

TO: THE MEMBERS

Ref: 2008/4

12th August, 2008

Dear Sirs,

**DIRECTORS' REPORTS & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 20TH FEBRUARY, 2008**

We enclose the Directors' Reports & Financial Statements for the year ended 20th February, 2008.

Since 20th February, 1999, the Association's quota share reinsurer has been the United Kingdom Defence Insurance Association (Isle of Man) Limited ("UK Defence (IOM)"). Members of this Association ("UK Defence Club") are also Members of UK Defence (IOM), which is managed by Havelock Insurance Management Limited of Douglas, Isle of Man ("Havelock"). Each Association holds an Annual General Meeting.

UK Defence (IOM)

This year the AGM of UK Defence (IOM) will be held at 9.30 a.m. on 9th September, 2008, at its registered office in Douglas, Isle of Man. Notice of that AGM is enclosed. As agents for Havelock we also enclose the Agenda and supporting papers for the UK Defence (IOM)'s AGM, together with a proxy form, which is to be returned to the Secretary of UK Defence (IOM) c/o Havelock of Douglas, Isle of Man.

UK Defence Club

This Association's AGM will be held in London at 9.30 a.m. on 18th September, 2008. Notice of that meeting is enclosed. We also enclose the Agenda and other papers relating to this Association's AGM together with a proxy form, which is to be returned to the Secretary of this Association c/o the Managers in London.

Yours faithfully,

THOMAS MILLER DEFENCE LTD

Managers