

OFFERING CIRCULAR

Atlas Reinsurance VII Limited

\$60,000,000 Class A Principal-at-Risk Variable Rate Notes due January 7, 2016

€130,000,000 Class B Principal-at-Risk Variable Rate Notes due January 7, 2016

Atlas Reinsurance VII Limited (the “**Issuer**”) is hereby offering \$60,000,000 Class A Principal-at-Risk Variable Rate Notes due January 7, 2016 (the “**Class A Notes**”) and €130,000,000 Class B Principal-at-Risk Variable Rate Notes due January 7, 2016 (the “**Class B Notes**”) and, together with the Class A Notes, the “**Notes**”). Each of the Class A Notes and the Class B Notes are referred to herein as a “**Class**” or “**Class of Notes**.”

The Issuer is an Irish private limited company authorized as a special purpose reinsurance vehicle in Ireland. The Issuer’s business will consist solely of the issuance of the Notes and the entering into and performance of the Reinsurance Agreements, and related agreements and activities, including the acquisition and holding of the Permitted Investments. The purpose for offering each Class of Notes (this “**Offering**”) is to collateralize and fund the Issuer’s obligations under the corresponding Reinsurance Agreement pursuant to which the Issuer will be required to make certain payments to the Ceding Reinsurer upon the occurrence of certain specified Covered Events during the applicable Risk Period, as further described in this Offering Circular.

This Offering Circular has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that such application will be successful. The regulated market is a regulated market for the purposes of Directive 2004/39/EC. This Offering Circular constitutes a prospectus for the purposes of the Prospectus Directive 2003/71/EC and will be filed with the Companies Registration Office of Ireland in accordance with Regulation 38(1)(b) of Prospectus (Directive 2003/71/EC) Regulations, 2005.

(Continued on next page)

Investing in the Notes is speculative and involves a high degree of risk. See “Risk Factors” beginning on page 55 of this Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes are with limited recourse to certain assets of the Issuer and without recourse to the Ceding Reinsurer and its affiliates.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY U.S. STATE OR FOREIGN SECURITIES LAWS, AND THE ISSUER IS NOT AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). THE NOTES ARE BEING OFFERED AND SOLD IN BOOK-ENTRY FORM ONLY TO INVESTORS WHO (I) ARE “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A (“RULE 144A”) UNDER THE SECURITIES ACT (“QUALIFIED INSTITUTIONAL BUYERS”), THAT, WITH RESPECT TO “U.S. PERSONS” AS DEFINED IN RULE 902(k) UNDER THE SECURITIES ACT (“U.S. PERSONS”), ARE ALSO “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (“QUALIFIED PURCHASERS”); AND (II) ARE RESIDENTS OF, AND PURCHASING IN, AND WILL HOLD THE NOTES IN, A PERMITTED U.S. JURISDICTION OR A PERMITTED NON-U.S. JURISDICTION. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER “NOTICE TO INVESTORS.” EACH PURCHASER OF THE NOTES IN MAKING ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS AS SET FORTH UNDER “NOTICE TO INVESTORS—REPRESENTATIONS OF PURCHASERS.”

The Notes will be offered by Aon Benfield Securities, Inc., BNP Paribas and Natixis SA (each, an “**Initial Purchaser**” and, together, the “**Initial Purchasers**”), as specified herein, subject to receipt and acceptance by each Initial Purchaser and subject to each Initial Purchaser’s right to reject any order in whole or in part. The Initial Purchasers expect to deliver the Class A Notes through the facilities of DTC and the Class B Notes through the facilities of Euroclear and Clearstream, in each case against payment therefor in immediately available funds on or about November 1, 2012.

Sole Structuring Agent and Joint Bookrunner

Aon Benfield Securities, Inc.

Joint Bookrunner

BNP Paribas

Joint Bookrunner

Natixis

Offering Circular dated November 1, 2012.

OVERVIEW

CLASS A NOTES; CLASS B NOTES

The following overview is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offering Circular. When a term is defined in this Offering Circular, it is printed in bold-faced type. Certain capitalized terms used but not defined in this overview are used herein as defined elsewhere in this Offering Circular. Annex F to this Offering Circular includes an “Index of Defined Terms” that lists defined terms used herein and the page on which such terms are defined. Prospective investors should consider carefully the information set forth under the caption “Risk Factors” and all other information set forth in this Offering Circular, including the annexes attached hereto, prior to making an investment in the Notes.

The Offering

Issuer Atlas Reinsurance VII Limited (the “**Issuer**”) is an Irish private limited company authorized as a special purpose reinsurance vehicle in Ireland. The Issuer was incorporated under the laws of Ireland on September 24, 2012 under company number 517967. Wilmington Trust SP Services (Dublin) Limited (the “**Share Trustee**”) holds all of the Issuer’s issued and outstanding share capital in trust for charitable purposes.

The Issuer’s business will consist solely of the issuance of the Notes and the entering into and performance of the Reinsurance Agreements, and related agreements and activities, including the acquisition and holding of the Permitted Investments.

The Issuer does not, and will not, engage in any other business, incur indebtedness for money borrowed (other than the Notes), pay dividends or make other distributions on its capital (other than a distribution upon liquidation of the Issuer) or enter into any contract of insurance or reinsurance or any other risk transfer contract other than the Reinsurance Agreements, and related agreements, as applicable.

Notes Offered \$60,000,000 Class A Principal-at-Risk Variable Rate Notes due January 7, 2016 (the “**Class A Notes**”), which are exposed to U.S. Hurricane Events affecting the U.S. Hurricane Covered Area and U.S. Earthquake Events affecting the U.S. Earthquake Covered Area on an aggregate basis during each Loss Period within the applicable Risk Period.

€130,000,000 Class B Principal-at-Risk Variable Rate Notes due January 7, 2016 (the “**Class B Notes**”) and, together with the Class A Notes, the “**Notes**”), which are exposed to Europe Windstorm Events affecting the Europe Windstorm Covered Area on a per occurrence basis during the applicable Risk Period.

Purpose of Offering The Issuer is issuing each Class of Notes to collateralize and fund its obligations under the corresponding Reinsurance Agreement to make certain payments to the Ceding Reinsurer upon the occurrence of certain specified Covered Events during the applicable Risk Period, as further described in this Offering Circular.

Ceding Reinsurer SCOR Global P&C SE, acting for itself and on behalf of any affiliate of SCOR SE (the “**Ceding Reinsurer**”). SCOR Global P&C SE is a member of the SCOR group of companies.

As of the date of this Offering Circular, SCOR Global P&C SE's financial strength was rated "A+ (stable)" by Standard & Poor's Credit Market Services Europe Limited, "A1 (stable)" by Moody's Investors Service Limited, "A (stable)" by A.M. Best Europe Ratings Services Limited and "A+ (stable)" by Fitch Ratings Limited, each of which rating agencies is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (the "**Credit Rating Agency Regulation**").

Prospective investors should consider carefully the information set forth under the caption "*Risk Factors—Ratings*" before making an investment in the Notes.

Offering Price For each Class of Notes, 100% of the Original Principal Amount (the "**Offering Price**").

Issuance Date The date on which the Notes are issued, which is expected to be on or about November 1, 2012 (the "**Issuance Date**").

Use of Proceeds On the Issuance Date, all of the proceeds paid to the Issuer from the sale of each Class of Notes will be deposited into a separate Collateral Account for such Class and will be available to satisfy the obligations of the Issuer to the Ceding Reinsurer under the corresponding Reinsurance Agreement.

Following the purchase of the EBRD Notes and until the applicable Redemption Date, the Permitted Investments for each Class of Notes will consist solely of EBRD Notes, unless, among other circumstances described herein:

- (i) an EBRD Put Event occurs that results in a redemption of EBRD Notes, in which case, unless such EBRD Put Event has occurred after the date that is at least thirteen (13) Business Days prior to the Payment Date immediately prior to the applicable Redemption Date, the proceeds of such redemption will be used to purchase Money Market Fund Shares to the extent that they are available and the Money Market Fund satisfies the Money Market Fund Criteria; or
- (ii) the Ceding Reinsurer is required to make a Negative Index Payment under the applicable Reinsurance Agreement, in which case the related amounts will be used to purchase Money Market Fund Shares to the extent that they are available and the Money Market Fund satisfies the Money Market Fund Criteria.

To the extent that Money Market Fund Shares are not available or the Money Market Fund does not satisfy the Money Market Fund Criteria, cash will remain uninvested as a cash credit balance in the applicable Collateral Account.

The maturity date of the EBRD Notes will occur on January 8, 2018 for the Dollar-Denominated EBRD Notes and January 8, 2018 for the Euro-Denominated EBRD Notes, and EBRD Notes are subject to early redemption as described further herein.

Limited Recourse Holders of each Class of Notes will have recourse only to the Collateral related to such Class of Notes and will not have recourse to

any other property or assets of the Issuer, including the Excess Accounts or the Collateral related to any other Class of Notes. Holders of each Class of Notes will rank *pari passu* with all other holders of such Class of Notes.

No Recourse Neither the Ceding Reinsurer nor any of its affiliates is a guarantor of, or obligor on, the Notes. Noteholders will not have any recourse to or against the Ceding Reinsurer or any of its affiliates for any amounts due and payable by the Issuer to any Noteholder for any reason, including in the event of a default by the Issuer.

The Notes

I. Principal Amount

Original Principal Amount For each Class of Notes, the principal amount of such Class upon original issuance thereof (the "**Original Principal Amount**"), which will be (i) \$60,000,000 for the Class A Notes and (ii) €130,000,000 for the Class B Notes.

Outstanding Principal Amount For each Class of Notes, as of any date of determination, the Original Principal Amount of such Class of Notes (i) as reduced by the aggregate of all Principal Reductions applicable to such Class of Notes made on all Payment Dates prior to and including such date and (ii) as increased by the aggregate of all Principal Increases applicable to such Class of Notes made on all Payment Dates prior to and including such date (the "**Outstanding Principal Amount**"); *provided*, that the Outstanding Principal Amount shall neither be less than zero nor greater than the Original Principal Amount for such Class of Notes. Any such adjustment will be allocated *pro rata* among the holders of the applicable Class of Notes.

Principal Reduction On each Payment Date, the Outstanding Principal Amount of a Class of Notes will be reduced by (i) an amount equal to the Positive Period Loss Payment Amount, if any, relating to such Payment Date and such Class of Notes, plus (ii) the Partial Repayment Amount, if any, relating to such Payment Date and such Class of Notes (each such reduction, a "**Principal Reduction**"), until the Outstanding Principal Amount of such Class of Notes has been reduced to zero. The aggregate of all Principal Reductions (net of Principal Increases) for a Class of Notes will not exceed the Original Principal Amount of such Class of Notes.

Principal Increase On each Payment Date, the Outstanding Principal Amount of a Class of Notes will be increased by an amount equal to the absolute value of the Negative Period Loss Payment Amount, if any, relating to such Payment Date and such Class of Notes (each such increase, a "**Principal Increase**").

Repayment Amount For each Class of Notes, 100% of the Outstanding Principal Amount of such Class of Notes, determined as of the Redemption Date, plus, if applicable, any Early Redemption Payment or Optional Redemption Payment (the "**Repayment Amount**"). On a Redemption Date, Holders of the applicable Class of Notes will receive, to the extent of available funds therefor, the Repayment Amount plus any accrued but unpaid interest on such Class of Notes.

II. Redemption Date

Redemption Date	For each Class of Notes, the earliest to occur of the Early Redemption Date, the Optional Redemption Date and the Scheduled Redemption Date, in each case as applicable for such Class of Notes, or, following an Extension Event with respect to such Class of Notes, the Extended Redemption Date or Early Redemption Date for such Class of Notes, as the case may be (the “ Redemption Date ”).
Scheduled Redemption Date	For each Class of Notes, January 7, 2016 (or, if such day is not a Business Day, the next succeeding Business Day) (the “ Scheduled Redemption Date ”).
Early Redemption Date	If an Early Redemption Event has occurred with respect to a Class of Notes, such Class of Notes will be redeemed earlier than the Scheduled Redemption Date or, if applicable, the Extended Redemption Date following such Early Redemption Event. The date of any such early redemption will be the first Payment Date that occurs at least thirty-five (35) calendar days after the date of an Early Redemption Event, but will not be later than the Scheduled Redemption Date or the Extended Redemption Date, as applicable (the “ Early Redemption Date ”). If any Early Redemption Event has occurred for a Class of Notes, the redemption price for such Class of Notes will be the Repayment Amount, which will include the Early Redemption Payment in the case of a Ceding Reinsurer Default Redemption Event or a Solvency II Redemption Event.
Optional Redemption Date	For each Class of Notes, after the receipt by the Indenture Trustee of a notice of Optional Redemption, the Issuer will redeem all, but not less than all, of the Notes of such Class at a redemption price equal to the Repayment Amount, which will include the Optional Redemption Payment, on either January 1, 2014 or January 1, 2015, as applicable (or, in each case, if such day is not a Business Day, the next succeeding Business Day) (the “ Optional Redemption Date ”).
Extended Redemption Date	Each January 7, April 7, July 7 and October 7 during an Extension, except that the Extended Redemption Date that would otherwise occur on January 7, 2018 shall instead be on January 9, 2018 (or, if any such day is not a Business Day, the next succeeding Business Day); <i>provided</i> , that in no event shall any Extended Redemption Date be later than the Final Extended Redemption Date (each, an “ Extended Redemption Date ”).

III. Early Redemption

Early Redemption Event	For each Class of Notes, each of the following is an “ Early Redemption Event ” and will occur:
(i)	on the date that the Ceding Reinsurer gives written notice to the Issuer and the Indenture Trustee that it elects to terminate the Reinsurance Agreement for such Class of Notes at any time when the Outstanding Principal Amount of such Class is equal to or less than 10% of the Original Principal Amount of such Class; provided, that such Reinsurance Agreement may not be so terminated, and such Class of Notes may not be so redeemed, (a) prior to, but not including, the fourth (4th) Payment Date following the Issuance Date or (b) while a Minimum Development Period, if any, has commenced and is continuing for such Class of Notes (a “ Clean-Up Call ”

Redemption Event”);

- (ii) on the date that the Ceding Reinsurer gives written notice to the Issuer and the Indenture Trustee that it elects to terminate the Reinsurance Agreement for such Class of Notes, following certification by the Calculation Agent in writing that a Reporting Agency, or its successor, has ceased to provide the information necessary for the Calculation Agent to provide an Event Report for such Class of Notes, and the Calculation Agent was unable within forty-five (45) calendar days to find a replacement for such Reporting Agency reasonably satisfactory to and unaffiliated with the Ceding Reinsurer (a “**Reporting Agency Redemption Event**”);
- (iii) on the date that the Ceding Reinsurer gives written notice to the Issuer and the Indenture Trustee that it elects to terminate the Reinsurance Agreement for such Class of Notes, which date is at least forty-five (45) calendar days after the date of termination of the Calculation Agent Agreement due to a failure by the Calculation Agent to perform its duties and obligations under the Calculation Agent Agreement, if the Issuer, after using its reasonable best efforts, has been unable to engage a suitable substitute calculation agent reasonably satisfactory to and unaffiliated with the Ceding Reinsurer to perform such duties and obligations (a “**Calculation Agent Redemption Event**”);
- (iv) on the date on which there has been a failure by the Ceding Reinsurer under the Reinsurance Agreement for such Class of Notes to make any Premium Payment or Negative Index Payment when due under such Reinsurance Agreement (and such default has not been cured within five (5) Business Days following the date on which the Issuer has provided a written notice of such default to the Ceding Reinsurer) (a “**Ceding Reinsurer Default Redemption Event**”);
- (v) on the date that is specified in a written notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee if, in the Ceding Reinsurer’s sole judgment (following written advice of the Ceding Reinsurer’s counsel with a copy provided to the Issuer and the Indenture Trustee), as a result of any amendment to, or change in, the laws or regulations of any jurisdiction affecting taxation, or any amendment to, or change in, an official published interpretation or application of such taxation laws or regulations on or after the Issuance Date, or any official published supplementary clarification of such taxation laws or regulations on or after the Issuance Date, the Ceding Reinsurer or the Issuer becomes subject to taxation (or increase in taxation) in any jurisdiction which increases the amount of payments payable by the Ceding Reinsurer to the Issuer under the Reinsurance Agreement for such Class of Notes (a “**Change in Tax Law Redemption Event**”);
- (vi) on the date that is specified in a written notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee if, in the Ceding Reinsurer’s sole judgment (following written advice of the Ceding Reinsurer’s counsel with a copy provided to the Issuer and the Indenture Trustee), as a result of any

amendment to, or change in, the laws of any jurisdiction (including a change in any official interpretation or application thereof) becoming effective that would materially and adversely impair (a) the Issuer's ability to lawfully perform its obligations under such Class of Notes or its payment obligations under the Reinsurance Agreement for such Class of Notes or (b) the Ceding Reinsurer's ability to lawfully perform its obligations under the Reinsurance Agreement for such Class of Notes (a "**Change in Law Redemption Event**");

(vii) on the date on which the Ceding Reinsurer gives written notice to the Issuer and the Indenture Trustee that it elects to terminate the Reinsurance Agreement for such Class of Notes following the occurrence of an EBRD Put Event described in subsection (vi), (vii), or (viii) in the definition of EBRD Put Event (an "**EBRD Redemption Event**"); and

(viii) on the date that is specified in a written notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee with at least ninety (90) calendar days' prior notice, which date may be no earlier than the effective date of any amendment or implementation measure specified in (a) below if, in the Ceding Reinsurer's sole good faith judgment, following advice of a recognized accounting, actuarial or law firm (with a copy provided to the Issuer and the Indenture Trustee) confirming the items specified in (a) and (b) below: (a) as a result of any amendment to Directive 2009/138/EC ("**Solvency II**") (other than as contemplated by the proposal for a directive of the European Parliament and of the Council amending Directives 2003/71/EC and 2009/138/EC in respect of the powers of the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority contained in a draft directive put forward by the Presidency of the European Council on September 21, 2011 ("**Omnibus II Draft Directive**")) or European implementing measures, the implementation of Solvency II into the domestic legislation of the Member States of the European Union, the adoption of any directly applicable regulation or rules by the European Commission relating to the implementation and application of Solvency II, the issuance of any guidance on Solvency II by the European Commission or the European Insurance and Occupational Pensions Authority or any other change in the official interpretation or application of Solvency II, whether or not such amendment, change or application is immediately effective; and (b) the capital, financial statement, rating agency or other similar benefits of the applicable Reinsurance Agreement to the Ceding Reinsurer, SCOR SE or any of SCOR SE's controlled affiliates is materially less favorable to any such entities than is the case applying Directive 2009/138/EC (as it is proposed to be amended by the Omnibus II Draft Directive) and the proposed delegated acts, implementing technical statements and guidelines in respect of Solvency II issued by the European Insurance and Occupational Pensions Authority (or its predecessor) and national regulators in Member States of the European Union as of the Issuance Date (a "**Solvency II**");

Redemption Event").

Early Redemption Payment..... For each Class of Notes, an additional repayment amount will be payable on the Early Redemption Date upon the occurrence of (i) a Ceding Reinsurer Default Redemption Event, equal to the sum of the present value, discounted at, for the Class A Notes, LIBOR and, for the Class B Notes, EURIBOR (in each case, determined for the Accrual Period in which such Early Redemption Event occurred), for the applicable scheduled Interest Spread payments calculated on the Outstanding Principal Amount of such Class of Notes, determined as of the Early Redemption Date, for each Accrual Period from the first day of the Accrual Period that begins on such Early Redemption Date up to the applicable Scheduled Redemption Date or (ii) a Solvency II Redemption Event, equal to, (x) if the Early Redemption Date occurs on or prior to December 31, 2014, 2.0% of the Outstanding Principal Amount of such Class of Notes and, (y) if the Early Redemption Date occurs after December 31, 2014 but prior to the Scheduled Redemption Date, 1.0% of the Outstanding Principal Amount of such Class of Notes (each of clauses (i) and (ii), an "**Early Redemption Payment**"). If the Early Redemption Date occurs on or after the Scheduled Redemption Date, the Early Redemption Payment will be zero.

IV. Optional Redemption

Optional Redemption; Optional Redemption Election Date For each Class of Notes, the Ceding Reinsurer may direct the Issuer to redeem all, but not less than all, of the Notes of such Class on the Optional Redemption Date (an "**Optional Redemption**"), at a redemption price equal to the Repayment Amount, which will include the Optional Redemption Payment, by providing written notice of such election to the Issuer and the Indenture Trustee at least thirty-five (35) Business Days prior to the applicable Optional Redemption Date (the date of such election, an "**Optional Redemption Election Date**").

Optional Redemption Payment..... For each Class of Notes, an additional repayment amount payable in connection with an Optional Redemption, equal to, (a) if the applicable Optional Redemption Date is January 1, 2014, 4.0% of the Outstanding Principal Amount of such Class of Notes and, (b) if the applicable Optional Redemption Date is January 1, 2015, 2.0% of the Outstanding Principal Amount of such Class of Notes (or, in each case, if such day is not a Business Day, the next succeeding Business Day) (the "**Optional Redemption Payment**").

V. Extension

Extension..... The maturity of a Class of Notes may be extended beyond the applicable Scheduled Redemption Date for one or more Extension Periods as a result of the occurrence of an Extension Event or series of Extension Events with respect to such Class of Notes, provided that the maturity of such Class may not be extended beyond the earliest of (i) the Early Redemption Date, if any, (ii) the Final Extended Redemption Date, and (iii) the Extension Discontinuation Date (each, an "**Extension**").

If, as of any Extension Determination Date, an Extension Event has occurred and is continuing, then the maturity of the relevant Class of

Notes will be extended automatically for an Extension Period, commencing on the Scheduled Redemption Date or Extended Redemption Date, as the case may be, immediately following such Extension Determination Date. The occurrence of an Extension will not have the effect of extending the Risk Period.

Extension Event..... An Optional Extension Event I, an Optional Extension Event II or a Mandatory Extension Event, as the case may be (each, an “**Extension Event**”). An Optional Extension Event and a Mandatory Extension Event may occur independently of each other or may occur together. An Extension Event of one type may be followed by an Extension Event of another type for a subsequent Extension Period if the conditions for such other type of Extension Event have been satisfied.

Extension Period..... Each period of approximately three months for which the maturity of a Class of Notes will be extended following the occurrence of an Extension Event for such Class, which period will commence on and including the Scheduled Redemption Date or the relevant Extended Redemption Date, as the case may be, and end on but excluding the immediately succeeding Extended Redemption Date (each, an “**Extension Period**”).

Final Extended Redemption Date..... For each Class of Notes, the date (the “**Final Extended Redemption Date**”) that is the earliest of:

- (i) January 9, 2018 (or if such day is not a Business Day, the next succeeding Business Day);
- (ii) the applicable Payment Date after the Scheduled Redemption Date occurring on or immediately after the Event Reporting Date on which a Final Event Report has been delivered by the Calculation Agent for all Covered Events for which an Event Notice has been delivered; and
- (iii) the applicable Payment Date occurring on or immediately after which (a) the sum of the Issuer Payments (net of Negative Index Payments) in respect of one or more Covered Events equals the Original Principal Amount of such Class of Notes and (b) a Final Event Report has been issued for each such Covered Event relating to such Class of Notes;

provided, that for clauses (ii) and (iii) above, if the Indenture Trustee has not delivered the EBRD Put Notice at least eleven (11) Business Days prior to the relevant Payment Date, the Final Extended Redemption Date will be the next succeeding Payment Date.

Extension Discontinuation Date For each Class of Notes, following the occurrence of an Extension Event for such Class of Notes, the “**Extension Discontinuation Date**” will be the Extended Redemption Date immediately succeeding an Extension Determination Date as of which: (i) no Optional Extension Event for such Class of Notes has occurred and is continuing; and (ii) no Mandatory Extension Event for such Class of Notes has occurred and is continuing.

Extension Determination Date..... For each Class of Notes, the date that is fifteen (15) Business Days prior to the Scheduled Redemption Date or any Extended Redemption Date, as the case may be, for such Class of Notes, and, if a potential Covered Event occurs between the period from the fifteenth (15th)

Business Day prior to the Scheduled Redemption Date to the end of the Risk Period for such Class of Notes, the date that is three (3) Business Days prior to the Scheduled Redemption Date (each, a “**Extension Determination Date**”).

On the Business Day following each Extension Determination Date, the Issuer will notify the Indenture Trustee and the Ceding Reinsurer as to whether an Optional Extension Event has occurred as of such Extension Determination Date and whether a Mandatory Extension Event has occurred as of such Extension Determination Date. Upon receipt of such notice from the Issuer, the Indenture Trustee will notify the applicable Clearing System(s), not later than two (2) Business Days prior to the immediately following Payment Date, of the extension of the maturity of the relevant Class of Notes for an Extension Period from such Payment Date.

Optional Extension Event..... For each Class of Notes, an “**Optional Extension Event**” will occur with respect to such Class of Notes as of any Extension Determination Date, if, on or prior to such Extension Determination Date, the Ceding Reinsurer has delivered an Optional Extension Notice for such Class in respect of which the Ceding Reinsurer has not subsequently delivered an Optional Extension Discontinuation Notice.

Optional Extension Notice..... For each Class of Notes, a notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee, on or prior to any Extension Determination Date (each, an “**Optional Extension Notice**”), electing an Optional Extension Event with respect to such Class of Notes and/or specifying whether a Partial Extension is elected and, if so, the applicable Partial Repayment Amount.

Optional Extension Discontinuation Notice For each Class of Notes, a notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee, on or prior to any Extension Determination Date (an “**Optional Extension Discontinuation Notice**”) electing to discontinue an Optional Extension Event with respect to such Class of Notes and specifying therein the applicable Redemption Date.

Optional Extension Event I; Optional Extension Event II An Optional Extension Event will constitute an “**Optional Extension Event II**” with respect to an Extension Period if the Calculation Agent has delivered to the Issuer and the Indenture Trustee an Optional Extension Event Verification Report, on or prior to the Optional Extension Type Determination Date immediately preceding such Extension Period, confirming that the Optional Extension Event II Conditions applicable to such Extension Period have been satisfied for the relevant Class of Notes. Any Optional Extension Event that does not constitute an Optional Extension Event II will be an “**Optional Extension Event I.**”

Optional Extension Type Determination Date For each Class of Notes, the date that is three (3) Business Days prior to the Scheduled Redemption Date or any Extended Redemption Date, as the case may be, for such Class of Notes (each, an “**Optional Extension Type Determination Date**”).

Optional Extension Type Determination For the purposes of determining whether an Optional Extension Event

Period..... II has occurred for the second and each subsequent Extension Period, the “**Optional Extension Type Determination Period**” will commence on the Optional Extension Type Determination Date for the immediately prior Extension Period and end on the Optional Extension Type Determination Date during such immediately prior Extension Period. For example, the Optional Extension Determination Period for the second Extension Period in respect of a Class of Notes, if applicable, will commence on the Optional Extension Type Determination Date immediately prior to the Scheduled Redemption Date for such Class of Notes and will end on the Optional Extension Type Determination Date during the first Extension Period.

Optional Extension Event II Conditions... For the each Class of Notes, the “**Optional Extension Event II Conditions**” mean the following conditions, to the extent applicable to such Class of Notes for the relevant Extension Period:

Class A Notes

- (i) with respect to any Extension Period for the Class A Notes, the occurrence during the applicable Risk Period of a Covered Event for which a Final Event Report has not been delivered prior to the Event Reporting Date preceding such Extension Period; and
- (ii) with respect to the second and each subsequent Extension Period for the Class A Notes, the Loss Period Index Value for any Loss Period on any date of determination during the relevant Optional Extension Type Determination Period is equal to or greater than the minimum percentage specified in the table below;

<u>Extension Period</u>	<u>Minimum Percentage</u>
Second Extension Period	25% of Attachment Level*
Third Extension Period	50% of Attachment Level*
Fourth Extension Period	75% of Attachment Level*
Fifth Extension Period	75% of Attachment Level*
Sixth Extension Period	90% of Attachment Level*
Seventh Extension Period	90% of Attachment Level*
Eighth Extension Period	90% of Attachment Level*

* Denotes the Attachment Level in effect for the Class A Notes during such Loss Period

Class B Notes

- (i) with respect to any Extension Period for the Class B Notes, the occurrence during the applicable Risk Period of a Covered Event for which a Final Event Report has not been delivered prior to the Event Reporting Date preceding such Extension Period; and
- (ii) with respect to the second and each subsequent Extension Period for the Class B Notes, the Event Index Value for any Covered Event on any date of determination during the relevant Optional Extension Type Determination Period is equal to or greater than the minimum percentage specified in

the table below;

<u>Extension Period</u>	<u>Minimum Percentage</u>
Second Extension Period	25% of Attachment Level*
Third Extension Period	50% of Attachment Level*
Fourth Extension Period	75% of Attachment Level*
Fifth Extension Period	75% of Attachment Level*
Sixth Extension Period	90% of Attachment Level*
Seventh Extension Period	90% of Attachment Level*
Eighth Extension Period	90% of Attachment Level*

* Denotes the Attachment Level in effect for the Class B Notes on the applicable Date of Loss.

Optional Extension Verification Report No less than five (5) Business Days prior to each Optional Extension Type Determination Date, the Ceding Reinsurer may instruct the Calculation Agent to deliver, on or prior to such Optional Extension Type Determination Date, a report (each, an “**Optional Extension Verification Report**”) to the Issuer and the Ceding Reinsurer specifying whether the Optional Extension Event II Conditions have been satisfied; *provided*, that if a potential Covered Event occurs within ten (10) Business Days prior to the applicable Scheduled Redemption Date, the Ceding Reinsurer may, no less than three (3) Business Days following the Date of Loss of such potential Covered Event, instruct the Calculation Agent to deliver the initial Optional Extension Verification Report, and the Calculation Agent will be required to deliver such Optional Extension Verification Report within five (5) Business Days following the date of such instruction.

Mandatory Extension Event For each Class of Notes, a “**Mandatory Extension Event**” will have occurred as of any Extension Determination Date, if (i) an Issuer Payment has been made (or will be made on the immediately succeeding Payment Date) by the Issuer to the Ceding Reinsurer under the corresponding Reinsurance Agreement and (ii) the Minimum Development Period remains in effect for any Loss Period (in the case of the Class A Notes) or Covered Event (in the case of the Class B Notes) relating to any such Issuer Payment.

Minimum Development Period Class A Notes

For the Class A Notes, if an Issuer Payment has been made (or will be made on the immediately succeeding Payment Date) by the Issuer to the Ceding Reinsurer in respect of a Loss Period under the corresponding Reinsurance Agreement, the “**Minimum Development Period**” for the Class A Notes will commence on the Date of Loss for the earliest Covered Event that has occurred during such Loss Period and will continue until the earliest of (i) the date that is twenty-four (24) calendar months from the Date of Loss for the latest Covered Event that has occurred during such Loss Period, (ii) the first Event Reporting Date that is at least five (5) Business Days after the date on which the Reporting Agency has released a Reporting Agency Report with its final Resurvey Estimate for each Covered Event that has occurred during such Loss Period, (iii) the date on which the applicable Reporting Agency ceases to exist, and (iv) the Event Reporting Date on which (a) the sum of the Issuer Payments under such Reinsurance

Agreement (net of Negative Index Payments) equals the Original Principal Amount of the Class A Notes and (b) a Final Event Report has been issued for each Covered Event giving rise to such Issuer Payments.

Class B Notes

For the Class B Notes, if an Issuer Payment has been made (or will be made on the immediately succeeding Payment Date) by the Issuer to the Ceding Reinsurer in respect of a Covered Event under the corresponding Reinsurance Agreement, the “**Minimum Development Period**” for the Class B Notes will commence on the Date of Loss of such Covered Event and will continue until the earliest of (i) the date that is twenty-four (24) calendar months from the Date of Loss for such Covered Event, (ii) the first Event Reporting Date that is at least five (5) Business Days after the date on which the Reporting Agency has released a Reporting Agency Report with its final Resurvey Estimate for such Covered Event, (iii) the date on which the applicable Reporting Agency ceases to exist, and (iv) the Event Reporting Date on which (a) the sum of the Issuer Payments under such Reinsurance Agreement equals the Original Principal Amount of the Class B Notes (net of Negative Index Payments) and (b) a Final Event Report has been issued for each Covered Event giving rise to such Issuer Payments.

Partial Extension; Partial Extension Date; Partial Repayment Amount.....

In connection with any Extension Event, the Ceding Reinsurer may elect to require the Issuer to extend, on the Scheduled Redemption Date or any Extended Redemption Date, as applicable, only a portion of the Outstanding Principal Amount of the relevant Class of Notes instead of the full principal amount thereof (each such partial extension, a “**Partial Extension**,” and the applicable Scheduled Redemption Date or Extended Redemption Date, a “**Partial Extension Date**”).

To the extent that a Class of Notes is extended pursuant to a Partial Extension, the portion of the Outstanding Principal Amount of such Class of Notes that is not extended pursuant to such Partial Extension will be redeemed by the Issuer on a *pro rata* basis (such redeemed amount, the “**Partial Repayment Amount**”) on the Partial Extension Date among the Noteholders of such Class, at a redemption price equal to the applicable *pro rata* portion of the Partial Repayment Amount (in each case, subject to the procedures of the applicable Clearing System).

Partial Extension Notice

The Ceding Reinsurer may elect a Partial Extension with respect to a Class of Notes and a Partial Extension Date by giving written notice of a Partial Extension (a “**Partial Extension Notice**”), the relevant Partial Repayment Amount and the relevant Partial Extension Date to the Issuer and the Indenture Trustee on or prior to the Extension Determination Date preceding such Partial Extension Date.

VI. Interest on the Notes

Interest Calculation.....

For each Accrual Period from and including the Issuance Date to, but excluding, the Redemption Date, interest on each Class of Notes will

be calculated as the sum of:

- (i) the Permitted Investment Yield relating to such Accrual Period for such Class of Notes, *plus*
- (ii) the amount of interest accrued during such Accrual Period on the Outstanding Principal Amount for such Class of Notes, determined as of the first day of such Accrual Period (after giving effect to any adjustment to the Outstanding Principal Amount on such first day), at a *per annum* rate equal to (a) for Accrual Periods beginning prior to the Scheduled Redemption Date, the Interest Spread for such Class of Notes or (b) for Accrual Periods beginning on or after the Scheduled Redemption Date, the applicable Extension Spread for such Class of Notes; in each case calculated on the basis of the actual number of days elapsed in the related Accrual Period and a 360-day year (the “**Interest Calculation Convention**”);

provided, however, that with respect to the first four (4) Accrual Periods beginning on the Issuance Date, the applicable Interest Spread portion of interest on such Class of Notes will be calculated and paid on the Original Principal Amount of such Class; *provided, further*, that, if the Outstanding Principal Amount of a Class of Notes has been reduced to zero on any of the three (3) Payment Dates following the Issuance Date, the Issuer will pay the Residual Interest Amount on such Payment Date, in addition to accrued interest for the prior Accrual Period, and no further interest will be paid with respect to such Class from the period from and including such Payment Date to, but excluding, the fourth (4th) Payment Date following the Issuance Date.

Payment Dates

Interest for each Class of Notes will be payable quarterly in arrears on the following dates (each, a “**Payment Date**”):

- (i) each January 1, April 1, July 1 and October 1 (or if any such day is not a Business Day, the next succeeding Business Day), commencing on the First Payment Date and ending on the earliest of the Early Redemption Date, the Optional Redemption Date and the Scheduled Redemption Date, as applicable, for such Class of Notes; *provided*, that there will be no Payment Date on January 1, 2016, but only on the Scheduled Redemption Date; and
- (ii) if one or more Extension Events have occurred with respect to such Class of Notes, each Extended Redemption Date and, if there is an Early Redemption Event during any Extension Period, the Early Redemption Date.

First Payment Date

January 1, 2013 (or if such day is not a Business Day, the next succeeding Business Day) (the “**First Payment Date**”).

Accrual Period.....

For each Class of Notes, interest in respect of each Payment Date will accrue from and including the immediately preceding Payment Date (or the Issuance Date, in the case of the First Payment Date) to, but not including, such Payment Date; *provided*, that with respect to the Accrual Period ending on the Redemption Date for such Class of Notes, such interest will accrue to, but excluding, one (1) Business Day prior to the Redemption Date for the purposes of calculating the EBRD Notes Coupon Payment for such Accrual Period (each, an “**Accrual**

	Period ”).
Interest Spread	For the Class A Notes, 8.00%. For the Class B Notes, 3.65%. (the “ Interest Spread ”)
Extension Spread	For any Extension Period resulting from an Optional Extension Event I only, 3.00%. For any Extension Period resulting from an Optional Extension Event II only, 0.50%. For any Extension Period resulting from a Mandatory Extension Event (whether or not in combination with an Optional Extension Event), 0.10%. (as applicable, the “ Extension Spread ”)
Permitted Investment Yield	For each Class of Notes, the yield on the Permitted Investments in the applicable Collateral Account (the “ Permitted Investment Yield ”) will be an amount equal to the actual investment earnings received in such Collateral Account on the Permitted Investments held in such Collateral Account prior to and including one (1) Business Day prior to the applicable Payment Date, which have not been previously distributed to the Issuer, net of applicable withholding taxes and fees imposed on such earnings, if any. Promptly after its deposit into the Collateral Account of the Permitted Investment Yield, the Indenture Trustee will transfer Permitted Investment Yield into the applicable Collateral Payment Account.
Residual Interest Amount	An amount equal to the sum of the present values, discounted at, for the Class A Notes, LIBOR and, for the Class B Notes, EURIBOR (in each case, determined for the Accrual Period in which the Outstanding Principal Amount of such Class of Notes was reduced to zero), of each of the scheduled payments of the Interest Spread for such Class of Notes that would have been payable on each Payment Date following that Payment Date through and including the fourth Payment Date immediately following the Issuance Date (the “ Residual Interest Amount ”).
LIBOR	“ LIBOR ” means, with respect to the Dollar-Denominated EBRD Notes, LIBOR as determined by the LIBOR Calculation Agent in accordance with the terms and conditions of the Dollar-Denominated EBRD Notes. For purposes of calculating the Residual Interest Amount or the Early Redemption Payment with respect to a Ceding Reinsurer Default Redemption Event, LIBOR means, as of any LIBOR Determination Date, the rate for deposits in U.S. dollars for a period equal to the relevant Accrual Period which appears on the Reuters Page LIBOR01 as of 11:00 a.m., London time, on such date, <i>provided</i> that LIBOR for any relevant period that does not appear on Reuters Page LIBOR01 will be determined by using the closest, measured by calendar days, published period which will be the longer of the two periods in the event the LIBOR Determination Date falls exactly between two published periods. If such information is not available, the rate for that LIBOR Determination Date will be determined on the

basis of the rates at which deposits in U.S. dollars are offered by the LIBOR Reference Banks at approximately 11:00 a.m., London, on that day to prime banks in the London interbank market for a period equal to the relevant Accrual Period. The LIBOR Calculation Agent will request the principal London office of each of the LIBOR Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that LIBOR Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that LIBOR Determination Date will be the arithmetic mean of the rates quoted by three major banks in New York City, selected by the LIBOR Calculation Agent, at approximately 11:00 a.m., New York City time, on that LIBOR Determination Date for loans in U.S. dollars to leading European banks for a period equal to the relevant Accrual Period.

“**Reuters Page LIBOR01**” means the display page currently so designated on Reuters 3000 Xtra or any successor service (or such other page as may replace that page on that service or any successor service for the purpose of displaying comparable rates or prices).

“**LIBOR Reference Banks**” means four major banks in the London interbank market selected by the LIBOR Calculation Agent.

“**LIBOR Determination Date**” means the second London Banking Day prior to any Interest Reset Date.

“**London Banking Day**” means any business day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

“**Interest Reset Date**” means the first day of each Accrual Period.

“**LIBOR Calculation Agent**” means Citibank, N.A., as agent under the EBRD’s Global Medium Term Note Programme, or any successor agent thereunder, for EBRD Notes, or, for the sole purposes of determining the Early Redemption Payment with respect to a Ceding Reinsurer Default Redemption Event and the Residual Interest Amount, the Indenture Trustee.

EURIBOR “**EURIBOR**” means, with respect to the Euro-Denominated EBRD Notes, EURIBOR as determined by the EURIBOR Calculation Agent in accordance with the terms and conditions of the Euro-Denominated EBRD Notes. For purposes of calculating the Residual Interest Amount or the Early Redemption Payment with respect to a Ceding Reinsurer Default Redemption Event, EURIBOR means, as of any EURIBOR Determination Date, the rate for deposits in Euro for a period equal to the relevant Accrual Period which appears on the Reuters Screen EURIBOR01 as of 11:00 a.m., Brussels time, on such date, provided that EURIBOR for any relevant period that does not appear on Reuters Screen EURIBOR01 will be determined by using straight line linear interpolation applied between the next shortest period and the next longest period that do appear on Reuters Screen EURIBOR01. If such information is not available, the rate for that EURIBOR Determination Date will be determined on the basis of the rates at which deposits in Euro are offered by the Euro Reference Banks at approximately 11:00 a.m., Brussels time, on that day to prime banks in the Euro zone interbank market for a period equal to the relevant Accrual Period. The EURIBOR Calculation Agent will request the principal Euro zone office of each of the Euro Reference

Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that EURIBOR Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that EURIBOR Determination Date will be the arithmetic mean of the rates quoted by four major banks in the Euro zone selected by the EURIBOR Calculation Agent, at approximately 11:00 a.m., Brussels time, on that EURIBOR Determination Date for loans in Euro to leading London banks for a period equal to the relevant Accrual Period.

“**Reuters Screen EURIBOR01**” means the display page currently so designated on the Reuters 3000 Xtra or any successor service (or such other page as may replace that page on that service or any successor service for the purpose of displaying comparable rates or prices).

“**Euro Reference Banks**” means four major banks in the Euro zone interbank market selected by the EURIBOR Calculation Agent.

“**EURIBOR Determination Date**” means the second TARGET Settlement Date prior to any Interest Reset Date.

“**EURIBOR Calculation Agent**” means Citibank, N.A., as agent under the EBRD’s Global Medium Term Note Programme, or any successor agent thereunder, for EBRD Notes, or, for the sole purposes of determining the Early Redemption Payment with respect to a Ceding Reinsurer Default Redemption Event, and the Residual Interest Amount, the Indenture Trustee.

Loss Determination

I. General

Risk Period..... For each Class of Notes, the period commencing at 12:00:00 a.m., UTC, on January 1, 2013 and continuing up to and including the earlier of (i) 11:59:59 p.m., UTC, on December 31, 2015 and, (ii) in the event of an Early Redemption Event or Optional Redemption with respect to such Class of Notes, 11:59:59 p.m., UTC, on the date of such Early Redemption Event or the relevant Optional Redemption Election Date (the “**Risk Period**”).

If the Risk Period ends while a Covered Event is in progress, the Issuer’s liability under the applicable Reinsurance Agreement will, subject to the other terms and conditions of such Reinsurance Agreement, be determined as if the entire Covered Event had occurred prior to the end of the Risk Period.

Loss Periods..... For the Class A Notes only, the periods (each, a “**Loss Period**”) commencing at:

- (i) 12:00:00 a.m., UTC, on January 1, 2013 to and including 11:59:59 p.m., UTC, on December 31, 2013 (the “**First Loss Period**”);
- (ii) 12:00:00 a.m., UTC, on January 1, 2014 to and including 11:59:59 p.m., UTC, on December 31, 2014 (the “**Second Loss Period**”); and

- (iii) 12:00:00 a.m., UTC, on January 1, 2015 to and including 11:59:59 p.m., UTC, on December 31, 2015 (the “**Third Loss Period**”).

For the Class A Notes, in the event of an Early Redemption Event or an Optional Redemption with respect to such Class, the applicable Loss Period will end at 11:59:59 p.m., UTC, on the date of such Early Redemption Event or the relevant Optional Redemption Election Date. If a Loss Period expires while a Covered Event is in progress, the entire Event Index Value from such Covered Event will be included in the determination of the Loss Period Payment Amount for the Loss Period in which the Date of Loss falls, and will be excluded from any other Loss Period.

For the avoidance of doubt, there will be no Loss Periods within the Risk Period for the Class B Notes.

Covered Event For the Class A Notes, any U.S. Hurricane Event or U.S. Earthquake Event and, for the Class B Notes, any Europe Windstorm Event (each, a “**Covered Event**”).

Reporting Agency..... For the Class A Notes, PCS and, for the Class B Notes, PERILS (each, a “**Reporting Agency**”).

Reporting Agency Report..... For U.S. Hurricane Events and U.S. Earthquake Events, any PCS Catastrophe Bulletin and, for any Europe Windstorm Events, any PERILS Loss Report (each, a “**Reporting Agency Report**”).

Covered Area..... For the Class A Notes, the U.S. Hurricane Covered Area and the U.S. Earthquake Covered Area, as applicable, and, for the Class B Notes, the Europe Windstorm Covered Area (each, a “**Covered Area**”).

Date of Loss..... The U.S. Hurricane Date of Loss, the U.S. Earthquake Date of Loss and the Europe Windstorm Date of Loss, as applicable (each, a “**Date of Loss**”).

PCS..... Property Claim Services, a division of ISO Services, Inc., or any successor in interest thereto or, if no successor exists or PCS ceases to provide PCS Catastrophe Bulletins, a replacement named by the Calculation Agent (“**PCS**”).

PCS License Agreement..... On the Issuance Date, the Issuer will enter into a license agreement with PCS relating to the use of PCS-prepared information by the Issuer in connection with the Class A Notes (the “**PCS License Agreement**”).

PCS Catastrophe Bulletin Any catastrophe bulletin (each, a “**PCS Catastrophe Bulletin**”) originated and disseminated by PCS (including through ISONet PCS) that identifies and assigns a catastrophe number to a catastrophe identified herein as a U.S. Hurricane or a U.S. Earthquake or similarly identified, and/or gives preliminary or, subsequently as it deems appropriate in the exercise of its judgment, adjusted estimates (each such adjusted estimate, a “**PCS Resurvey Estimate**”), of insured industry property losses arising from a U.S. Hurricane or a U.S. Earthquake, or a comparable notification in the event a replacement reporting agency is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement.

Estimates of insured property losses are typically specified by state and line of business, which include personal lines, commercial lines and automobile lines, and may include workers' compensation losses. Any workers' compensation losses will be excluded in the determination of a U.S. Hurricane Event and a U.S. Earthquake Event, and only insured industry property losses that include personal lines, commercial lines and automobile lines will be used in the determination of an Event Index Value for such U.S. Hurricane Event or U.S. Earthquake Event, as applicable.

PERILS..... PERILS AG, incorporated in Zurich, Switzerland as a joint stock company, or any successor in interest thereto, or if no successor exists or PERILS ceases to provide PERILS Loss Reports, a replacement named by the Calculation Agent (“**PERILS**”).

PERILS License Agreement..... On the Issuance Date, the Issuer will enter into a license agreement with PERILS relating to the use of PERILS-prepared information by the Issuer in connection with the Class B Notes (the “**PERILS License Agreement**”).

PERILS Loss Report Any report (each, a “**PERILS Loss Report**”) originated and disseminated by PERILS that identifies and assigns an event name and occurrence date to a catastrophe identified herein as Europe Windstorm or similarly identified, and/or gives preliminary estimates or, subsequently as it deems appropriate in the exercise of its judgment, adjusted estimates (each such adjusted estimate, a “**PERILS Resurvey Estimate**”) of insured industry property losses arising from a Europe Windstorm, or a comparable notification in the event a replacement reporting agency is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement.

Estimates of insured property losses are typically specified by (i) CRESTA Zone, with the exception of Norway where they are specified by county, and (ii) line of business, which include residential lines, commercial lines, industrial lines and agricultural lines.

Resurvey Estimate Any PCS Resurvey Estimate in respect of a U.S. Hurricane or a U.S. Earthquake or any PERILS Resurvey Estimate in respect of a Europe Windstorm (each, a “**Resurvey Estimate**”).

Final Resurvey Estimate..... For the avoidance of doubt, the determination of whether a Resurvey Estimate in respect of a Covered Event is “final” will be as specified by the Reporting Agency in the relevant Reporting Agency Report. If the Reporting Agency deems it appropriate, in the exercise of its judgment, to restate or reopen an estimate of insured property losses resulting from a Covered Event that has at one time been labeled as “final” by such Reporting Agency, such previously released but reopened or restated “final” Resurvey Estimate will no longer be deemed final for purposes of the Notes and the Reinsurance Agreement; *provided*, that no such new Resurvey Estimate will be taken into account to the extent that it is issued after the date that is five (5) Business Days prior to the Event Reporting Date immediately prior to the Redemption Date.

II. U.S. Hurricane

U.S. Hurricane Any event that is identified and assigned a number by PCS as a “catastrophe” (whether or not such identification and assignment is made during the Risk Period), where the perils identified by PCS with respect to such catastrophe include the peril of hurricane or tropical storm (each, a “**U.S. Hurricane**”).

U.S. Hurricane Date of Loss..... The first date specified in the “Dates” data field of a PCS Catastrophe Bulletin for a U.S. Hurricane, or the comparable data field in the event PCS changes its reporting format or a replacement to PCS is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement (“**U.S. Hurricane Date of Loss**”).

U.S. Hurricane Event..... Any U.S. Hurricane with a U.S. Hurricane Date of Loss within the Risk Period for the Class A Notes having caused insured industry property losses in the U.S. Hurricane Covered Area (each, a “**U.S. Hurricane Event**”).

U.S. Hurricane Covered Area..... Alabama, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia and Puerto Rico (the “**U.S. Hurricane Covered Area**”).

State..... Each of the states of the United States of America, the District of Columbia and Puerto Rico (each, a “**State**”).

U.S. Hurricane Event Parameters; U.S. Hurricane Event Parameters Date The following physical characteristics of any U.S. Hurricane obtained from the U.S. Hurricane Data Provider and reported by the U.S. Hurricane Data Provider in a Tropical Cyclone Report, or, if such Tropical Cyclone Report is not released by the U.S. Hurricane Data Provider within one hundred and twenty (120) calendar days after the U.S. Hurricane Date of Loss of such U.S. Hurricane Event, the latest preliminary data as may be made publicly available by the U.S. Hurricane Data Provider within one hundred and twenty (120) calendar days after the U.S. Hurricane Date of Loss of such U.S. Hurricane Event (a “**U.S. Hurricane Event Parameters Date**”): (i) the date and time of such event and (ii) the location, forward speed, central barometric pressure and radius of maximum winds at six-hour intervals or more frequently if provided by the U.S. Hurricane Data Provider (the “**U.S. Hurricane Event Parameters**”).

U.S. Hurricane Data Provider..... The National Weather Service (“**NWS**”), an agency of the U.S. National Oceanic and Atmospheric Administration, and the National Hurricane Center (“**NHC**”), part of the NWS, or their successors, and in the event that the NWS or the NHC ceases to exist and there is no successor, such other organization selected by the Calculation Agent that provides equivalent data and is reasonably satisfactory to and unaffiliated with the Ceding Reinsurer (the “**U.S. Hurricane Data Provider**”).

Tropical Cyclone Report A report issued by the U.S. Hurricane Data Provider containing meteorological statistics, post-event analysis best track and other information about a hurricane (a “**Tropical Cyclone Report**”).

U.S. Hurricane State Modeled Loss; U.S. Hurricane County Modeled Loss; U.S.

Hurricane Post Event Loss Calculations;
 U.S. Hurricane County Percentage..... Following each U.S. Hurricane Event, the Calculation Agent will obtain from the U.S. Hurricane Data Provider the U.S. Hurricane Event Parameters with respect to such U.S. Hurricane Event and will withdraw from escrow the applicable Escrow Model and the U.S. Industry Exposure Database.

The Calculation Agent will use the applicable Escrow Model and U.S. Hurricane Event Parameters to calculate each State loss for personal lines, commercial lines (excluding any workers' compensation losses) and automobile lines to the U.S. Industry Exposure Database ("U.S. Hurricane State Modeled Loss") for each State in the U.S. Hurricane Covered Area and each county level loss to the U.S. Industry Exposure Database ("U.S. Hurricane County Modeled Loss") for each county in the U.S. Hurricane Covered Area pursuant to the procedures set forth in the applicable Calculation Agent Agreement and as described in the "AIR Expert Risk Analysis Results" attached hereto as Annex B ("U.S. Hurricane Post Event Loss Calculations").

For each county within each State in the U.S. Hurricane Covered Area, the Calculation Agent will calculate a percentage ("U.S. Hurricane County Percentage") equal to (i) the relevant county's U.S. Hurricane County Modeled Loss divided by (ii) the U.S. Hurricane State Modeled Loss for such county's State.

U.S. Hurricane State PCS Loss..... On any date of determination and for each U.S. Hurricane, an amount equal to the total amount of estimated insured property losses from personal lines, commercial lines (excluding any workers' compensation losses) and automobile lines for each State calculated separately in the U.S. Hurricane Covered Area as stated in the most recent PCS Catastrophe Bulletin and verified by the Calculation Agent (the "U.S. Hurricane State PCS Loss").

U.S. Hurricane County PCS Loss..... On any date of determination, for each U.S. Hurricane Event and for each county within each State in the U.S. Hurricane Covered Area, an amount equal to (i) the U.S. Hurricane State PCS Loss for such State multiplied by (ii) the U.S. Hurricane County Percentage for such county in such State (the "U.S. Hurricane County PCS Loss").

U.S. Hurricane County Payout Factors..... The applicable U.S. Hurricane payout factors set forth in the data disk included in Annex G attached hereto (the "Initial U.S. Hurricane County Payout Factors") and, following any Reset, the Updated U.S. Hurricane County Payout Factors (the "U.S. Hurricane County Payout Factors").

U.S. Hurricane Index Value For any U.S. Hurricane Event, the "U.S. Hurricane Index Value" will be calculated by the Calculation Agent using the following formula and rounded to two decimal places:

$$\text{U.S. Hurricane Index Value} = \sum_c \prod_c \times I_c - \text{Index Deductible}^*$$

*Denotes the Index Deductible in effect on the applicable U.S. Hurricane Date of Loss.

Where,

I_c = the U.S. Hurricane County Payout Factor in effect on the U.S. Hurricane Date of Loss for each County (C) within each State within the U.S. Hurricane Covered Area; and

I_c = the U.S. Hurricane County PCS Loss for each County (C) within each State within the U.S. Hurricane Covered Area, divided by \$1,000,000;

provided, that if the U.S. Hurricane Index Value for any U.S. Hurricane Event is less than zero, then such U.S. Hurricane Index Value will be deemed to be zero.

If the U.S. Hurricane Post Event Loss Calculations cannot be conducted for one or more States within the U.S. Hurricane Covered Area because the relevant U.S. Hurricane State PCS Loss is below \$1,000,000, then the Calculation Agent will apply the lowest U.S. Hurricane County Payout Factor stated for a county in such State to the relevant U.S. Hurricane State PCS Loss.

Any change in the U.S. Hurricane County PCS Loss for a U.S. Hurricane Event after the earlier of (i) the Event Reporting Date that occurs at least five (5) Business Days after the date PCS releases a PCS Catastrophe Bulletin with its final PCS Resurvey Estimate for such U.S. Hurricane Event and (ii) five (5) Business Days prior to the Event Reporting Date immediately prior to the Redemption Date will be disregarded by the Calculation Agent when calculating the U.S. Hurricane Index Value and any corresponding Loss Payment Amount.

II. U.S. Earthquake

U.S. Earthquake..... Any event that is identified and assigned a number by PCS as a "catastrophe" (whether or not such identification and assignment is made during the Risk Period), where the perils identified by PCS with respect to such catastrophe include the peril of earthquake (each, a "U.S. Earthquake").

U.S. Earthquake Date of Loss..... The first date specified in the "Dates" data field of a PCS Catastrophe Bulletin for a U.S. Earthquake, or the comparable data field in the event PCS changes its reporting format or a replacement to PCS is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement (each, a "U.S. Earthquake Date of Loss").

U.S. Earthquake Event..... Any U.S. Earthquake with a U.S. Earthquake Date of Loss within the Risk Period for the Class A Notes having caused insured industry property losses in the U.S. Earthquake Covered Area (each, a "U.S. Earthquake Event").

U.S. Earthquake Covered Area..... Each of the forty-eight (48) states comprising the continental United States of America and the District of Columbia (the "U.S. Earthquake Covered Area").

U.S. Earthquake Event Parameters; U.S. Earthquake Event Parameters Date The following physical characteristics of any U.S. Earthquake obtained from the U.S. Earthquake Data Provider and reported by the U.S. Earthquake Data Provider within ninety (90) calendar days after the U.S. Earthquake Date of Loss of such U.S. Earthquake Event (each, a

“**U.S. Earthquake Event Parameters Date**”): (i) the date and time of such event, (ii) the ShakeMap ground motion file, or, if such ground motion file is not available, the moment magnitude, location of epicenter, focal depth, rupture azimuth, dip angle and fault type (the “**U.S. Earthquake Event Parameters**”).

U.S. Earthquake Data Provider..... The United States Geological Survey or its successor, and in the event that the United States Geological Survey ceases to exist and there is no successor, such other organization selected by the Calculation Agent that provides equivalent data and is reasonably satisfactory to and unaffiliated with the Reinsurance Agreement Counterparty (the “**U.S. Earthquake Data Provider**”).

U.S. Earthquake State Modeled Loss;
U.S. Earthquake County Modeled Loss;
U.S. Earthquake Post Event Loss
Calculations; U.S. Earthquake County
Percentage..... Following each U.S. Earthquake Event, the Calculation Agent will obtain from the U.S. Earthquake Data Provider the U.S. Earthquake Event Parameters with respect to such U.S. Earthquake Event and will withdraw from escrow the applicable Escrow Model and the U.S. Industry Exposure Database.

The Calculation Agent will use the applicable Escrow Model and U.S. Earthquake Event Parameters to calculate each State loss from personal lines, commercial lines (excluding any workers’ compensation losses) and automobile lines to the U.S. Industry Exposure Database (“**U.S. Earthquake State Modeled Loss**”) for each State in the U.S. Earthquake Covered Area and each county level loss to the U.S. Industry Exposure Database (“**U.S. Earthquake County Modeled Loss**”) for each county in the U.S. Earthquake Covered Area pursuant to the procedures set forth in the applicable Calculation Agent Agreement and as described in the “*AIR Expert Risk Analysis Results*” attached hereto as Annex B (“**U.S. Earthquake Post Event Loss Calculations**”).

For each county within each State in the U.S. Earthquake Covered Area, the Calculation Agent will calculate a percentage (“**U.S. Earthquake County Percentage**”) equal to (i) the relevant county’s U.S. Earthquake County Modeled Loss divided by (ii) the U.S. Earthquake State Modeled Loss for such county’s State.

U.S. Earthquake State PCS Loss On any date of determination and for each U.S. Earthquake, an amount equal to the total amount of estimated insured property losses from personal lines, commercial lines (excluding any workers’ compensation losses) and automobile lines for each State calculated separately in the U.S. Earthquake Covered Area as stated in the most recent PCS Catastrophe Bulletin and verified by the Calculation Agent (the “**U.S. Earthquake State PCS Loss**”).

U.S. Earthquake County PCS Loss..... On any date of determination, for each U.S. Earthquake Event and for each county within each State in the U.S. Earthquake Covered Area, an amount equal to (i) the U.S. Earthquake State PCS Loss for such State multiplied by (ii) the U.S. Earthquake County Percentage for such county in such State (the “**U.S. Earthquake County PCS Loss**”).

U.S. Earthquake County Payout Factors ... The applicable U.S. Earthquake payout factors set forth in the data disk included in Annex G attached hereto (the “**Initial U.S. Earthquake**

County Payout Factors”) and, following any Reset, the Updated U.S. Earthquake County Payout Factors (the “**U.S. Earthquake County Payout Factors**”).

U.S. Earthquake Index Value For any U.S. Earthquake Event, the “**U.S. Earthquake Index Value**” will be calculated by the Calculation Agent using the following formula and rounded to two decimal places:

$$U.S. \text{ Earthquake Index Value} = \sum_C \Pi_C \times I_C - \text{Index Deductible}^*$$

*Denotes the Index Deductible in effect on the applicable U.S. Earthquake Date of Loss.

Where,

Π_C = the U.S. Earthquake County Payout Factor in effect on the U.S. Earthquake Date of Loss for each County (C) within each State within the U.S. Earthquake Covered Area; and

I_C = the U.S. Earthquake County PCS Loss for each County (C) within each State within the U.S. Earthquake Covered Area, divided by \$1,000,000;

provided, that if the U.S. Earthquake Index Value for any U.S. Earthquake Event is less than zero, then such U.S. Earthquake Index Value will be deemed to be zero.

If the U.S. Earthquake Post Event Loss Calculations cannot be conducted for one or more States within the U.S. Earthquake Covered Area because the relevant U.S. Earthquake State PCS Loss is below \$1,000,000, then the Calculation Agent will apply the lowest U.S. Earthquake County Payout Factor stated for a county in such State to the relevant U.S. Earthquake State PCS Loss.

Any change in the U.S. Earthquake County PCS Loss for a U.S. Earthquake Event after the earlier of (i) the Event Reporting Date that occurs at least five (5) Business Days after the date PCS releases a PCS Catastrophe Bulletin with its final PCS Resurvey Estimate for such U.S. Earthquake Event and (ii) five (5) Business Days prior to the Event Reporting Date immediately prior to the Redemption Date will be disregarded by the Calculation Agent when calculating the U.S. Earthquake Index Value and any corresponding Loss Payment Amount.

III. Europe Windstorm

Europe Windstorm Any event that is identified and assigned a unique event identifier by PERILS as a “Europe windstorm event” (whether or not such identification and assignment is made during the Risk Period) (each, a “**Europe Windstorm**”).

Europe Windstorm Date of Loss The event start date specified in the data field labeled “Event Start Date” of a PERILS Loss Report for a Europe Windstorm, or the comparable data field in the event PERILS changes its reporting format or a replacement to PERILS is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement (“**Europe**

Windstorm Date of Loss”).

- Europe Windstorm Event Any applicable Europe Windstorm with a Europe Windstorm Date of Loss within the Risk Period for the Class B Notes having caused insured industry property losses in the Europe Windstorm Covered Area (each, a “**Europe Windstorm Event**”).
- Europe Windstorm Covered Area Belgium, Denmark (including Jutland, Sjælland, Fyn, Lolland, Bornholm and the Faroe Islands), Mainland metropolitan France and Corsica (excluding Départements d’Outre Mer and Territoires d’Outre Mer), Germany, Republic of Ireland, Luxembourg, The Netherlands (excluding Aruba and the Netherlands Antilles), Norway (excluding Jan Mayen and Svalbard), Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland (excluding overseas dependencies but including the Isle of Man and Channel Islands) (“**Europe Windstorm Covered Area**”).
- Europe Windstorm PERILS Loss..... On any date of determination and for each Europe Windstorm, an amount equal to the total amount of estimated insured property losses from residential lines, commercial lines, industrial lines and agricultural lines for each CRESTA Zone (or, in the case of Norway, each county) calculated separately in local currency in the Europe Windstorm Covered Area as stated in the most recent PERILS Loss Report and verified by the Calculation Agent (the “**Europe Windstorm PERILS Loss**”).
- CRESTA Zone The “Catastrophe Risk Evaluation and Standardizing Target Accumulations,” which are the standard geographic regions generally used by the insurance industry to reference exposure locations (each, a “**CRESTA Zone**”).
- Europe Windstorm Payout Factors..... The applicable Europe Windstorm payout factors set forth in the data disk included in Annex G attached hereto (the “**Initial Europe Windstorm Payout Factors**”) and, following any Reset, the Updated Europe Windstorm Payout Factors (the “**Europe Windstorm Payout Factors**”).
- Europe Windstorm Index Value For any Europe Windstorm Event, the “**Europe Windstorm Index Value**” will be calculated by the Calculation Agent using the following formula and rounded to two decimal places:

$$\text{Europe Windstorm Index Value} = \sum_c \frac{\Pi_c \times I_c}{FX_c}$$

Where,

Π_c = the Europe Windstorm Payout Factor in effect on the Europe Windstorm Date of Loss for each CRESTA Zone (or, in the case of Norway, each county) (C) within the Europe Windstorm Covered Area;

I_c = the Europe Windstorm PERILS Loss for each CRESTA Zone (or, in the case of Norway, each county) (C) within the Europe Windstorm Covered Area; and

FX_c = the applicable FX Conversion Factor for each CRESTA Zone (or, in the case of Norway, each county) (C) in effect on the Europe

Windstorm Date of Loss multiplied by €1,000,000;

provided, that if the Europe Windstorm Index Value for any Europe Windstorm Event is less than zero, such Europe Windstorm Index Value will be deemed to be zero.

If the relevant PERILS Loss Report does not contain Europe Windstorm PERILS Losses by CRESTA Zone (or by county in the case of Norway) in one or more countries in the Europe Windstorm Covered Area, the Calculation Agent will apply the lowest Europe Windstorm Payout Factor stated for a CRESTA Zone (or county in the case of Norway) in such country to the relevant Europe Windstorm PERILS Loss.

Any change in the Europe Windstorm PERILS Loss for a Europe Windstorm Event after the earlier of (i) the Event Reporting Date that occurs at least five (5) Business Days after the date that PERILS releases a PERILS Loss Report with its final PERILS Resurvey Estimate for such Europe Windstorm Event and (ii) five (5) Business Days prior to the Event Reporting Date immediately prior to the Redemption Date will be disregarded by the Calculation Agent when calculating the Europe Windstorm Index Value and any corresponding Loss Payment Amount.

Initial Currencies For each of the following countries in the Europe Windstorm Covered Area, the following currencies:

<u>Country</u>	<u>Currency</u>
Belgium	Euro
Denmark	Danish krone
France	Euro
Germany	Euro
Republic of Ireland	Euro
Luxembourg.....	Euro
The Netherlands.....	Euro
Norway	Norwegian krone
Sweden.....	Swedish krona
Switzerland	Swiss francs
United Kingdom	Pounds sterling

(each, an “**Initial Currency**” and, together, the “**Initial Currencies**”).

Initial FX Conversion Factors For each of the following countries in the Europe Windstorm Covered Area, amounts in accordance with the following table:

<u>Country</u>	<u>Currency</u>
Denmark	7.46 DKK per €
Norway	7.41 NOK per €
Sweden.....	8.70 SEK per €

Switzerland 1.20 CHF per €
 United Kingdom 0.80 GBP per €
 For every other country..... 1 EUR per €

(each, an “**Initial FX Conversion Factor**” and, together, the “**Initial FX Conversion Factors**”).

If, in respect of any country in the Europe Windstorm Covered Area, the Reporting Agency ceases to report losses in the relevant Initial Currency and commences reporting losses in a replacement currency (each, a “**Replacement Currency**”) then an Initial FX Conversion Factor for such country will be applied to convert to Euro the losses reported in the Replacement Currency and such Initial FX Conversion Factor will be the official initial ratio at which such Initial Currency is converted into such Replacement Currency or, if an FX Conversion Factor already applies in respect of such country, the product of the previous FX Conversion Factor for such country and the official initial ratio at which such Initial Currency is converted into such Replacement Currency.

FX Conversion Factors..... The Initial FX Conversion Factors and, following any Reset, the Updated FX Conversion Factors (“**FX Conversion Factors**”).

III. Loss Calculation

Initial Attachment Level..... For the Class A Notes, 685.00 index points
 For the Class B Notes, 575.00 index points
 (“**Initial Attachment Level**”).

Initial Exhaustion Level..... For the Class A Notes, 785.00 index points
 For the Class B Notes, 675.00 index points
 (“**Initial Exhaustion Level**”).

Attachment Level For each Class of Notes, the Initial Attachment Level and, following any Reset, the applicable Updated Attachment Level (the “**Attachment Level**”).

Exhaustion Level For each Class of Notes, the Initial Exhaustion Level and, following any Reset, the applicable Updated Exhaustion Level (the “**Exhaustion Level**”).

Initial Index Deductible For the Class A Notes, 45.00 index points (the “**Initial Index Deductible**”).

Index Deductible..... The Initial Index Deductible and, following any Reset for the Class A Notes, the Updated Index Deductible (the “**Index Deductible**”).
 For the avoidance of doubt, Initial Index Deductible and Index Deductible will not be applicable to the Class B Notes.

Event Index Value For each Covered Event, the U.S. Hurricane Index Value, the U.S. Earthquake Index Value or the Europe Windstorm Index Value, as

applicable (each, an “**Event Index Value**”).

Loss Period Index Value..... For each Loss Period for the Class A Notes calculated separately, an amount equal to the sum of Event Index Values for all Covered Events relating to the Class A Notes with a Date of Loss during such Loss Period (“**Loss Period Index Value**”). For the avoidance of doubt, the term Loss Period Index Value is not applicable to the Class B Notes.

Loss Amount Class A Notes

For the Class A Notes, as of any date of determination, for each Loss Period calculated separately, the “**Loss Amount**” will be determined according to the following formula:

$$\text{Original Principal Amount} \times \left(\frac{\text{Loss Period Index Value} - \text{Attachment Level}^*}{\text{Exhaustion Level}^* - \text{Attachment Level}^*} \right)$$

* Denotes the Attachment Level or Exhaustion Level in effect for the applicable Loss Period.

If the Loss Period Index Value is less than the applicable Attachment Level, then the Loss Period Index Value for determining the Loss Amount will be deemed to be equal to the Attachment Level. If the Loss Period Index Value is greater than the applicable Exhaustion Level, then the Loss Period Index Value for determining the Loss Amount will be deemed to be equal to the Exhaustion Level.

Class B Notes

For the Class B Notes, as of any date of determination, for each Covered Event calculated separately, the “**Loss Amount**” will be determined according to the following formula:

$$\text{Original Principal Amount} \times \left(\frac{\text{Event Index Value} - \text{Attachment Level}^*}{\text{Exhaustion Level}^* - \text{Attachment Level}^*} \right)$$

* Denotes the Attachment Level or Exhaustion Level in effect on the applicable Date of Loss.

If the Event Index Value is less than the applicable Attachment Level, then the Event Index Value for determining the Loss Amount will be deemed to be equal to the Attachment Level. If the Event Index Value is greater than the applicable Exhaustion Level, then the Event Index Value for determining the Loss Amount will be deemed to be equal to the Exhaustion Level.

Loss Payment Amount..... For each Class of Notes, as of each Payment Date, an amount equal to the aggregate sum of Loss Amounts, if any, for all applicable Loss Periods (in the case of the Class A Notes) or Covered Events (in the case of the Class B Notes), as applicable, calculated as of such Payment Date (the “**Loss**

Payment Amount”).

Period Loss Payment Amount For each Class of Notes, as of each Payment Date, the “**Period Loss Payment Amount**” is an amount equal to (i) the Loss Payment Amount calculated for such Payment Date for such Class of Notes minus (ii) the Loss Payment Amount calculated for the immediately preceding Payment Date for such Class of Notes (if the result of such calculation is greater than or equal to \$0 or €0, as applicable, such result is referred to herein as a “**Positive Period Loss Payment Amount**”; if the result of such calculation is less than \$0 or €0, as applicable, such result is referred to herein as a “**Negative Period Loss Payment Amount**”); *provided*, that any Positive Period Loss Payment Amount will not be greater than the Outstanding Principal Amount for such Class of Notes on the immediately prior Payment Date or the Issuance Date, as applicable.

Event Reporting

Calculation Agent AIR Worldwide Corporation or its successor, or any replacement calculation agent under the terms of the Calculation Agent Agreement (the “**Calculation Agent**”).

Calculation Agent Agreement On the Issuance Date, the Issuer will enter into a Calculation Agent Agreement with AIR Worldwide Corporation, pursuant to which AIR Worldwide Corporation will provide certain services to the Issuer in connection with the Class A Notes and Class B Notes, including services relating to Resets and the provision of Event Reports and Optional Extension Verification Reports (the “**Calculation Agent Agreement**”).

Event Notice Following a potential Covered Event, the Ceding Reinsurer may provide written notice to the Issuer, the Calculation Agent and the Indenture Trustee (each, an “**Event Notice**”) instructing the Calculation Agent to provide an Event Report for such potential Covered Event pursuant to and in accordance with the Calculation Agent Agreement. If the Ceding Reinsurer does not request the Issuer to provide an Event Notice within sixty (60) calendar days following the related Date of Loss, no Event Index Value will be calculated with respect to such potential Covered Event. Any Event Notice provided by the Ceding Reinsurer will be posted on IntraLinks by the Workspace Administrator as Available Information.

Event Report Following receipt of an Event Notice in respect of a potential Covered Event, the Calculation Agent will issue a report (each, an “**Event Report**”) to the Issuer, the Indenture Trustee and the Ceding Reinsurer stating the results of the procedures carried out by the Calculation Agent in determining whether such potential Covered Event is a Covered Event and, if a Covered Event, (i) the Event Index Value for such Covered Event, (ii) the Loss Period Index Value for the relevant Loss Period (but only for the Class A Notes), (iii) the Loss Amount, (iv) the Loss Payment Amount and (v) the Period Loss Payment Amount. Any Event Report provided by the Calculation Agent will be posted on IntraLinks by the Workspace Administrator as Available Information.

Event Reporting Date Pursuant to the terms of the Calculation Agent Agreement, the Calculation Agent will be required to submit an Event Report to the Issuer, the Ceding Reinsurer and the Indenture Trustee at least fifteen (15) Business Days prior to the first Payment Date following the date on which the relevant Event Notice is issued (the “**Initial Event Reporting Date**”), using the latest Reporting Agency Report available as of five (5) Business Days