

WALKERS
IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

FSD NO. 163 OF 2010

IN THE MATTER OF SECTION 18 OF THE BANKRUPTCY LAW (1997 REVISION)

AND

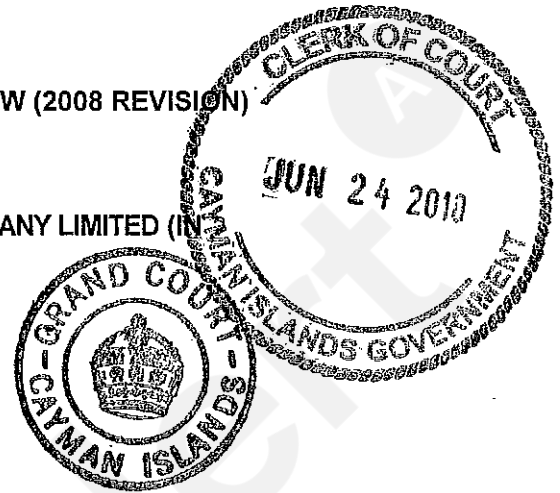
IN THE MATTER OF SECTION 13 OF THE INSURANCE LAW (2008 REVISION)

AND

IN THE MATTER OF MOTOR & GENERAL INSURANCE COMPANY LIMITED (IN
CONTROLLERSHIP)

PETITION

TO THE GRAND COURT



The humble petition of Messrs David Walker and Ian Stokoe, in their capacities as controllers (the "Controllers") of Motor & General Insurance Company Limited (In Controllership) (the "Company"), of PwC Corporate Finance & Recovery (Cayman) Limited of PO Box 258, Strathvale House, 90 North Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands shows that:

1. The Company is registered in the Cayman Islands as a foreign company under Part IX of the Companies Law (as amended) (the "Companies Law"). The registration date was 22 August 1967 and the Company was registered as company number 12543 by the Registrar of Companies. The Company was incorporated in Trinidad and Tobago on 29 July 1959. The Company's registered office is situated at 1-3 Havelock Street, St. Clair, Port-of Spain.
2. The Company is licensed as an approved external insurer under section 4 of the Insurance Law (as amended) (the "Insurance Law") and is the holder of a Class 'A' Insurer's Licence granted by the Cayman Islands Monetary Authority ("CIMA") on 2 February 1982.
3. On 15 June 2010 the Central Bank of Trinidad and Tobago suspended the Company's business (the "Suspension") pursuant to powers available under the Trinidad and Tobago Insurance Act Chapter 84:01 (as amended) and the Financial Institutions Act Chapter 79:09. On the same date, the Inspector of Financial Elections in Trinidad & Tobago delegated certain powers and duties vesting in him

pursuant to the Suspension to PricewaterhouseCoopers Limited of 11-13 Victoria Avenue, Port of Spain, Trinidad and Tobago ("PwC Trinidad").

4. As the Company carries on business in the Cayman Islands as a foreign branch, the Suspension applies equally in this jurisdiction.
5. On 22 June 2010, pursuant to section 13(1)(vii) of the Insurance Law, at the expense of the Company, CIMA appointed the Controllers to assume control of the Company's affairs within the Cayman Islands and to have, with necessary changes, all the powers of a person appointed as a receiver or manager of a business under section 18 of the Bankruptcy Law (1997 Revision) (the "Bankruptcy Law").
6. Under the terms of their appointment the Controllers are required to apply to the Grand Court of the Cayman Islands to obtain directions under section 18 of the Bankruptcy Law.

Your Petitioners therefore humbly pray that an order be made that:

1. Pursuant to, but without limiting, the powers granted to the Controllers under section 13(1)(vii) of the Insurance Law, the Controllers, as agents of the Company, be authorised to exercise the following powers, without further sanction of the Court:
 - 1.1 to administer the Company's estate for the benefit of the Company's creditors and policy holders;
 - 1.2 to take possession of all property or assets of whatever nature to which the Company appears to be entitled for the purpose of acquiring and retaining possession thereof and for the purpose of protecting the rights of the Company's creditors and policy holders;
 - 1.3 to safeguard the interests of the creditors of the Company and prepare an inventory of assets and liabilities of the Company as necessary;
 - 1.4 to take possession or make copies of the books, records and other documents pertaining to the affairs of the Company to enable a proper accounting of the current financial position of the Company;
 - 1.5 to examine and verify the books, papers and vouchers relating to the Company's affairs;

- 1.6 to investigate the legal implications of any litigation faced by the Company;
- 1.7 to bring, institute or defend any action or other legal proceedings relating to the property of the Company;
- 1.8 to refer any dispute to arbitration, compromise any debts, claims and liabilities, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Company and any person who may have incurred any liability to the Company, upon the receipt of such sums payable at such times and generally upon such terms as may be agreed upon;
- 1.9 to enter into discussions and negotiations with any person in the Cayman Islands or elsewhere as necessary to arrive at a prompt and orderly resolution of the Company's financial problems;
- 1.10 to discover and recover all debts due to the Company;
- 1.11 to sell all or any part of the property of the Company (including, without limitation, the goodwill of the business, if any, and the debts growing due to the debtor) by public auction or private contract, with power to transfer the whole thereof to any person or company or to sell the same in parcels and accept as the consideration for such transfer and sale a sum to be paid or secured to be paid at such time and in such manner as the Controllers think fit in so far as is necessary to preserve or protect the value of the Company's assets or business;
- 1.12 to carry on the business of the Company, in accordance with any order made by the Cayman Islands Monetary Authority, and in so far as may be necessary for the assumption of control of the affairs of the Company and/or as shall be necessary to preserve or protect the value of the Company's assets or business including, without limitation, the power to:
 - (a) pay the Company's ordinary trade creditors on usual terms;
 - (b) pay valid claims made by the Company's policyholders from time to time (whether from out of the trust funds described in paragraph 1.15 hereof, with CIMA's consent, or otherwise);

- (c) re-negotiate, renew or otherwise deal with certain re-insurance arrangements entered into by the Company (including, for the avoidance of doubt, the power to enter into, on behalf of the Company, such new re-insurance agreements the Controllers may consider appropriate in the event existing cover is not able to be adequately continued in the meantime).
- 1.13 to, with the approval of CIMA, appoint one or more agents whether in the Cayman Islands or elsewhere as they may consider necessary to do any business which the Controllers are unable to do themselves or which may be more conveniently be done by such agent(s);
- 1.14 to appoint, upon such terms as they may think fit, barristers, attorneys, solicitors, other professional persons or agents, whether in the Cayman Islands or elsewhere, as they may consider necessary to advise and assist the Controllers in the performance of their duties and functions;
- 1.15 to, with the approval of CIMA, access the assets held in trust for the benefit of the domestic policyholders pursuant to section 7 of the Insurance Law as are available for satisfaction of the Company's obligations to domestic policyholders and the authority to prioritize payment of approved claims from the trust assets;
- 1.16 to refer to CIMA all matters of a legal or supervisory nature pertaining to the Company;
- 1.17 to make such compromise or other arrangement as may be thought expedient with creditors of the Company or persons claiming to be creditors of the Company, in respect of any debts of the Company including, without limitation, the proposal of a scheme of arrangement pursuant to the Companies Law;
- 1.18 to make such compromise or other arrangement as may be thought expedient with respect to any claim arising out of or incidental to the property of the Company, made or capable of being made by any person;
- 1.19 to execute on behalf of the Company any Power of Attorney or other deed, contract, instrument or agreement that may, in the opinion of the Controllers, be necessary for the conduct of any of the affairs or business of the Company or for the exercise of any of the powers set out in this Order and to take any and all necessary steps to register or howsoever effect or have recognised the


Power of Attorney whether in the Cayman Islands or elsewhere;

- 1.20 to do and execute all such things as may be necessary for the conduct and control of the affairs and the business of the Company;
 - 1.21 to, at any time, apply to the Court for directions concerning the above powers or with regard to any matters arising out of the management or conduct of the affairs of the Company;
 - 1.22 to incur and pay all reasonable running expenses and disbursements in connection with the running, administration and management of the Company's records and affairs and offices; and
 - 1.23 to rank and claim in the bankruptcy, liquidation or insolvency of any person (including but not limited to any body corporate) indebted to the Company and to receive dividends, and to accede to trust deeds for the creditors of any such person.
2. The actions taken by the Controllers pursuant to their appointment prior to the making of this Order shall be deemed to be pursuant to the powers granted to them under the Insurance Law by virtue of their appointment as Controllers and/or pursuant to this Order.
 3. The Controllers are authorised to remunerate themselves and their staff for their professional fees at the hourly rates set out in Exhibit "DW1" of the Affidavit of David Walker sworn herein and payment of the Controllers' professional fees and costs (including all costs, charges and expenses of their attorneys, and all other agents, managers, accountants, actuaries, auctioneers brokers or other agents or persons that the Controllers may employ) shall be made out of the assets of the Company and in priority to other liabilities.
 4. The Controllers, their employees, legal counsel, agents and such other persons retained by them in the performance of their duties hereunder shall be granted indemnity from the assets of the Company for their reasonable fees, expenses and actions taken, including the indemnity for any litigation or other claims, action or demands whatsoever in respect of any debts, costs, claims, liabilities, acts, matters, or things done or due to be done or omitted by the Controller, their employees, legal counsel, agents and other such persons retained by them except where there is a finding by the Court of gross negligence in the performance of them and or of their respective duties.

5. The Controllers have the power to apply to any court ("Foreign Court") of any other jurisdiction ("Foreign Jurisdiction") for recognition by a Foreign Court of the powers of the Controllers in relation to the Company granted to them under the Insurance Law by virtue of their appointment as Controllers and pursuant to this Order, and to represent to a Foreign Court in making such an application that this Honourable Court requests the Foreign Court to give assistance and recognition to the Controllers to the maximum extent permitted by the law of the Foreign Jurisdiction.
6. No security shall be required from the Controllers.
7. The Controllers shall have liberty to apply.
8. The Controllers' and CIMA's costs of this Petition shall be borne by the Company and be paid out of the assets of the Company.

AND your Petitioner will ever pray etc.

DATED this 24th day of June 2010



WALKERS
ATTORNEYS-AT-LAW FOR THE PETITIONERS

This Petition is intended to be served on:

TO: Cayman Islands Monetary Authority

TIME ESTIMATE: The estimated length of the hearing of this Petition is 30 mins.

NOTICE OF HEARING

This Petition having been presented to the Court on the 24th day of June 2010 will be heard at the Court House, George Town, Grand Cayman on the _____ day of _____ 2010 in the forenoon/afternoon, or as soon thereafter as the Petition can be heard.

THIS PETITION was filed by Walkers of Walkers, Walker House, 87 Mary Street, George Town, PO Box 265, Grand Cayman KY1-9001, Cayman Islands, Attorneys-at-law for and on behalf of the Petitioners whose address for service is that of their said Attorneys-at-law.