or, in the case of a request for repayment, as specified in the Security carrying the right to repayment) if in writing and mailed, first-class postage prepaid, to the Company or the Guarantor, as the case may be, addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company or the Guarantor, as the case may be.

Section 106. NOTICES TO SECURITYHOLDERS; WAIVER. Where this Indenture or any Security provides for notice to Securityholders of any event, such notice shall be sufficiently given (unless otherwise herein or in such Security expressly provided) if in writing and mailed, first-class postage prepaid, to each Securityholder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Securityholders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Securityholder shall affect the sufficiency of such notice with respect to other Securityholders. Where this Indenture or any Security provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Securityholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or otherwise, it shall be impractical to mail notice of any event to any Securityholder when such notice is required to be given pursuant to any provision of this Indenture, then any method of notification as shall be satisfactory to the Trustee, the Guarantor and the Company shall be deemed to be a sufficient giving of such notice.

Section 107. CONFLICT WITH TRUST INDENTURE ACT. If any provision hereof limits, qualifies or conflicts with the duties imposed by any of Sections 310 to 317, inclusive, of the Trust Indenture Act through the operation of Section 318(c) thereof, such imposed duties shall control.

Section 108. EFFECT OF HEADINGS AND TABLE OF CONTENTS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 109. SUCCESSORS AND ASSIGNS. All covenants and agreements in this Indenture by each of the Company and the Guarantor shall bind its successors and assigns, whether so expressed or not.

Section 110. SEPARABILITY CLAUSE. In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 111. BENEFITS OF INDENTURE. Nothing in this Indenture or in any Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any Authenticating Agent or Paying Agent, the Security Registrar and the Holders of Securities (or such of them as may be affected thereby), any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 112. GOVERNING LAW. This Indenture shall be construed in accordance with and governed by the laws of the State of New York.

Section 113. COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such



counterparts shall together constitute but one and the same instrument.

Section 114. JUDGMENT CURRENCY. The Company and the Guarantor each agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of, or premium or interest, if any, on the Securities of any series (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in New York City the Required Currency with the Judgment Currency on the Banking Day (as defined below) immediately preceding the date on which final unappealable judgment is given and (b) its obligations under this Indenture to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture. For purposes of the foregoing, "Banking Day" means any day except a Saturday, Sunday or a legal holiday in New York City or a day on which banking institutions in New York City are authorized or required by law or executive order to close.

## ARTICLE TWO

## SECURITY FORMS

Section 201. FORMS GENERALLY. The Securities shall have such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be required to comply with applicable laws or regulations or with the

rules of any securities exchange, or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities, subject, with respect to the Securities of any series, to the rules of any securities exchange on which such Securities are listed.

Section 202. FORMS OF SECURITIES. Each Security shall be in one of the forms approved from time to time by or pursuant to a Board Resolution, or established in one or more indentures supplemental hereto. Prior to the delivery of a Security to the Trustee for authentication in any form approved by or pursuant to a Board Resolution, the Company shall deliver to the Trustee the Board Resolution by or pursuant to which such form of Security has been approved, which Board Resolution shall have attached thereto a true and correct copy of the form of Security which has been approved thereby or, if a Board Resolution authorizes a specific officer or officers to approve a form of Security, a certificate of such officer or officers approving the form of Security attached thereto. Any form of Security approved by or pursuant to a Board Resolution must be acceptable as to form to the Trustee, such acceptance to be evidenced by the Trustee's authentication of Securities in that form or a certificate signed by a Responsible Officer of the Trustee and delivered to the Company.

Each Security shall bear a notation of Guarantee in substantially the form set forth in Section 205. Notwithstanding the foregoing, the notation of Guarantee to be endorsed on the Securities of any series may have such appropriate insertions, omissions, substitutions and other corrections from the form thereof referred to above as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers



delivering the same, in each case as evidenced by such delivery.

Section 203. FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION. The form of Trustee's Certificate of Authentication for any Security issued pursuant to this Indenture shall be substantially as follows:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Bank One, National
Association
as Trustee,

Dated: ----------  By: ----------
Authorized Signatory

Section 204. SECURITIES ISSUABLE IN THE FORM OF A GLOBAL SECURITY. (a) If the Company shall establish pursuant to Sections 202 and 301 that the Securities of a particular series are to be issued in whole or in part in the form of one or more Global Securities, then the Company shall execute and the Trustee or its agent shall, in accordance with Section 303 and the Company Request delivered to the Trustee or its agent thereunder, authenticate and deliver, such Global Security or Securities, which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Outstanding Securities of such series to be represented by such Global Security or Securities, or such portion thereof as the Company shall specify in a Company Request, (ii) shall be registered in the name of the Depositary for such Global Security or Securities or its nominee, (iii) shall be delivered by the Trustee or its agent to the Depositary or pursuant to the Depositary's

instruction and (iv) shall bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for the individual Securities represented hereby, this Global Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or



any such nominee to a successor Depositary or a nominee of such successor Depositary."

(b) Notwithstanding any other provisions of this Section 204 or of Section 305, and subject to the provisions of paragraph (c) below, unless the terms of a Global Security expressly permit such Global Security to be exchanged in whole or in part for individual Securities, a Global Security may be transferred, in whole but not in part and in the manner provided in Section 305, only to a nominee of the Depositary for such Global Security, or to the Depositary, or a successor Depositary for such Global Security selected or approved by the Company, or to a nominee of such successor Depositary.

(c) (i) If at any time the Depositary for a Global Security notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security or if at any time the Depositary for the Securities for such series ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor Depositary with respect to such Global Security. If a successor Depositary for such Global Security is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company will execute, and the Trustee or its agent, upon receipt of a Company Request for the authentication and delivery of individual Securities of such series in exchange for such Global Security, will authenticate and deliver, individual Securities of such series of like tenor and terms in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security.

(ii) The Company may at any time and in its sole discretion determine that the Securities of any series or portion thereof issued or issuable in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event the Company will execute, and the Trustee, upon receipt of a Company Request for the authentication and delivery of individual Securities of such series in exchange in whole or in part for such Global Security, will authenticate and deliver individual Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of



such Global Security or Securities representing such series or portion thereof in exchange for such Global Security or Securities.

(iii) If specified by the Company pursuant to Sections 202 and 301 with respect to Securities issued or issuable in the form of a Global Security, the Depositary for such Global Security may surrender such Global Security in exchange in whole or in part for individual Securities of such series of like tenor and terms in definitive form on such terms as are acceptable to the Company and such Depositary. Thereupon the Company shall execute, and the Trustee or its agent shall authenticate and deliver, without service charge, (1) to each Person specified by such Depositary a new Security or Securities of the same series of like tenor and terms and of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and (2) to such Depositary a new Global Security of like tenor and terms and in an authorized denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities delivered to the Holders thereof.

(iv) In any exchange provided for in any of the preceding three paragraphs, the Company will execute and the Trustee or its agent will authenticate and deliver individual Securities in definitive registered form in authorized denominations. Upon the exchange of the entire principal amount of a Global Security for individual Securities, such Global Security shall be canceled by the Trustee or its agent. Except as provided in the preceding paragraph, Securities issued in exchange for a Global Security pursuant to this Section shall be registered in such

names and in such authorized denominations as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee or the Security Registrar. The Trustee or the Security Registrar shall deliver such Securities to the Persons in whose names such Securities are so registered.



Section 205. FORM OF NOTATION OF GUARANTEE. The form of notation of Guarantee to be endorsed on any Security issued pursuant to this Indenture shall be substantially as follows:

NOTATION OF GUARANTEE

White Mountains Insurance Group, Ltd., a company existing under the law of Bermuda (the "Guarantor", which term includes any successor thereto under the Indenture (the "Indenture") referred to in the Security on which this notation is endorsed) has unconditionally guaranteed, pursuant to the terms of the Guarantee contained in Article Twelve of the Indenture, the due and punctual payment of the principal of and any premium and interest on this Security, when and as the same shall become due and payable, whether at the Stated Maturity, by declaration of acceleration, call for redemption, early repayment or otherwise, in accordance with the terms of this Security and the Indenture.

The obligations of the Guarantor to the Holders of the Securities and to the Trustee pursuant to the Guarantee and the Indenture are expressly set forth in Article Twelve of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the Guarantee.

The Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Security upon which this notation of the Guarantee is endorsed shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized signatories.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

By
---
Name:
Title:

ARTICLE THREE

THE SECURITIES

Section 301. GENERAL TITLE; GENERAL LIMITATIONS; ISSUABLE IN SERIES; TERMS OF PARTICULAR SERIES. The



aggregate principal amount of Securities which may be authenticated and delivered and Outstanding under this Indenture is not limited.

The Securities may be issued in one or more series up to an aggregate principal amount of Securities as from time to time may be authorized by the Board of Directors. All Securities of each series under this Indenture shall in all respects be equally and ratably entitled to the benefits hereof with respect to such series without preference, priority or distinction on account of the actual time of the authentication and delivery or Stated Maturity of the Securities of such series.

Each series of Securities shall be created either by or pursuant to a Board Resolution or by or pursuant to an indenture supplemental hereto. The Securities of each such series may bear such date or dates, be payable at such place or places, have such Stated Maturity or Maturities, be issuable at such premium over or discount from their face value, bear interest at such rate or rates (which may be fixed or floating), from such date or dates, payable in such installments and on such dates and at such place or places to the Holders of Securities registered as such on such Regular Record Dates, or may bear no interest, and may be redeemable or repayable at such Redemption Price or Prices or Repayment Price or Prices, as the case may be, whether at the option of the Holder or otherwise, and upon such terms, all as shall be provided for in or pursuant to the Board Resolution or in or pursuant to the supplemental indenture creating that series. There may also be established in or pursuant to a Board Resolution or in or pursuant to a supplemental indenture prior to the issuance

of Securities of each such series, provision for:

(1) the exchange or conversion of the Securities of that series, at the option of the Holders thereof, for or into new Securities of a different series or other securities or other property of the Company, the Guarantor or another Person, including shares of common stock, preferred stock, indebtedness or securities of any kind of the Company, the Guarantor, any Subsidiary of the Company or of the Guarantor or of any other Person or securities directly or indirectly convertible into or exchangeable for any such securities;



(2) a sinking or purchase fund or other analogous obligation;

(3) if other than U.S. dollars, the currency or currencies or units based on or related to currencies (including European Currency Units) in which the Securities of such series shall be denominated and in which payments of principal of, and any premium and interest on, such Securities shall or may be payable;

(4) if the principal of (and premium, if any) or interest, if any, on the Securities of such series are to be payable, at the election of the Company or a holder thereof, in a currency or currencies or units based on or related to currencies (including European Currency Units) other than that in which the Securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;

(5) if the amount of payments of principal of (and premium, if any) or interest, if any, on the Securities of such series may be determined with reference to an index based on (i) a currency or currencies or units based on or related to currencies (including European Currency Units) other than that in which the Securities are stated to be payable, (ii) changes in the price of one or more other securities or groups or indexes of securities or (iii) changes in the prices of one or more commodities or groups or indexes of commodities, or any combination of the foregoing, the manner in which such amounts shall be determined;

(6) if the aggregate principal amount of the Securities of that series is to be limited, such limitations, and the maturity date of the principal amount of the Securities of that series (which may be fixed or extendible), and the rate or rates (which may be fixed or floating) per annum at which the Securities of the series will bear interest, if any, or the method of determining such rate or rates, and the payment dates and record dates relating to such interest payments;

(7) the exchange of Securities of that series, at the option of the Holders thereof, for other Securities of the same series of the same aggregate



principal amount of a different authorized kind or different authorized denomination or denominations, or both;

(8) the appointment by the Trustee of an Authenticating Agent in one or more places other than the location of the office of the Trustee with power to act on behalf of the Trustee and subject to its direction in the authentication and delivery of the Securities of any one or more series in connection with such transactions as shall be specified in the provisions of this Indenture or in or pursuant to the Board Resolution or the supplemental indenture creating such series;

(9) the percentage of their principal amount at which such securities will be issued, and the portion of the principal amount of securities of the series, if other than the total principal amount thereof, which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502 or provable in bankruptcy pursuant to Section 504;

(10) any Event of Default with respect to the Securities of such series, if not set forth herein and any additions, deletions or other changes to the Events of Default set forth herein that shall be applicable to the Securities of such series (including a provision making any Event of Default set forth herein inapplicable to the Securities of that series);

(11) any covenant solely for the benefit of the Securities of such

series and any additions, deletions or other changes to the provisions of Article Ten or any definitions relating to such Article that shall be applicable to the Securities of such series (including a provision making any Section of such Article inapplicable to the Securities of such series);

(12) the applicability of Section 402(b) of this Indenture to the Securities of such series;

(13) if the Securities of the series shall be issued in whole or in part in the form of a Global Security or Global Securities, the terms and conditions, if any, upon which such Global Security or Global Securities may be exchanged in whole or in part



for other individual Securities; and the Depositary for such Global Security or Global Securities (if other than the Depositary specified in Section 101 hereof);

(14) the subordination of the Securities of such series to any other indebtedness of the Company and the Guarantor, including without limitation, the Securities of any other series; and

(15) any other terms of the series, which shall not be inconsistent with the provisions of this Indenture, all upon such terms as may be determined in or pursuant to a Board Resolution or in or pursuant to a supplemental indenture with respect to such series. All Securities of the same series shall be substantially identical in tenor and effect, except as to denomination.

The form of the Securities of each series shall be established pursuant to the provisions of this Indenture in or pursuant to the Board Resolution or in or pursuant to the supplemental indenture creating such series. The Securities of each series shall be distinguished from the Securities of each other series in such manner, reasonably satisfactory to the Trustee, as the Board of Directors may determine.

Unless otherwise provided with respect to Securities of a particular series, the Securities of any series may only be issuable in registered form, without coupons.

Any terms or provisions in respect of the Securities of any series issued under this Indenture may be determined pursuant to this Section by providing in a Board Resolution or supplemental indenture for the method by which such terms or provisions shall be determined.

Section 302. DENOMINATIONS. The Securities of each series shall be issuable in such denominations and currency as shall be provided in the provisions of this Indenture or in or pursuant to the Board Resolution or the supplemental indenture creating such series. In the absence of any such provisions with respect to the Securities of any series, the Securities of that series shall be issuable only in fully registered form in denominations of $1,000 and any integral multiple thereof.



Section 303. EXECUTION, AUTHENTICATION AND DELIVERY AND DATING. The Securities shall be executed on behalf of the Company by its Chairman of the Board, its President, one of its Vice Presidents or its Treasurer. The signature of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee for authentication; and the Trustee shall, upon Company Order, authenticate and make available for delivery such Securities as in this Indenture provided and not otherwise.

Prior to any such authentication and delivery, the Trustee shall be entitled to receive, in addition to any Officers' Certificate and Opinion of Counsel required to be furnished to the Trustee pursuant to Section 102, and the Board Resolution and any certificate relating to the issuance of the series of

Securities required to be furnished pursuant to Section 202, an Opinion of Counsel stating that:

(1) all instruments furnished to the Trustee conform to the requirements of the Indenture and constitute sufficient authority hereunder for the Trustee to authenticate and deliver such Securities;

(2) the form and terms (or in connection with the issuance of medium-term Securities under Section 311, the manner of determining the terms) of such Securities have been established in conformity with the provisions of this Indenture;

(3) all laws and requirements with respect to the execution and delivery by the Company of such Securities have been complied with, the Company has the corporate power to issue such Securities and such Securities have been duly authorized and delivered by the Company and, assuming due authentication and



delivery by the Trustee, constitute legal, valid and binding obligations of the Company enforceable in accordance with their terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws and legal principles affecting creditors' rights generally from time to time in effect and to general equitable principles, whether applied in an action at law or in equity) and entitled to the benefits of this Indenture, equally and ratably with all other Securities, if any, of such series Outstanding; and

(4) such other matters as the Trustee may reasonably request;

and, if the authentication and delivery relates to a new series of Securities created by an indenture supplemental hereto, also stating that all laws and requirements with respect to the form and execution by the Company of the supplemental indenture with respect to that series of Securities have been complied with, the Company has corporate power to execute and deliver any such supplemental indenture and has taken all necessary corporate action for those purposes and any such supplemental indenture has been executed and delivered and constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws and legal principles affecting creditors' rights generally from time to time in effect and to general equitable principles, whether applied in an action at law or in equity).

The Trustee shall not be required to authenticate such Securities if the issue thereof will adversely affect the Trustee's own rights, duties or immunities under the Securities and this Indenture.

Unless otherwise provided in the form of Security for any series, all Securities shall be dated the date of their authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature of an authorized signatory, and such certificate upon any



Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

Section 304. TEMPORARY SECURITIES. Pending the preparation of definitive Securities of any series, the Company may execute, and, upon receipt of the documents required by Section 303, together with a Company Order, the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of such series to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities of such series shall be exchangeable for definitive Securities of such series

upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment, without charge to the Holder; and upon surrender for cancellation of any one or more temporary Securities the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of such series of authorized denominations and of like tenor and terms. Until so exchanged the temporary Securities of such series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series.

Section 305. REGISTRATION, TRANSFER AND EXCHANGE. The Company shall keep or cause to be kept a register (herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities, or of Securities of a particular series, and for transfers of Securities or of Securities of such series. Any such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the information contained in such register or registers shall be available for inspection by



the Trustee at the office or agency to be maintained by the Company as provided in Section 1002.

Subject to Section 204, upon surrender for transfer of any Security of any series at the office or agency of the Company in a Place of Payment, the Company shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of such series of any authorized denominations, of a like aggregate principal amount and Stated Maturity and of like tenor and terms.

Subject to Section 204, at the option of the Holder, Securities of any series may be exchanged for other Securities of such series of any authorized denominations, of a like aggregate principal amount and Stated Maturity and of like tenor and terms, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and make available for delivery, the Securities which the Securityholder making the exchange is entitled to receive.

All Securities issued upon any transfer or exchange of Securities shall be the valid obligations of the Company and the Guarantor, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such transfer or exchange.

Every Security presented or surrendered for transfer or exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise provided in the Security to be transferred or exchanged, no service charge shall be made on any Securityholder for any transfer or exchange of Securities, but the Company may (unless otherwise provided in such Security) require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Securities, other than exchanges pursuant to Section 304 or 906 not involving any transfer.



The Company shall not be required (i) to issue, transfer or exchange any Security of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of such series selected for redemption under Section 1103 and ending at the close of business on the date of such mailing, or (ii) to transfer or exchange any Security so selected for redemption in whole or in part, except for the portion of such Security not so selected for redemption.

None of the Company, the Guarantor, the Trustee, any agent of the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Company initially appoints the Trustee to act as Security

Registrar for the Securities on its behalf. The Company may at any time and from time to time authorize any Person to act as Security Registrar in place of the Trustee with respect to any series of Securities issued under this Indenture.

Section 306. MUTILATED, DESTROYED, LOST AND STOLEN SECURITIES. If (i) any mutilated Security is surrendered to the Trustee, or the Company, the Guarantor and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and (ii) there is delivered to the Company, the Guarantor and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Security, a new Security of like tenor, series, Stated Maturity and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.



Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and the Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of the same series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 307. PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED. Unless otherwise provided with respect to such Security pursuant to Section 301, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date by virtue of his having been such Holder; and, except as hereinafter provided, such Defaulted Interest may be paid by the Company or the Guarantor, at its election in each case, as provided in Clause (1) or Clause (2) below:

(1) The Company or the Guarantor may elect to make payment of any Defaulted Interest to the Persons in whose names any such Securities (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company or the



Guarantor, as the case may be, shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Security and the date of the proposed payment, and at the same time the Company or the Guarantor, as the case may be, shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company or the Guarantor, as the case may be, of such Special

Record Date and, in the name and at the expense of the Company or the Guarantor, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to the Holder of each such Security at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Securities (or their respective Predecessor Securities) are registered on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company or the Guarantor may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company or the Guarantor, as the case may be, to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.



If any installment of interest the Stated Maturity of which is on or prior to the Redemption Date for any Security called for redemption pursuant to Article Eleven is not paid or duly provided for on or prior to the Redemption Date in accordance with the foregoing provisions of this Section, such interest shall be payable as part of the Redemption Price of such Securities.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 308. PERSONS DEEMED OWNERS. The Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name any Security is registered in the Security Register as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any), and (subject to Section 307) interest on, such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company, the Guarantor or the Trustee shall be affected by notice to the contrary.

Section 309. CANCELLATION. All Securities surrendered for payment, redemption, transfer, conversion or exchange or credit against a sinking fund shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and, if not already canceled, shall be promptly canceled by it. The Company or the Guarantor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or the Guarantor may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly canceled by the Trustee. No Security shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. The Trustee shall return all canceled Securities to the Company.

Section 310. COMPUTATION OF INTEREST. Unless otherwise provided as contemplated in Section 301, interest



on the Securities shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 311. MEDIUM-TERM SECURITIES. Notwithstanding any contrary provision herein, if all Securities of a series are not to be originally issued at one time, it shall not be necessary for the Company to deliver to the Trustee an Officers' Certificate, Board Resolution, supplemental indenture, Opinion of Counsel or Company Request otherwise required pursuant to Sections 202, 301 and 303 at or prior to the time of authentication of each Security of such series if such documents are delivered to the Trustee or its agent at or prior to the authentication upon original issuance of the first Security of such series to be issued; provided that any subsequent request by the Company to the Trustee to authenticate Securities of such series upon original issuance shall constitute a representation and warranty by the Company that as of the date of such request, the statements made in the Officers' Certificate delivered pursuant to Section 102 shall be true and correct as if made on such date.

An Officers' Certificate, supplemental indenture or Board Resolution

delivered by the Company to the Trustee in the circumstances set forth in the preceding paragraph may provide that Securities which are the subject thereof will be authenticated and delivered by the Trustee or its agent on original issue from time to time upon the telephonic or written order of persons designated in such Officers' Certificate, Board Resolution or supplemental indenture (any such telephonic instructions to be confirmed promptly in writing by such persons) and that such persons are authorized to determine, consistent with such Officers' Certificate, supplemental indenture or Board Resolution, such terms and conditions of said Securities as are specified in such Officers' Certificate, supplemental indenture or Board Resolution.

Section 312. CUSIP NUMBERS. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; PROVIDED that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on



the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the "CUSIP" numbers.

Section 313. GLOBAL SECURITIES. (a) Each Global Security authenticated under this Indenture shall be registered in the name of the Depositary designated by the Company for such Global Security or a nominee thereof and delivered to such Depositary or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.

(b) Notwithstanding any other provision of this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (i) such Depositary (A) has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security or (B) has ceased to be a clearing agency registered as such under the Exchange Act or announces an intention permanently to cease business or does in fact do so or (ii) there shall have occurred and be continuing an Event of Default with respect to such Global Security.

(c) If any Global Security is to be exchanged for other Securities or canceled in whole, it shall be surrendered by or on behalf of the Depositary or its nominee to the Trustee, as Security Registrar, for exchange or cancellation, as provided in this Article Three. If any Global Security is to be exchanged for other Securities or canceled in part, or if another Security is to be exchanged in whole or in part for a beneficial interest in any Global Security, in each case, as provided in Section 305, then either (i) such Global Security shall be so surrendered for exchange or cancellation, as provided in this Article Three or (ii) the principal amount thereof shall be reduced or increased by an amount equal to the portion thereof to be so exchanged or canceled, or equal to the principal amount of such other Security to be so exchanged for a beneficial interest therein, as the case may be, by means of an appropriate adjustment made on the records of the Trustee, as Security Registrar, whereupon the Trustee, in accordance with the Applicable Procedures, shall instruct the Depositary or its authorized representative to make a



corresponding adjustment to its records. Upon any such surrender or adjustment of a Global Security, the Trustee shall, subject to Section 305 and as otherwise provided in this Article Three authenticate and deliver any Securities issuable in exchange for such Global Security (or any portion thereof) to or upon the order of, and registered in such names as may be directed by, the Depositary or its authorized representative. Upon the request of the Trustee in connection with the occurrence of any of the events specified in the preceding paragraph, the Company shall promptly make available to the Trustee a reasonable supply of Securities that are not in the form of Global Securities. The Trustee shall be entitled to rely upon any order, direction or request of the Depositary or its authorized representative which is given or made pursuant to this Article Three if such order, direction or request is given or made in accordance with the Applicable Procedures.

(d) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion

thereof, whether pursuant to this Article Three or otherwise, shall be authenticated and delivered in the form of, and shall be, a registered Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof, in which case such Registered Security shall be authenticated and delivered in definitive, fully registered form, without interest coupons.

(e) The Depositary or its nominee, as registered owner of a Global Security, shall be the Holder of such Global Security for all purposes under the Indenture and the Registered Securities, and owners of beneficial interests in a Global Security shall hold such interests pursuant to the Applicable Procedures. Accordingly, any such owner's beneficial interest in a Global Security will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or its nominee or its Agent Members and such owners of beneficial interests in a Global Security will not be considered the owners or holders thereof.



## ARTICLE FOUR

## SATISFACTION AND DISCHARGE OF INDENTURE; DEFEASANCE; UNCLAIMED MONEYS

Section 401. APPLICABILITY OF ARTICLE. If, pursuant to Section 301, provision is made for the defeasance of Securities of a series and if the Securities of such series are denominated and payable only in U.S. dollars (except as provided pursuant to Section 301), then the provisions of this Article Four relating to defeasance of Securities shall be applicable except as otherwise specified pursuant to Section 301 for Securities of such series. Defeasance provisions, if any, for Securities denominated in a currency other than U.S. dollars may be specified pursuant to Section 301.

Section 402. SATISFACTION AND DISCHARGE OF INDENTURE; DEFEASANCE. (a) If at any time (i) the Company or the Guarantor shall have delivered to the Trustee for cancellation all Securities of any series theretofore authenticated and delivered (other than (1) any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 306 and (2) Securities for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company or the Guarantor as provided in Section 405) or (ii) all Securities of such series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company shall deposit with the Trustee as trust funds the entire amount in the currency in which such Securities are denominated (except as otherwise provided pursuant to Section 301) sufficient (in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee) without consideration of any reinvestment and after payment of all taxes or other charges and assessments in respect thereof payable by the Trustee, to pay at maturity or upon redemption all Securities of such series not theretofore delivered to the Trustee for cancellation, including principal and premium, if any, and interest due or to become due on such date of maturity or redemption date, as



the case may be, no default with respect to the Securities has occurred and is continuing on the date of such deposit, such deposit does not result in a breach or violation of, or constitute a default under, the Indenture or any other agreement or instrument to which the Company or the Guarantor is a party and the Company delivers an Officers' Certificate and an Opinion of Counsel each stating that such conditions have been complied with and if in either case the Company or the Guarantor shall also pay or cause to be paid all other sums payable hereunder by the Company or the Guarantor, then this Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of such Securities herein expressly provided for and rights to receive payments of principal of, and premium, if any, and interest on, such Securities) with respect to the Securities of such series, and the Trustee, on demand of the Company or the Guarantor, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture.

(b) Subject to Sections 402(c), 403 and 407, the Company at any time may terminate, with respect to Securities of a particular series, (i) all the Company's and the Guarantor's obligations under the Securities of such series and this Indenture with respect to the Securities of such series ("legal

defeasance option") or (ii) the Company's and the Guarantor's obligations with respect to the Securities of such series under Section 1006 and 1007 and, to the extent specified pursuant to Section 301, any other covenant applicable to the Securities of such series ("covenant defeasance option"). The Company or the Guarantor may exercise its legal defeasance option notwithstanding the prior exercise of the covenant defeasance option.

If the Company exercises the legal defeasance option, payment of the Securities of the defeased series may not be accelerated because of an Event of Default. If the Company exercises the covenant defeasance option, payment of the Securities may not be accelerated because of an Event of Default specified in Section 501(4) or (5) to the extent it relates to Section 1006 or 1007.

Upon satisfaction of the conditions set forth herein and upon request of the Company or the Guarantor, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.



(c) Notwithstanding clause (a) above and the exercise of the legal defeasance option in clause (b) above, the Company's and the Guarantor's obligations in Sections 305, 306, 405, 406, 407, 607, 701 and 1002 shall survive until the Securities of the defeased series have been paid in full. Thereafter, the Company's and the Guarantor's obligations in Sections 607, 405 and 406 shall survive.

Section 403. CONDITIONS OF DEFEASANCE. The Company may exercise the legal defeasance option or the covenant defeasance option with respect to Securities of a particular series only if:

(1) the Company or the Guarantor irrevocably deposits in trust with the Trustee money or U.S. Government Obligations for the payment of principal of, and premium, if any, and interest on, the Securities of such series to maturity or redemption, as the case may be;

(2) the Company or the Guarantor delivers to the Trustee a certificate from a nationally recognized firm of independent public accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay the principal, premium, if any, and interest when due on all the Securities of such series to maturity or redemption, as the case may be;

(3) 91 days pass after the deposit is made and during the 91-day period no Default specified in Section 501(5) or (6) with respect to the Company occurs which is continuing at the end of the period;

(4) no Default has occurred and is continuing on the date of such deposit and after giving effect thereto;

(5) the deposit does not constitute a default under any other agreement binding on the Company or the Guarantor;

(6) the Company or the Guarantor delivers to the Trustee an Opinion of Counsel to the effect that the



trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940;

(7) in the event of the legal defeasance option, the Company or the Guarantor shall have delivered to the Trustee an Opinion of Counsel stating that (i) the Company has received from the Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of Securities of such series will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(8) in the event of the covenant defeasance option, the Company or the Guarantor shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of Securities of such series will not recognize

income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(9) the Company or the Guarantor delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Securities of such series as contemplated by this Article Four have been complied with.

Before or after a deposit, the Company or the Guarantor may make arrangements satisfactory to the Trustee for the redemption of Securities of such series at a future date in accordance with Article Eleven.

Section 404. APPLICATION OF TRUST MONEY. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article Four. It shall apply the deposited money and the money from U.S. Government Obligations through any paying agent and in accordance with this Indenture to the payment



of principal of, and premium, if any, and interest on, the Securities of the defeased series.

Section 405. REPAYMENT TO COMPANY OR GUARANTOR. The Trustee and any paying agent shall promptly turn over to the Company or the Guarantor upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and any paying agent shall pay to the Company or the Guarantor upon request any money held by them for the payment of principal, premium or interest that remains unclaimed for two years, and, thereafter, Holders entitled to such money must look to the Company or the Guarantor for payment as general creditors and all liability of the Trustee or such paying agent with respect to such money shall thereupon cease.

Section 406. INDEMNITY FOR U.S. GOVERNMENT OBLIGATIONS. The Company and the Guarantor (without duplication) shall pay and shall indemnify the Trustee and the Holders against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

Section 407. REINSTATEMENT. If the Trustee or any paying agent is unable to apply any money or U.S. Government Obligations in accordance with this Article Four by reason of any legal proceeding or by reason of any order or judgment of any court or government authority enjoining, restraining or otherwise prohibiting such application, the Company's and the Guarantor's obligations under this Indenture and the Securities of the defeased series shall be revived and reinstated as though no deposit had occurred pursuant to this Article Four until such time as the Trustee or any paying agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article Four.

## ARTICLE FIVE

## REMEDIES

Section 501. EVENTS OF DEFAULT. "Event of Default", wherever used herein, means with respect to any series of Securities any one of the following events (whatever the reason for such Event of Default and whether



it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), unless such event is either inapplicable to a particular series or it is specifically deleted or modified in the supplemental indenture creating such series of Securities or in the form of Security for such series:

(1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of (or premium, if any, on) any Security of that series at its Maturity; or

(3) default in the payment of any sinking or purchase fund or analogous obligation when the same becomes due by the terms of the Securities of such series; or

(4) default in the performance, or breach, of any covenant or warranty of the Company or the Guarantor in this Indenture in respect of the Securities of such series (other than a covenant or warranty in respect of the Securities of such series a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with), all of such covenants and warranties in the Indenture which are not expressly stated to be for the benefit of a particular series of Securities being deemed in respect of the Securities of all series for this purpose, and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company and the Guarantor by the Trustee or to the Company, the Guarantor and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of such series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(5) with respect to any series of Securities issued or guaranteed by the Guarantor, the Guarantor's consolidation or amalgamation with or merger into any



other Person or conveyance or transfer of its properties and assets substantially as an entirety to any Person, unless:

(A) the Person formed by such consolidation or amalgamation or into which the Guarantor is merged or the Person which acquires by conveyance or transfer the properties and assets of the Guarantor substantially as an entirety shall be a corporation or limited liability company organized and existing under the laws of the United States of America, any State thereof, the District of Columbia or Bermuda, and shall expressly assume, by an indenture supplemental hereto, executed by the successor Person and the Company and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the Securities and the performance of every covenant of this Indenture on the part of the Guarantor to be performed or observed;

(B) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and

(C) either the Guarantor or the successor Person has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, amalgamation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with,

and continuance of any failure to comply with the conditions set forth under items (A), (B) or (C) of this paragraph (5) for a period of 90 days after there has been given, by registered or certified mail, to the Guarantor by the Trustee or to the Guarantor and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of such series, a written notice specifying such failure to comply



and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(6) the entry of an order for relief against the Company or the Guarantor under the Federal Bankruptcy Code by a court having jurisdiction in the premises or a decree or order by a court having jurisdiction in the premises adjudging the Company or the Guarantor a bankrupt or insolvent under any other applicable Federal, State or foreign law, or the entry of a decree or order approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or the Guarantor under the Federal Bankruptcy Code or any other applicable Federal, State or foreign law (other than a reorganization under

a foreign law that does not relate to insolvency), or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(7) the consent by the Company or the Guarantor to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable Federal, State or foreign law (other than a reorganization under a foreign law that does not relate to insolvency), or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or the Guarantor or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company or the Guarantor in furtherance of any such action; or

(8) any other Event of Default provided in the supplemental indenture under which such series of Securities is issued or in the form of Security for such series.



Section 502. ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT. If an Event of Default described in paragraph (1), (2), (3), (4), (5) or (8) (if the Event of Default under paragraph (4), (5) or (8) is with respect to less than all series of Securities then Outstanding) of Section 501 occurs and is continuing with respect to any series, then and in each and every such case, unless the principal of all the Securities of such series shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities of such series then Outstanding hereunder (each such series acting as a separate class), by notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders), may declare the principal amount (or, if the Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all the Securities of such series then Outstanding and all accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Securities of such series contained to the contrary notwithstanding. If an Event of Default described in paragraph (4), (5), (8) (if the Event of Default under paragraph (4), (5) or (8) is with respect to all series of Securities then Outstanding), (6) or (7) of Section 501 occurs and is continuing, then and in each and every such case, unless the principal of all the Securities shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of all the Securities then Outstanding hereunder (treated as one class), by notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders), may declare the principal amount (or, if any Securities are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms thereof) of all the Securities then Outstanding and all accrued interest thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Securities contained to the contrary notwithstanding.

At any time after such a declaration of acceleration has been made with respect to the Securities of any series and before a judgment or decree for payment of the money due has been obtained by the Trustee as



hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of such series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if

(1) the Company or the Guarantor has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on the Securities of such series,

(B) the principal of (and premium, if any, on) any Securities of

such series which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Securities of such series, to the extent that payment of such interest is lawful,

(C) interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Securities of such series to the extent that payment of such interest is lawful, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due the Trustee under Section 607;

and

(2) all Events of Default with respect to such series of Securities, other than the nonpayment of the principal of the Securities of such series which have become due solely by such acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 503. Collection of Indebtedness and Suits for Enforcement by Trustee. The Company and the Guarantor each covenants that if



(1) default is made in the payment of any installment of interest on any Security of any series when such interest becomes due and payable, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof, or

(3) default is made in the payment of any sinking or purchase fund or analogous obligation when the same becomes due by the terms of the Securities of any series,

and any such default continues for any period of grace provided with respect to the Securities of such series, the Company or the Guarantor, as the case may be, will, upon demand of the Trustee, pay to it, for the benefit of the Holder of any such Security (or the Holders of any such series in the case of Clause (3) above), the whole amount then due and payable on any such Security (or on the Securities of any such series in the case of Clause (3) above) for principal (and premium, if any) and interest, with interest, to the extent that payment of such interest shall be legally enforceable, upon the overdue principal (and premium, if any) and upon overdue installments of interest, at such rate or rates as may be prescribed therefor by the terms of any such Security (or of Securities of any such series in the case of Clause (3) above); and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due the Trustee under Section 607.

If the Company or the Guarantor fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or the Guarantor or any other obligor upon the Securities of such series and collect the money adjudged or decreed to be payable in the manner provided by law out of the property of the Company or the Guarantor or any other obligor upon such Securities, wherever situated.



If an Event of Default with respect to any series of Securities occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 504. TRUSTEE MAY FILE PROOFS OF CLAIM. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial

proceeding relative to the Company, Guarantor or any other obligor upon the Securities or the property of the Company, Guarantor or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company or the Guarantor for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceedings or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary and advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due the Trustee under Section 607) and of the Securityholders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Securityholder to make such payment to the Trustee and in the event that the Trustee shall consent to the making of



such payments directly to the Securityholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Securityholder any plan or reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding.

Section 505. TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF SECURITIES. All rights of action and claims under this Indenture or the Securities of any series may be prosecuted and enforced by the Trustee without the possession of any of the Securities of such series or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel, be for the ratable benefit of the Holders of the Securities of the series in respect of which such judgment has been recovered.

Section 506. APPLICATION OF MONEY COLLECTED. Any money collected by the Trustee with respect to a series of Securities pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Securities of such series and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607.

SECOND: To the payment of the amounts then due and unpaid upon the Securities of that series for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities



for principal (and premium, if any) and interest, respectively.

THIRD: To the Company or the Guarantor or both, as they are entitled.

Section 507. LIMITATION ON SUITS. No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to Securities of such series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of such series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Outstanding Securities of such series;

it being understood and intended that no one or more Holders of Securities of such series shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Securities of such series, or to obtain or to seek to obtain priority or preference over any other such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and proportionate benefit of all the Holders of all Securities of such series.



Section 508. UNCONDITIONAL RIGHT OF SECURITYHOLDERS TO RECEIVE PRINCIPAL, PREMIUM AND INTEREST. Notwithstanding any other provisions in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 307) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption or repayment, on the Redemption Date or Repayment Date, as the case may be) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

Section 509. RESTORATION OF RIGHTS AND REMEDIES. If the Trustee or any Securityholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, then and in every such case the Company, the Guarantor, the Trustee and the Securityholders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Securityholders shall continue as though no such proceeding had been instituted.

Section 510. RIGHTS AND REMEDIES CUMULATIVE. No right or remedy herein conferred upon or reserved to the Trustee or to the Securityholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 511. DELAY OR OMISSION NOT WAIVER. No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Securityholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Securityholders, as the case may be.



Section 512. CONTROL BY SECURITYHOLDERS. The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Securities of such series, provided that

(1) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, determines that the

action so directed may not lawfully be taken or would conflict with this Indenture or if the Trustee in good faith shall, by a Responsible Officer, determine that the proceedings so directed would involve it in personal liability or be unjustly prejudicial to the Holders not taking part in such direction, and

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 513. WAIVER OF PAST DEFAULTS. The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default not theretofore cured

(1) in the payment of the principal of (or premium, if any) or interest on any Security of such series, or in the payment of any sinking or purchase fund or analogous obligation with respect to the Securities of such series, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.



Section 514. UNDERTAKING FOR COSTS. All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder, or group of Securityholders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series to which the suit relates, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption or repayment, on or after the Redemption Date or Repayment Date).

Section 515. WAIVER OF STAY OR EXTENSION LAWS. The Company and the Guarantor each covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company and the Guarantor each (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

## ARTICLE SIX

## THE TRUSTEE

Section 601. CERTAIN DUTIES AND RESPONSIBILITIES. (a) Except during the continuance of an Event of Default with respect to any series of Securities,



(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to the Securities of such series, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may, with respect to Securities of such series, conclusively rely, as to the truth of

the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default with respect to any series of Securities has occurred and is continuing, the Trustee shall exercise with respect to the Securities of such series such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series relating to the time, method and place of conducting any proceeding



for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 602. NOTICE OF DEFAULTS. Within 90 days after the occurrence of any default hereunder with respect to Securities of any series, the Trustee shall transmit by mail to all Securityholders of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; PROVIDED, HOWEVER, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Security of such series or in the payment of any sinking or purchase fund installment or analogous obligation with respect to Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Securityholders of such series; and PROVIDED, FURTHER, that in the case of any default of the character specified in Section 501(4) or (5) with respect to Securities of such series no such notice to Securityholders of such series shall be given until at least 90 days after the occurrence thereof. For the purpose of this Section, the term "default", with respect to Securities of any series, means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.



Section 603. CERTAIN RIGHTS OF TRUSTEE. Except as otherwise provided in Section 601:

(a) the Trustee may rely and shall be protected in acting or

refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company or the Guarantor mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, or a Guarantor Request or Guarantor Order, as applicable, and any resolution of the Board of Directors or the Guarantor Board of Directors may be sufficiently evidenced by a Board Resolution or a Guarantor's Board Resolution, as applicable;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Securityholders pursuant to this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond,



debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company and the Guarantor, personally or by agent or attorney; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 604. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES. The recitals contained herein and in the Securities, except the certificates of authentication, shall be taken as the statements of the Company or the Guarantor, as applicable, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company or the Guarantor of Securities or the proceeds thereof.

Section 605. MAY HOLD SECURITIES. The Trustee, any Paying Agent, the Security Registrar or any other agent of the Company or the Guarantor, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company or the Guarantor with the same rights it would have if it were not Trustee, Paying Agent, Security Registrar or such other agent.

Section 606. MONEY HELD IN TRUST. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company or the Guarantor.

Section 607. COMPENSATION AND REIMBURSEMENT. The Company and the Guarantor (without duplication) agrees

(1) to pay to the Trustee from time to time as the parties shall agree from time to time such

compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company and the Guarantor under this Section the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of (and premium, if any) or interest on particular Securities.

Section 608. DISQUALIFICATION; CONFLICTING INTERESTS. The Trustee for the Securities of any series issued hereunder shall be subject to the provisions of Section 310(b) of the Trust Indenture Act during the period of time provided for therein. In determining whether the Trustee has a conflicting interest as defined in Section 310(b) of the Trust Indenture Act with respect to the Securities of any series, there shall be excluded for purposes of the conflicting interest provisions of such Section 310(b) the Securities of every other series issued under this Indenture and every series of securities issued under any other indentures if the requirements for such exclusion set forth in section 310(b) of the Trust Indenture Act are met. Nothing herein shall prevent the Trustee from filing with the Commission the application



referred to in the second to last paragraph of Section 310(b) of the Trust Indenture Act.

Section 609. CORPORATE TRUSTEE REQUIRED; ELIGIBILITY. There shall at all times be a Trustee hereunder with respect to each series of Securities, which shall be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by Federal or State authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee with respect to any series of Securities shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 610. RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 611.

(b) The Trustee may resign with respect to any series of Securities at any time by giving written notice thereof to the Company and the Guarantor. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed with respect to any series of Securities at any time by Act of the Holders of a majority in principal amount of the Outstanding Securities of that series, delivered to the Trustee and to the Company and the Guarantor. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of removal, the removed Trustee may petition

any court of competent jurisdiction for the appointment of a successor Trustee.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 310(b) of the Trust Indenture Act pursuant to Section 608(a) with respect to any series of Securities after written request therefor by the Company, by the Guarantor or by any Securityholder who has been a bona fide Holder of a Security of that series for at least 6 months, or

(2) the Trustee shall cease to be eligible under Section 609 with respect to any series of Securities and shall fail to resign after written request therefor by the Company, by the Guarantor or by any such Securityholder, or

(3) the Trustee shall become incapable of acting with respect to any series of Securities, or

(4) the Trustee shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution, or the Guarantor by a Guarantor's Board Resolution, may remove the Trustee, with respect to the series, or in the case of Clause (4), with respect to all series, or (ii) subject to Section 514, any Securityholder who has been a bona fide Holder of a Security of such series for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee with respect to the series, or, in the case of Clause (4), with respect to all series.

(e) If the Trustee shall resign, be removed or become incapable of acting with respect to any series of Securities, or if a vacancy shall occur in the office of the Trustee with respect to any series of Securities for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Trustee for that series of



Securities. If, within one year after such resignation, removal or incapacity, or the occurrence of such vacancy, a successor Trustee with respect to such series of Securities shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company, the Guarantor and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to such series and supersede the successor Trustee appointed by the Company with respect to such series. If no successor Trustee with respect to such series shall have been so appointed by the Company or the Securityholders of such series and accepted appointment in the manner hereinafter provided, any Securityholder who has been a bona fide Holder of a Security of that series for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to any series and each appointment of a successor Trustee with respect to any series by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Securities of that series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee and the address of its principal Corporate Trust Office.

Section 611. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company, the Guarantor and to the predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective with respect to any series as to which it is resigning or being removed as Trustee, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the predecessor Trustee with respect to any such series; but, on request of the Company, the Guarantor or the successor Trustee, such predecessor Trustee shall, upon payment of its reasonable charges, if any, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the

predecessor Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such predecessor Trustee hereunder with respect to all or any such series, subject nevertheless to its lien, if any, provided for in Section 607. Upon request of any such successor Trustee, the Company and the Guarantor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the Guarantor, the predecessor Trustee and each successor Trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not being succeeded shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be Trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee.

No successor Trustee with respect to any series of Securities shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible with respect to that series under this Article.

Section 612. MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any



of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

Section 613. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY. (a) Subject to Subsection (b) of this Section, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within 3 months prior to a default, as defined in Subsection (c) of this Section, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the Securities and the holders of other indenture securities (as defined in Subsection (c) of this Section):

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such 3-month period and valid as against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this Subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(2) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such 3-month period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Company) who is



liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third person, and (iii) distributions made in cash, securities or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such 3-month period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such 3-month period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default as defined in Subsection (c) of this Section would occur within 3 months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such 3-month period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.



If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between the Trustee, the Securityholders and the holders of other indenture securities in such manner that the Trustee, the Securityholders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee and the Securityholders and the holders of other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceedings for reorganization is pending shall have jurisdiction (i) to apportion between the Trustee and the Securityholders and the holders of other indenture securities in accordance with the provisions of this paragraph, the funds and property held in such special account and proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee and the Securityholders and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of

such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee which has resigned or been removed after the beginning of such 3-month period shall be subject to the provisions of this Subsection as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such 3-month period, it shall be subject to the provisions of this Subsection if and only if the following conditions exist:

(ii) the receipt of property or reduction of claim, which would have given rise to the obligation to account, if such Trustee had continued as Trustee, occurred after the beginning of such 3-month period; and

(iii) such receipt of property or reduction of claim occurred within 3 months after such resignation or removal.

(b) There shall be excluded from the operation of Subsection (a) of this Section a creditor relationship arising from

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advances and of the circumstances surrounding the making thereof is given to the Securityholders at the time and in the manner provided in this Indenture;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;



(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in Subsection (c) of this Section;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self liquidating paper as defined in Subsection (c) of this Section.

(c) For the purposes of this Section only:

(1) The term "default" means any failure to make payment in full of the principal of or interest on any of the Securities or upon the other indenture securities when and as such principal or interest becomes due and payable.

(2) The term "other indenture securities" means securities upon which the Company is an obligor outstanding under any other indenture (i) under which the Trustee is also trustee, (ii) which contains provisions substantially similar to the provisions of this Section, and (iii) under which a default exists at the time of the apportionment of the funds and property held in such special account.

(3) The term "cash transaction" means any transaction in which full payment for goods or securities sold is made within 7 days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(4) The term "self-liquidating paper" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by



documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

(5) The term "Company" means any obligor upon the Securities.

Section 614. APPOINTMENT OF AUTHENTICATING AGENT. At any time when any of the Securities remain Outstanding the Trustee, with the approval of the Company, may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as an Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and, if other than the Company itself, subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall



cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and, if other than the Company, to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and, if other than the Company, to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee, with the approval of the Company, may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent (other than an Authenticating Agent appointed at the request of the Company from time to time) reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 607.



If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Bank One, National
Association,
as Trustee

By:
---
As Authenticating Agent

Dated:_____

By:
---
Authorized Signatory

ARTICLE SEVEN

SECURITYHOLDERS' LISTS AND REPORTS BY
TRUSTEE, GUARANTOR AND COMPANY

Section 701. COMPANY TO FURNISH TRUSTEE NAMES AND ADDRESSES OF SECURITYHOLDERS. The Company will furnish or cause to be furnished to the Trustee

(a) semi-annually, not more than 30 days after each Regular Record Date, in each year in such form as the Trustee may reasonably require, a list of the names and addresses of the Holders of Securities of such series as of such date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 30 days prior to the time such list is furnished,

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.



Section 702. PRESERVATION OF INFORMATION; COMMUNICATIONS TO SECURITYHOLDERS. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders of Securities contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders of Securities received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) If 3 or more Holders of Securities of any series (hereinafter referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Security of such series for a period of at least 6 months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Securities of such series or with the Holders of all Securities with respect to their rights under this Indenture or under such Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within 5 Business Days after the receipt of such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 702(a), or

(ii) inform such applicants as to the approximate number of Holders of Securities of such series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 702(a), and as to the approximate cost of mailing to such Securityholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of a Security of such series or to all Securityholders, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 702(a), a copy of the form of proxy or other communication which is specified



in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless, within 5 days after such tender, the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders of Securities of such series or all Securityholders, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all Securityholders of such series or all Securityholders, as the case may be, with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in accordance with Section 702(b), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 702(b).

Section 703. REPORTS BY TRUSTEE. (a) The term "reporting date" as used in this Section means May 15 of each year. Within 60 days after the reporting date in each year, beginning in 2004, the Trustee shall transmit by mail to all Securityholders, as their names and addresses appear in the Security Register, a brief report dated as of such reporting date with respect to any of the following events which may have occurred during the 12 months preceding the



date of such report (but if no such event has occurred within such period no report need be transmitted):

(1) any change to its eligibility under Section 609 and its qualifications under Section 608;

(2) the creation of or any material change to a relationship specified in Section 310(b)(1) through Section 310(b)(10) of the Trust Indenture Act;

(3) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of Securities of any series, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to report such advances if such advances so remaining unpaid aggregate not more than 1/2 of 1% of the principal amount of the Securities of such series outstanding on the date of such report;

(4) any change to the amount, interest rate and maturity date of all other indebtedness owing by the Company (or by any other obligor on the Securities) to the Trustee in its individual capacity, on the date of such

report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in a manner described in Section 613(b)(2), (3), (4) or (6);

(5) any change to the property and funds, if any, physically in the possession of the Trustee as such on the date of such report;

(6) any additional issue of Securities which the Trustee has not previously reported; and

(7) any action taken by the Trustee in the performance of its duties hereunder which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by the Trustee in accordance with Section 602.



(b) The Trustee shall transmit by mail to all Securityholders, as their names and addresses appear in the Security Register, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to Subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this instrument) for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities of any series, on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this Subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 1/2 of 1% or less of the principal amount of the Securities Outstanding of such series at such time, such report to be transmitted within 90 days after such time.

(c) A copy of each such report shall, at the time of such transmission to Securityholders, be filed by the Trustee with each stock exchange upon which the Securities are listed, and also with the Commission. The Company will notify the Trustee when the Securities are listed on any stock exchange.

Section 704. REPORTS BY COMPANY AND GUARANTOR. The Company and the Guarantor each will:

(1) file with the Trustee, within 30 days after the Company or the Guarantor is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company or the Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if neither the Company nor the Guarantor is required to file information, documents or reports pursuant to either of said Sections, then the Guarantor will file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities



Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company or the Guarantor with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(3) transmit by mail to all Securityholders, as their names and addresses appear in the Security Register, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company or the Guarantor pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, AMALGAMATION, MERGER,
CONVEYANCE OR TRANSFER

Section 801. COMPANY MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS. The Company shall not consolidate or amalgamate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(1) the Person formed by such consolidation or amalgamation or into which the Company is merged or the Person which acquires by conveyance or transfer the properties and assets of the Company substantially as an entirety shall be a corporation or limited liability company organized and existing under the laws of the United States of America, any State thereof, the District of Columbia or Bermuda, and shall expressly assume, by an indenture supplemental hereto, executed by the successor Person and the Guarantor and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and



interest on all the Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and

(3) either the Company or the successor Person has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, amalgamation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 802. SUCCESSOR PERSON SUBSTITUTED FOR COMPANY. Upon any consolidation, amalgamation or merger, or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor Person formed by such consolidation or amalgamation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein. In the event of any such conveyance or transfer, the Company as the predecessor corporation may be dissolved, wound up or liquidated at any time thereafter.

Section 803. SUCCESSOR PERSON SUBSTITUTED FOR GUARANTOR. Upon any consolidation, amalgamation or merger, or any conveyance or transfer of the properties and assets of the Guarantor substantially as an entirety, whether or not such event gives rise to an Event of Default under Section 501(5), the successor Person formed by such consolidation or amalgamation or into which the Guarantor is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor Person had been named as the Guarantor herein. In the event of any such conveyance or transfer, the Guarantor as the



predecessor corporation may be dissolved, wound up or liquidated at any time thereafter.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

Section 901. SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF SECURITYHOLDERS. Without the consent of the Holders of any Securities, the Company, when authorized by a Board Resolution, the Guarantor, when authorized by a Guarantor's Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company or the Guarantor, and the assumption by any such successor of the covenants of

the Company or the Guarantor herein and in the Securities contained; or

(2) to add to the covenants of the Company or the Guarantor, or to surrender any right or power herein conferred upon the Company or the Guarantor, for the benefit of the Holders of the Securities of any or all series (and if such covenants or the surrender of such right or power are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included or such surrenders are expressly being made solely for the benefit of one or more specified series); or

(3) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; or

(4) to add to this Indenture such provisions as may be expressly permitted by the TIA, excluding, however, the provisions referred to in Section 316(a)(2) of the TIA as in effect at the date as of which this instrument was executed or any corresponding provision in any similar Federal statute hereafter enacted; or



(5) to establish any form of Security, as provided in Article Two, and to provide for the issuance of any series of Securities as provided in Article Three and to set forth the terms thereof, and/or to add to the rights of the Holders of the Securities of any series; or

(6) to evidence and provide for the acceptance of appointment by another corporation as a successor Trustee hereunder with respect to one or more series of Securities and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to Section 611; or

(7) to add any additional Events of Default in respect of the Securities of any or all series (and if such additional Events of Default are to be in respect of less than all series of Securities, stating that such Events of Default are expressly being included solely for the benefit of one or more specified series); or

(8) to provide for the issuance of Securities in coupon as well as fully registered form.

No supplemental indenture for the purposes identified in Clauses (2), (3), (5) or (7) above may be entered into if to do so would adversely affect the interest of the Holders of Securities of any series.

Section 902. SUPPLEMENTAL INDENTURES WITH CONSENT OF SECURITYHOLDERS. With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture or indentures, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company, when authorized by a Board Resolution, the Guarantor, when authorized by a Guarantor's Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Securities of each such series under this Indenture; PROVIDED, HOWEVER, that no such supplemental indenture



shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Maturity of the principal of, or the Stated Maturity of any premium on, or any installment of interest on, any Security, or reduce the principal amount thereof or the interest or any premium thereon, or change the method of computing the amount of principal thereof or interest thereon on any date or change any Place of Payment where, or the coin or currency in which, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Maturity or the Stated Maturity, as the case may be, thereof (or, in the case of redemption or repayment, on or after the Redemption Date or the Repayment Date, as the case may be); or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences, provided for in this Indenture; or

(3) modify any of the provisions of this Section or Section 513, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Securityholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.



Section 903. EXECUTION OF SUPPLEMENTAL INDENTURES. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not (except to the extent required in the case of a supplemental indenture entered into under Section 901(4) or 901(6)) be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 904. EFFECT OF SUPPLEMENTAL INDENTURES. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby to the extent provided therein.

Section 905. CONFORMITY WITH TRUST INDENTURE ACT. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the TIA as then in effect.

Section 906. REFERENCE IN SECURITIES TO SUPPLEMENTAL INDENTURES. Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities.



## ARTICLE TEN

## COVENANTS

Section 1001. PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST. With respect to each series of Securities, the Company will duly and punctually pay the principal of (and premium, if any) and interest on such Securities in accordance with their terms and this Indenture, and will duly comply with all the other terms, agreements and conditions contained in, or made in the Indenture for the benefit of, the Securities of such series.

Section 1002. MAINTENANCE OF OFFICE OR AGENCY. The Company will maintain an office or agency in each Place of Payment where Securities may be presented or surrendered for payment, where Securities may be surrendered for transfer or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and of any change in

the location, of such office or agency. If at any time the Company shall fail to maintain such office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the principal Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices and demands.

The Guarantor will maintain an office or agency in each Place of Payment where Securities to which the Guarantee applies may be presented or surrendered for payment pursuant to the Guarantee and where notices and demands to or upon the Guarantor in respect of the Guarantee and this Indenture may be served. The Guarantor will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Guarantor shall fail to maintain any such office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders and demands may be made or served at the Principal Corporate Trust Office of the Trustee, and the Guarantor hereby appoints the Trustee as its agent to receive all such presentations, surrenders and demands.

Section 1003. MONEY FOR SECURITY PAYMENTS TO BE HELD IN TRUST. If the Company shall at any time act as its



own Paying Agent for any series of Securities, it will, on or before each due date of the principal of (and premium, if any) or interest on, any of the Securities of such series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, on or prior to each due date of the principal of (and premium, if any) or interest on, any Securities of such series, deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal (and premium, if any) or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent other than the Trustee for any series of Securities to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will

(1) hold all sums held by it for the payment of principal of (and premium, if any) or interest on Securities of such series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of such series) in the making of any such payment of principal (and premium, if any) or interest on the Securities of such series; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company or the Guarantor may at any time, for the purpose of obtaining the satisfaction and discharge of



this Indenture with respect to any series of Securities or for any other purpose, pay, or by Company Order or Guarantor Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company, the Guarantor or such Paying Agent in respect of each and every series of Securities as to which it seeks to discharge this Indenture or, if for any other purpose, all sums so held in trust by the Company or the Guarantor in respect of all Securities, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company, the Guarantor or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held

by the Company or the Guarantor, in trust for the payment of the principal of (and premium, if any) or interest on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Company on Company Request (or if deposited by the Guarantor, paid to the Guarantor upon Guarantor Request), or (if then held by the Company or the Guarantor) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease. The Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company and the Guarantor mail to the Holders of the Securities as to which the money to be repaid was held in trust, as their names and addresses appear in the Security Register, a notice that such moneys remain unclaimed and that, after a date specified in the notice, which shall not be less than 30 days from the date on which the notice was first mailed to the Holders of the Securities as to which the money to be repaid was held in trust, any unclaimed balance of such moneys then remaining will be paid to the Company or the Guarantor, as the case may be, free of the trust formerly impressed upon it.

The Company initially authorizes the Trustee to act as Paying Agent for the Securities on its behalf. The Company may at any time and from time to time authorize one



or more Persons to act as Paying Agent in addition to or in place of the Trustee with respect to any series of Securities issued under this Indenture.

Section 1004. STATEMENT AS TO COMPLIANCE. The Company and the Guarantor each will deliver to the Trustee, within 120 days after the end of each fiscal year, a written statement signed by the principal executive officer, principal financial officer or principal accounting officer of the Company or the Guarantor, as the case may be, stating that

(1) a review of the activities of the Company or the Guarantor, as the case may be, during such year and of its performance under this Indenture and under the terms of the Securities has been made under his supervision; and

(2) to the best of his knowledge, based on such review, the Company or the Guarantor, as the case may be, has complied with all conditions and covenants under this Indenture through such year, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to him and the nature and status thereof.

For purposes of this Section 1004, compliance shall be determined without regard to any grace period or requirement of notice provided pursuant to the terms of this Indenture.

Section 1005. CORPORATE EXISTENCE. Subject to Article Eight each of the Company and the Guarantor will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 1006. LIMITATION ON LIENS. So long as any Securities are Outstanding, neither the Company nor the Guarantor will, nor will it permit any of its respective Subsidiaries to create, assume, incur or suffer to exist (i) any Lien upon any stock or indebtedness of any Subsidiary, whether owned on the date of this Indenture or hereafter acquired, to secure any Debt of the Company, the Guarantor or any other Person (other than the Securities), and (ii) any Lien upon any other Property, whether owned or leased on the date of this Indenture, or thereafter acquired, to secure any Debt of the Company, the Guarantor or any other person (other than the Securities) without in



any such case making effective provision whereby all of the Securities Outstanding shall be directly secured equally and ratably with such Debt, excluding, however, from the operation of the foregoing provisions of this Section 1006 any Lien existing on the date of this Indenture or any Lien upon stock or indebtedness or other Property of any Person existing at the time such Person becomes a Subsidiary, or existing upon stock or indebtedness of a Subsidiary or any other Property at the time of acquisition of such stock or indebtedness or other Property, and any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any such Lien; PROVIDED, however, that the principal amount of Debt secured thereby shall

not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement; and PROVIDED further, that such Lien shall be limited to all or such part of the stock or indebtedness or other Property which secured the Lien so extended, renewed or replaced.

Notwithstanding the foregoing, each of the Company and the Guarantor may, and may permit any Subsidiary to, create, assume, incur or suffer to exist (i) any Permitted Liens and (ii) any Lien upon any Property without equally and ratably securing the Securities if the aggregate amount of all Debt then outstanding secured by such Lien and all similar Liens does not exceed 15% of the total consolidated stockholders' equity (including preferred stock) of the Guarantor as shown on the audited consolidated balance sheet contained in the latest annual report to stockholders of the Guarantor; PROVIDED that Debt secured by Permitted Liens shall not be included in the amount of such secured Debt.

Section 1007. LIMITATION ON SALE AND LEASEBACK TRANSACTIONS. So long as any Securities are Outstanding neither the Company nor the Guarantor will, nor will it permit any of its respective Subsidiaries to, enter into any arrangement with any Person pursuant to which the Company, the Guarantor or any Subsidiary leases any Property that has been or is to be sold or transferred by the Company, the Guarantor or the Subsidiary to such Person (a "sale and leaseback transaction") unless (i) the Company, the Guarantor or such Subsidiary would be entitled to secure the Property to be leased (without equally and ratably securing the Securities Outstanding) in an amount equal to the present value of the lease payments with



respect to the term of the lease remaining on the date as of which the amount is being determined under the provisions described in Section 1006; (ii) the lease is for a term, including renewals at the option of the lessee, of not more than five years; (iii) the lease is between the Company, the Guarantor or a Subsidiary or between Subsidiaries; and (iv) the lease is of Property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation of the Property.

Section 1008. WAIVER OF CERTAIN COVENANTS. The Company or the Guarantor or both may omit in respect of any series of Securities, in any particular instance, to comply with any covenant or condition set forth in Section 1006, if before or after the time for such compliance the Holders of at least a majority in principal amount of the Securities at the time Outstanding of such series shall, by Act of such Securityholders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the Guarantor and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

## ARTICLE ELEVEN

## REDEMPTION OF SECURITIES

Section 1101. APPLICABILITY OF ARTICLE. The Company may reserve the right to redeem and pay before Stated Maturity all or any part of the Securities of any series, either by optional redemption, sinking or purchase fund or analogous obligation or otherwise, by provision therefor in the form of Security for such series established and approved pursuant to Section 202 and on such terms as are specified in such form or in the Board Resolution or indenture supplemental hereto with respect to Securities of such series as provided in Section 301. Redemption of Securities of any series shall be made in accordance with the terms of such Securities and, to the extent that this Article does not conflict with such terms, the succeeding Sections of this Article.



Section 1102. ELECTION TO REDEEM; NOTICE TO TRUSTEE. The election of the Company to redeem any Securities redeemable at the election of the Company shall be evidenced by, or made pursuant to authority granted by, a Board Resolution. In case of any redemption at the election of the Company of any Securities of any series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed.

In the case of any redemption of Securities (i) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, or (ii) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

Section 1103. SELECTION BY TRUSTEE OF SECURITIES TO BE REDEEMED. If less than all the Securities of like tenor and terms of any series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may include provision for the selection for redemption of portions of the principal of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series. Unless otherwise provided in the terms of a particular series of Securities, the portions of the principal of Securities so selected for partial redemption shall be equal to the minimum authorized denomination of the Securities of such series, or an integral multiple thereof, and the principal amount which remains outstanding shall not be less than the minimum authorized denomination for Securities of such series. If less than all the Securities of unlike tenor and terms of a series are to be redeemed, the particular Securities to be redeemed shall be selected by the Company.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Security selected for partial redemption, the principal amount thereof to be redeemed.



For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal of such Security which has been or is to be redeemed.

Section 1104. NOTICE OF REDEMPTION. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if less than all Outstanding Securities of any series are to be redeemed, the identification, including CUSIP Numbers (and, in the case of partial redemption, the respective principal amounts) of the Securities to be redeemed, from the Holder to whom the notice is given;

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security, and that interest, if any, thereon shall cease to accrue from and after said date;

(5) the place where such Securities are to be surrendered for payment of the Redemption Price, which shall be the office or agency of the Company in the Place of Payment; and

(6) that the redemption is on account of a sinking or purchase fund, or other analogous obligation, if that be the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company. Such notice shall be deemed to have been given to each Holder if sent in accordance with Section 105 hereof.



Section 1105. DEPOSIT OF REDEMPTION PRICE. On or prior to 10:00 a.m. on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of all the Securities which are to be redeemed on that date.

Section 1106. SECURITIES PAYABLE ON REDEMPTION DATE. Notice of Redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Company shall default in the payment of the Redemption Price) such Securities shall cease to bear interest. Upon surrender of such Securities for redemption in accordance with the notice, such Securities shall be paid by the Company at the Redemption Price. Installments of interest the Stated Maturity of which is on or prior to the Redemption Date shall be payable to the Holders of such Securities registered as such on the relevant Regular Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Security, or as otherwise provided in such Security.

Section 1107. SECURITIES REDEEMED IN PART. Any Security which is to be redeemed only in part shall be surrendered at the office or agency of the Company in the Place of Payment with respect to that series (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and Stated Maturity and of like tenor and terms, of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.



Section 1108. PROVISIONS WITH RESPECT TO ANY SINKING FUNDS. Unless the form or terms of any series of Securities shall provide otherwise, in lieu of making all or any part of any mandatory sinking fund payment with respect to such series of Securities in cash, the Company may at its option (1) deliver to the Trustee for cancellation any Securities of such series theretofore acquired by the Company, or (2) receive credit for any Securities of such series (not previously so credited) acquired by the Company and theretofore delivered to the Trustee for cancellation or redeemed by the Company other than through the mandatory sinking fund, and if it does so then (i) Securities so delivered or credited shall be credited at the applicable sinking fund Redemption Price with respect to Securities of such series, and (ii) on or before the 60th day next preceding each sinking fund Redemption Date with respect to such series of Securities, the Company will deliver to the Trustee (A) an Officers' Certificate specifying the portions of such sinking fund payment to be satisfied by payment of cash and by delivery or credit of Securities of such series acquired by the Company or so redeemed, and (B) such Securities so acquired, to the extent not previously surrendered. Such Officers' Certificate shall also state the basis for such credit and that the Securities for which the Company elects to receive credit have not been previously so credited and were not redeemed by the Company through operation of the mandatory sinking fund, if any, provided with respect to such Securities and shall also state that no Event of Default with respect to Securities of such series has occurred and is continuing. All Securities so delivered to the Trustee shall be canceled by the Trustee and no Securities shall be authenticated in lieu thereof.

If the sinking fund payment or payments (mandatory or optional) with respect to any series of Securities made in cash plus any unused balance of any preceding sinking fund payments with respect to Securities of such series made in cash shall exceed $50,000 (or a lesser sum if the Company shall so request), unless otherwise provided by the terms of such series of Securities, that cash shall be applied by the Trustee on the sinking fund Redemption Date with respect to Securities of such series next following the date of such payment to the redemption of Securities of such series at the applicable sinking fund Redemption Price with respect to Securities of such series, together with accrued interest,



if any, to the date fixed for redemption, with the effect provided in Section 1106. The Trustee shall select, in the manner provided in Section 1103, for redemption on such sinking fund Redemption Date a sufficient principal amount of Securities of such series to utilize that cash and shall thereupon cause notice of redemption of the Securities of such series for the sinking fund to be given in the manner provided in Section 1104 (and with the effect provided in Section 1106) for the redemption of Securities in part at the option of the Company. Any

sinking fund moneys not so applied or allocated by the Trustee to the redemption of Securities of such series shall be added to the next cash sinking fund payment with respect to Securities of such series received by the Trustee and, together with such payment, shall be applied in accordance with the provisions of this Section 1108. Any and all sinking fund moneys with respect to Securities of any series held by the Trustee at the Maturity of Securities of such series, and not held for the payment or redemption of particular Securities of such series, shall be applied by the Trustee, together with other moneys, if necessary, to be deposited sufficient for the purpose, to the payment of the principal of the Securities of such series at Maturity.

On or before each sinking fund Redemption Date provided with respect to Securities of any series, the Company shall pay to the Trustee in cash a sum equal to all accrued interest, if any, to the date fixed for redemption on Securities to be redeemed on such sinking fund Redemption Date pursuant to this Section 1108.

## ARTICLE TWELVE

## GUARANTEE OF SECURITIES

Section 1201. GUARANTEE. The Guarantor hereby fully and unconditionally guarantees to each Holder of a Security of each series issued by the Company, authenticated and delivered by the Trustee, the due and punctual payment of the principal (including any amount due in respect of any Original Issue Discount Security) of and any premium and interest on such Security, and the due and punctual payment of any sinking fund payments provided for pursuant to the terms of such Security, when and as the same shall become due and payable, whether at the Stated Maturity, by declaration of acceleration, call for redemption, early repayment or otherwise, in accordance with the terms of such Security and this Indenture. The



Guarantor hereby agrees that in the event of an Event of Default its obligations hereunder shall be as if it were a principal debtor and not merely a surety, and shall be absolute and unconditional, irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of any Security of any series or this Indenture, any failure to enforce the provisions of any Security of any series or this Indenture, any waiver, modification or indulgence granted to the Company with respect thereto by the Holder of any Security of any series or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor; provided, however, that, notwithstanding the foregoing, no such waiver, modification or indulgence shall, without the consent of the Guarantor, increase the principal amount of any Security or the interest rate thereon or increase any premium payable upon redemption thereof. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Company, any right to require a proceeding first against the Company, the benefit of discussion, protest or notice with respect to any Security or the indebtedness evidenced thereby or with respect to any sinking fund payment required pursuant to the terms of such Security issued under this Indenture and all demands whatsoever, and covenants that this Guarantee will not be discharged with respect to such Security except by payment in full of the principal thereof and any premium and interest thereon or as provided in Article Four or Section 802. If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to the Company or the Guarantor any amount paid by the Company or the Guarantor to the Trustee or such Holder, this Guarantee to the extent theretofore discharged, shall be reinstated in full force and effect. The Guarantor further agrees that, as between the Guarantor, on the one hand, and the Holders and the Trustee, on the other hand, the Maturity of the obligations guaranteed hereby may be accelerated as provided in Article Five hereof for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby.



The Guarantor also agrees, to pay any and all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Holders in enforcing any rights under this Guarantee.

The Guarantor hereby waives any right of set off which the Guarantor may have against the Holder of any Security in respect of any amounts which are or may become payable by such Holder to the Company.

The Guarantor shall be subrogated to all rights of the Holders of any series of Securities and the Trustee against the Company in respect of any amounts paid to such Holders and the Trustee by the Guarantor pursuant to the provisions of the Guarantee; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of or based upon, such right of subrogation until the principal of, premium, if any, and interest, if any, on all of the Securities of such series shall have been paid in full.

No past, present or future stockholder, officer, director, employee or incorporator of the Guarantor shall have any personal liability under the Guarantees set forth in this Section 1201 by reason of his, her or its status as such stockholder, officer, director, employee or incorporator.

The Guarantee set forth in this Section 1201 shall not be valid or become obligatory for any purpose with respect to any Security until the certificate of authentication on such Security shall have been signed by or on behalf of the Trustee.

Section 1202. EXECUTION OF NOTATIONS OF GUARANTEE. To evidence its Guarantee to the Holders specified in Section 1201, the Guarantor hereby agrees to execute the notation of the Guarantee in substantially the form set forth in Section 205 to be endorsed on each Security authenticated and delivered by the Trustee. The Guarantor hereby agrees that its Guarantee set forth in Section 1201 shall remain in full force and effect notwithstanding any failure to endorse on any Security a notation of such Guarantee. Each such notation of Guarantee shall be signed on behalf of the Guarantor by any proper officer of the Guarantor prior to the authentication of the Security on which it is endorsed, and the delivery of such Security by the Trustee, after the due



authentication thereof by the Trustee hereunder, shall constitute due delivery of the Guarantee on behalf of the Guarantor. Such signatures upon the notation of the Guarantee may be manual or facsimile signatures of any present, past or future proper officer of the Guarantor and may be imprinted or otherwise reproduced below the notation of the Guarantee, and in case any such proper officer of the Guarantor who shall have signed the notation of the Guarantee shall cease to be such officer before the Security on which such notation is endorsed shall have been authenticated and delivered by the Trustee or disposed of by the Company, such Security nevertheless may be authenticated and delivered or disposed of as though the person who signed the notation of the Guarantee had not ceased to be such officer of the Guarantor.



IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

by
/s/ Dennis Beaulieu
---
Name: Dennis Beaulieu
Title: Secretary

FUND AMERICAN COMPANIES, INC.,

by
/s/ Kernan V. Oberting
---
Name: Kernan V. Oberting
Title: Vice President

BANK ONE, NATIONAL ASSOCIATION

by
/s/ Mary R. Fonti
---
Name: Mary R. Fonti
Title: Vice President

EXHIBIT 4(b)

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FIRST SUPPLEMENTAL INDENTURE

Dated as of May 19, 2003

among

FUND AMERICAN COMPANIES, INC.,
WHITE MOUNTAINS INSURANCE GROUP, LTD.

and

BANK ONE, NATIONAL ASSOCIATION,

AS TRUSTEE

Supplementing the Senior Indenture
Dated as of May 19, 2003

==========

FIRST SUPPLEMENTAL INDENTURE, dated as of May 19, 2003 (the "SUPPLEMENTAL INDENTURE"), by and among FUND AMERICAN COMPANIES, INC., a Delaware corporation (the "COMPANY") having its principal office at 370 Church Street, Guilford, Connecticut 06437, WHITE MOUNTAINS INSURANCE GROUP, LTD., a company existing under the laws of Bermuda, as Guarantor (the "GUARANTOR"), having its principal office at 80 South Main Street, Hanover, New Hampshire 03755-2053, and Bank One, National Association, as trustee (the "TRUSTEE").

WHEREAS, the Company and the Guarantor executed and delivered the Indenture to the Trustee to provide for the future issuance of its Securities, to be issued from time to time in one or more series as might be determined by the Company under the Indenture, in an unlimited aggregate principal amount which may be authenticated and delivered thereunder as in the Indenture provided;

WHEREAS, pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a new series of its Securities to be known as its 5.875% Senior Notes due 2013 (the "NOTES"), the form of such Notes and the terms, provisions and conditions thereof to be as provided in the Indenture and this First Supplemental Indenture; and

WHEREAS, the Company and the Guarantor desire and have requested the Trustee to join with them in the execution and delivery of this First Supplemental Indenture, and all requirements necessary to make this First Supplemental Indenture a valid instrument, enforceable in accordance with its terms, and to make the Notes, when executed by the Company and authenticated and delivered by the Trustee, and the Guarantees endorsed thereon, when executed by the Guarantor, the legal, valid and binding obligations of the Company and the Guarantor, as the case may be, have been performed and fulfilled, and the execution and delivery of this First Supplemental Indenture and the Notes have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the purchase and acceptance of the Notes by the holders thereof, and for the purpose of setting forth, as provided in the Indenture, the form of the Notes and the terms, provisions and conditions thereof, the Company and the Guarantor, as the case may be, covenant and agree with the Trustee as follows:

ARTICLE 1
GENERAL TERMS AND CONDITIONS OF THE NOTES

Section 1.01. There shall be and are hereby authorized a series of Securities designated the "5.875% Senior Notes due 2013".

Section 1.02. The Notes shall be initially limited in aggregate principal amount to $700,000,000. Without the consent of the Holders of the Notes, the aggregate principal amount of the Notes may be increased in the future, on the same terms and conditions and with the same CUSIP number as the Notes have, so that such additional notes and the

outstanding Notes shall form a single series of Securities under the Indenture as supplemented by this Supplemental Indenture. The Notes shall mature and the principal thereof shall be due and payable, together with all accrued and unpaid interest thereon on May 15, 2013.

Section 1.03. The Notes shall be initially issued as Global Securities. Principal and interest on the Notes issued in certificated form will be payable, the transfer of such Notes will be registrable and such Notes will be exchangeable for Notes bearing identical terms and provisions at the office or agency of the Company in the Borough of Manhattan, The City and State of New York provided for that purpose and transfers of the Notes will also be registrable at any of the Company's other offices or agencies as the Company may maintain for that purpose; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Security Register and that the payment of principal with respect to the Notes will only be made upon surrender of the Notes to the Trustee.

Section 1.04. (a) Each Note will bear interest at a rate of 5.875% per annum from May 19, 2003 until the principal thereof becomes due and payable, payable semi-annually in arrears on May 15 and November 15 of each year (each, an "INTEREST PAYMENT DATE", commencing on November 15, 2003), to the person in whose name such Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest installment, which, except as set forth below, shall be the May 1 or November 1, as the case may be, preceding the Interest Payment Date with respect to such interest installment.

(b) Any installment of interest not punctually paid or duly provided for shall forthwith cease to be payable to the registered holder of a Note on such Regular Record Date and may be paid to the person in whose name such Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof to be given to the registered holders of the Notes not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

(c) The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any date on which interest is payable on the Notes is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay).

Section 1.05. The Notes are not entitled to any sinking fund.



## ARTICLE 2
## OPTIONAL REDEMPTION OF THE NOTES

Section 2.01. The Notes will be redeemable as a whole at any time or in part from time to time, at the option of the Company, at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes being redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest (other than accrued interest) on the Notes being redeemed, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 50 basis points plus, in either case, any interest accrued but not paid to the date of redemption. Notice of any redemption will be mailed at least 30 days but no more than 60 days before the redemption date to each holder of the Notes to be redeemed. Unless the Company defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Notes or portions thereof called for redemption. The Notes will not be subject to any sinking fund provision.

"TREASURY RATE" means, with respect to any redemption date for the Notes, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

"COMPARABLE TREASURY ISSUE" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the

remaining term of such Notes.

"INDEPENDENT INVESTMENT BANKER" means one of the Reference Treasury Dealers appointed by the Company after consultation with the Trustee.

"COMPARABLE TREASURY PRICE" means, with respect to any redemption date for the Notes, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding the redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (2) if that release (or any successor release) is not published or does not contain those prices on that business day, (A) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations for that redemption date, or (B) if the Company obtains fewer than four Reference Treasury Dealer Quotations, the average of all the Reference Treasury Dealer Quotations obtained.

"REFERENCE TREASURY DEALER" means (1) each of Lehman Brothers Inc., Banc of America Securities LLC and Credit Suisse First Boston LLC and, in each case, their respective successors; provided, however, that if any of them ceases to be a primary U.S.



Government securities dealer in New York City, the Company shall appoint another primary U.S. Government securities dealer as a substitute and (2) any other U.S. Government securities dealers selected by the Company.

"REFERENCE TREASURY DEALER QUOTATIONS" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. New York City time on the third Business Day preceding such redemption date.

## ARTICLE 3
## AMENDMENTS

Section 3.01. Section 501(4) of the Indenture is hereby amended, solely with respect to the Notes, by deleting the number "90" and substituting in its place the number "60".

Section 3.02. Section 501 of the Indenture is hereby amended, solely with respect to the Notes, by adding the following new additional Event of Default pursuant to Section 501(8):

default under any mortgage, indenture or instrument evidencing or securing Debt for money borrowed by the Company or the Guarantor or any of their respective Subsidiaries, whether such Debt or guarantee now exists, or is created after the date of this Indenture, which default results in the acceleration of the payment of such Debt or constitutes the failure to pay the principal of such Debt when due (after giving effect to any applicable grace period provided in such Debt) (a "PAYMENT DEFAULT") and, in each case, the total amount of any such Debt has an aggregate principal amount greater than $25.0 million.

Section 3.03. Section 602 of the Indenture is hereby amended, solely with respect to the Notes, by deleting both of the numbers "90" and substituting in their place the numbers "60".

Section 3.04. Section 1006 of the Indenture is hereby amended, solely with respect to the Notes, by deleting the number "15%" in the second paragraph and substituting in its place the number "10%".

Section 3.05. Section 1007 of the Indenture is hereby amended, solely with respect to the Notes, by deleting the word "five" in clause (ii) of the first sentence and substituting in its place the word "three".



## ARTICLE 4
## FORM OF THE NOTES

Section 4.01. The Notes are to be issued on two certificates substantially in the form of Exhibits A and B, respectively. The Trustee's Certificate of Authentication to be endorsed thereon and the Notation of Guarantee of the Securities shall be substantially in the form set forth in Sections 203 and 205 of the Indenture, respectively.

ARTICLE 5
ORIGINAL ISSUE OF THE NOTES

Section 5.01. The Notes in the initial aggregate principal amount equal to $700,000,000, may, upon execution of this First Supplemental Indenture, be executed by the Company, with the Guarantee endorsed thereon executed by the Guarantor, and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and make available for delivery the said Notes to or upon a Company Order.

ARTICLE 6
MISCELLANEOUS PROVISIONS

Section 6.01. Except as otherwise expressly provided in this First Supplemental Indenture or in the form of the Notes or otherwise clearly required by the context hereof or thereof, all terms used herein or in said form of the Notes that are defined in the Indenture shall have the several meanings respectively assigned to them therein.

Section 6.02. The Indenture, as supplemented by this First Supplemental Indenture, is in all respects ratified and confirmed. This First Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

Section 6.03. The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture.

Section 6.04. This First Supplemental Indenture may be executed in any number of counterparts each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the day and year first above written.

FUND AMERICAN COMPANIES, INC.

By: /s/ Kernan V. Oberting
---
Name: Kernan V. Oberting
Title: Vice President

WHITE MOUNTAINS INSURANCE GROUP, LTD., as Guarantor

By: /s/ Dennis Beaulieu
---
Name: Dennis Beaulieu
Title: Secretary

BANK ONE, NATIONAL ASSOCIATION, as Trustee

By: /s/ Mary R. Fonti
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Name: Mary R. Fonti
Title: Vice President



Exhibit A

Form of the 5.875% Senior Notes due 2013

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS

IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL SECURITIES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY DTC TO A NOMINEE OF DTC OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.



CUSIP No. 36077BAA5
$350,000,000

No.001

5.875% Senior Note due 2013

Fund American Companies, Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum of THREE HUNDRED AND FIFTY MILLION Dollars on May 15, 2013.

Interest Payment Dates: May 15 and November 15, commencing November 15, 2003.

Record Dates: May 1 and November 1.

Additional provisions of this Security are set forth on the reverse side of this Security.



Dated: May 19, 2003

FUND AMERICAN COMPANIES, INC.
by

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Name:
Title:



NOTATION OF GUARANTEE

White Mountains Insurance Group, Ltd., a company existing under the law of Bermuda (the "Guarantor", which term includes any successor thereto under the Indenture (the "Indenture") referred to in the Security on which this notation is endorsed) has unconditionally guaranteed, pursuant to the terms of the Guarantee contained in Article Twelve of the Indenture, the due and punctual payment of the principal of and any premium and interest on this Security, when and as the same shall become due and payable, whether at the Stated Maturity, by declaration of acceleration, call for redemption, early repayment or otherwise, in accordance with the terms of this Security and the Indenture.

The obligations of the Guarantor to the Holders of the Securities and to the Trustee pursuant to the Guarantee and the Indenture are expressly set forth in Article Twelve of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the Guarantee.

The Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Security upon which this notation of the Guarantee is endorsed shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized signatories.



Dated: May 19, 2003

WHITE MOUNTAINS INSURANCE GROUP, LTD.
by

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Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: May 19, 2003

BANK ONE, NATIONAL ASSOCIATION
as Trustee,

by

---
Authorized Signatory



5.875% Senior Note due 2013

REVERSE OF SECURITY

1. INTEREST

Fund American Companies, Inc., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Security at the rate per annum shown above. The Company will pay interest semiannually in arrears on May 15 and November 15 of each year, commencing November 15, 2003. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from May 19, 2003. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Company shall pay interest on overdue principal and premium, if any, and interest on overdue installments of interest, to the extent lawful, at the same rate per annum payable on the principal of this Security.

2. METHOD OF PAYMENT

The Company will pay interest on the Securities (except overdue interest) to the Persons who are registered Holders of Securities at the close of business on May 1 or November 1 next preceding the Interest Payment Date even if Securities are canceled after the Regular Record Date and on or before the Interest Payment Date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Securities represented by a Global Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will make all payments in respect of a certificated Security (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on a certificated Security will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. PAYING AGENT AND REGISTRAR

Initially, Bank One, National Association (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-Registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-Registrar.

4. INDENTURE

The Company issued the Securities under an Indenture dated as of May 19, 2003, as supplemented by the First Supplemental Indenture dated as of May 19, 2003



(together, the "Indenture"), among the Company, the Guarantor and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C.

Sections 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Securities are subject to all such terms, and Securityholders are referred to the Indenture and the TIA for a statement of those terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Security and the terms of the Indenture, the terms of the Indenture shall control.

The Securities are general unsecured obligations of the Company. The Indenture contains covenants that limit the ability of the Company and its Subsidiaries to grant Liens; enter into Sale/Leaseback Transactions; and consolidate, merge or transfer all or substantially all of its assets and the assets of its Subsidiaries. These covenants are subject to important exceptions and qualifications set forth in the Indenture.

5. OPTIONAL REDEMPTION

The Securities are redeemable as a whole at any time or in part from time to time, at the option of the Company, at a redemption price equal to the greater of (i) 100% of the principal amount of such Securities or (ii) the sum of the present values of the remaining scheduled payments of principal and interest (other than accrued interest) on the Securities being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points plus, in either case, any interest accrued but not paid to the date of redemption.

6. NOTICE OF REDEMPTION

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of Securities to be redeemed, at his address appearing in the Security Register. Unless the Company defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Securities or portions thereof called for redemption.

7. GUARANTEE

The payment by the Company of the principal of, and premium and interest on, the Securities is irrevocably and unconditionally guaranteed on a senior basis by the Guarantor.

8. DENOMINATIONS; TRANSFER; EXCHANGE

The Securities are in registered form in denominations of $1,000 principal amount and integral multiples of $1,000. A Holder may transfer or exchange Securities in accordance with the Indenture. The Company may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes or other governmental charge that may be imposed in connection with any transfer or exchange of Securities or permitted by the Indenture. The Company need not issue, transfer or exchange any Security of any series during a period beginning at the opening



of business 15 days before the day of the mailing of a notice of redemption of Securities of such series selected for redemption and ending at the close of business on the date of such mailing, or transfer or exchange any Security selected for redemption in whole or in part, except for the portion of such Security not selected for redemption.

9. PERSONS DEEMED OWNERS

The person in whose name any Security is registered in the Security Register may be treated as the owner of it for all purposes.

10. UNCLAIMED MONEY

The Trustee and any paying agent shall pay to the Company or the Guarantor upon request any money held by them for the payment of principal, premium or interest that remains unclaimed for two years, and, thereafter, Holders entitled to such money must look to the Company or the Guarantor for payment as general creditors and all liability of the Trustee or such paying agent with respect to such money shall thereupon cease.

11. DISCHARGE AND DEFEASANCE

Subject to certain conditions, the Company at any time shall be entitled to terminate some or all of its obligations under the Securities and the Indenture if the Company or the Guarantor irrevocably deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Securities to maturity or redemption, as the case may be.

12. AMENDMENT, WAIVER

Subject to certain exceptions, the Indenture or the Securities may be amended or supplemented with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities, and any past default

or compliance with any covenant or condition may be waived with the consent of the Holders of at least a majority in principal amount of the Securities then Outstanding. Without notice to or the consent of any Holder, the parties thereto may supplement the Indenture to, among other things, cure any ambiguity, correct or supplement any inconsistency or make any other provisions with respect to matters or questions arising thereunder, provided that such change does not adversely affect the interest of any Holder.

13. DEFAULTS AND REMEDIES

The events of default and remedies specified in the Indenture apply to the Securities. If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities then Outstanding may declare all the Securities to be due and payable. Holders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in principal amount of the Outstanding Securities may direct the Trustee in its exercise of any trust or power.



14. TRUSTEE DEALINGS WITH THE COMPANY

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not the Trustee.

15. BENEFITS OF INDENTURE

Nothing in the Indenture or in the Securities, express or implied, shall give to any Person, other than the Company, the Guarantor, the Trustee and their successors thereunder, any Authenticating Agent or Paying Agent, the Security Registrar and the Holders of Securities (or such of them as may be affected thereby), any benefit or any legal or equitable right, remedy or claim under the Indenture.

16. AUTHENTICATION

This Security shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

17. ABBREVIATIONS

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

18. CUSIP NUMBERS

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Company has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Securityholders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

19. GOVERNING LAW

THIS SECURITY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

The Company will furnish to any Securityholder upon written request and without charge to the Securityholder a copy of the Indenture. Requests may be made to:

White Mountains Insurance Group, Ltd.
80 South Main Street
Hanover, NH 03755-2053
Attention: General Counsel



Exhibit B

Form of the 5.875% Senior Notes due 2013

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY

OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL SECURITIES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY DTC TO A NOMINEE OF DTC OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.



CUSIP No. 36077BAA5
$350,000,000

No.002

5.875% Senior Note due 2013

Fund American Companies, Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum of THREE HUNDRED AND FIFTY MILLION Dollars on May 15, 2013.

Interest Payment Dates: May 15 and November 15, commencing November 15, 2003.

Record Dates: May 1 and November 1.

Additional provisions of this Security are set forth on the reverse side of this Security.



Dated: May 19, 2003

FUND AMERICAN COMPANIES, INC.
by

---
Name:
Title:



NOTATION OF GUARANTEE

White Mountains Insurance Group, Ltd., a company existing under the law of Bermuda (the "Guarantor", which term includes any successor thereto under the Indenture (the "Indenture") referred to in the Security on which this notation is endorsed) has unconditionally guaranteed, pursuant to the terms of the Guarantee contained in Article Twelve of the Indenture, the due and punctual payment of the principal of and any premium and interest on this Security, when and as the same shall become due and payable, whether at the Stated Maturity, by declaration of acceleration, call for redemption, early repayment or otherwise, in accordance with the terms of this Security and the Indenture.

The obligations of the Guarantor to the Holders of the Securities and to the Trustee pursuant to the Guarantee and the Indenture are expressly set forth in Article Twelve of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the Guarantee.

The Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Security upon which this notation of the Guarantee is endorsed shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized signatories.



Dated: May 19, 2003

WHITE MOUNTAINS INSURANCE GROUP, LTD.
by

---

Name:
Title:



TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: May 19, 2003

BANK ONE, NATIONAL ASSOCIATION
as Trustee,

by

---
Authorized Signatory



5.875% Senior Note due 2013

REVERSE OF SECURITY

1. INTEREST

Fund American Companies, Inc., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Security at the rate per annum shown above. The Company will pay interest semiannually in arrears on May 15 and November 15 of each year, commencing November 15, 2003. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from May 19, 2003. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Company shall pay interest on overdue principal and premium, if any, and interest on overdue installments of interest, to the extent lawful, at the same rate per annum payable on the principal of this Security.

2. METHOD OF PAYMENT

The Company will pay interest on the Securities (except overdue interest) to the Persons who are registered Holders of Securities at the close of business on May 1 or November 1 next preceding the Interest Payment Date even if Securities are canceled after the Regular Record Date and on or before the Interest Payment Date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Securities represented by a Global Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will make all payments in respect of a certificated Security (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on a certificated Security will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. PAYING AGENT AND REGISTRAR

Initially, Bank One, National Association (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-Registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-Registrar.

4. INDENTURE

The Company issued the Securities under an Indenture dated as of May 19, 2003, as supplemented by the First Supplemental Indenture dated as of May 19, 2003



(together, the "Indenture"), among the Company, the Guarantor and the Trustee.

The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Securities are subject to all such terms, and Securityholders are referred to the Indenture and the TIA for a statement of those terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Security and the terms of the Indenture, the terms of the Indenture shall control.

The Securities are general unsecured obligations of the Company. The Indenture contains covenants that limit the ability of the Company and its Subsidiaries to grant Liens; enter into Sale/Leaseback Transactions; and consolidate, merge or transfer all or substantially all of its assets and the assets of its Subsidiaries. These covenants are subject to important exceptions and qualifications set forth in the Indenture.

5. OPTIONAL REDEMPTION

The Securities are redeemable as a whole at any time or in part from time to time, at the option of the Company, at a redemption price equal to the greater of (i) 100% of the principal amount of such Securities or (ii) the sum of the present values of the remaining scheduled payments of principal and interest (other than accrued interest) on the Securities being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points plus, in either case, any interest accrued but not paid to the date of redemption.

6. NOTICE OF REDEMPTION

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of Securities to be redeemed, at his address appearing in the Security Register. Unless the Company defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Securities or portions thereof called for redemption.

7. GUARANTEE

The payment by the Company of the principal of, and premium and interest on, the Securities is irrevocably and unconditionally guaranteed on a senior basis by the Guarantor.

8. DENOMINATIONS; TRANSFER; EXCHANGE

The Securities are in registered form in denominations of $1,000 principal amount and integral multiples of $1,000. A Holder may transfer or exchange Securities in accordance with the Indenture. The Company may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes or other governmental charge that may be imposed in connection with any transfer or exchange of Securities or permitted by the Indenture. The Company need not issue, transfer or exchange any Security of any series during a period beginning at the opening



of business 15 days before the day of the mailing of a notice of redemption of Securities of such series selected for redemption and ending at the close of business on the date of such mailing, or transfer or exchange any Security selected for redemption in whole or in part, except for the portion of such Security not selected for redemption.

9. PERSONS DEEMED OWNERS

The person in whose name any Security is registered in the Security Register may be treated as the owner of it for all purposes.

10. UNCLAIMED MONEY

The Trustee and any paying agent shall pay to the Company or the Guarantor upon request any money held by them for the payment of principal, premium or interest that remains unclaimed for two years, and, thereafter, Holders entitled to such money must look to the Company or the Guarantor for payment as general creditors and all liability of the Trustee or such paying agent with respect to such money shall thereupon cease.

11. DISCHARGE AND DEFEASANCE

Subject to certain conditions, the Company at any time shall be entitled to terminate some or all of its obligations under the Securities and the Indenture if the Company or the Guarantor irrevocably deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Securities to maturity or redemption, as the case may be.

12. AMENDMENT, WAIVER

Subject to certain exceptions, the Indenture or the Securities may be

amended or supplemented with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities, and any past default or compliance with any covenant or condition may be waived with the consent of the Holders of at least a majority in principal amount of the Securities then Outstanding. Without notice to or the consent of any Holder, the parties thereto may supplement the Indenture to, among other things, cure any ambiguity, correct or supplement any inconsistency or make any other provisions with respect to matters or questions arising thereunder, provided that such change does not adversely affect the interest of any Holder.

13. DEFAULTS AND REMEDIES

The events of default and remedies specified in the Indenture apply to the Securities. If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities then Outstanding may declare all the Securities to be due and payable. Holders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in principal amount of the Outstanding Securities may direct the Trustee in its exercise of any trust or power.



14. TRUSTEE DEALINGS WITH THE COMPANY

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not the Trustee.

15. BENEFITS OF INDENTURE

Nothing in the Indenture or in the Securities, express or implied, shall give to any Person, other than the Company, the Guarantor, the Trustee and their successors thereunder, any Authenticating Agent or Paying Agent, the Security Registrar and the Holders of Securities (or such of them as may be affected thereby), any benefit or any legal or equitable right, remedy or claim under the Indenture.

16. AUTHENTICATION

This Security shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

17. ABBREVIATIONS

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

18. CUSIP NUMBERS

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Company has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Securityholders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

19. GOVERNING LAW

THIS SECURITY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

The Company will furnish to any Securityholder upon written request and without charge to the Securityholder a copy of the Indenture. Requests may be made to:

White Mountains Insurance Group, Ltd.
80 South Main Street
Hanover, NH 03755-2053
Attention: General Counsel