

ONEBEACON 401(K) SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN
Summary Plan Description and
Section 10(a) Prospectus

This document constitutes the Summary Plan Description for the OneBeacon 401(k) Savings and Employee Stock Ownership Plan. This document also constitutes part of a prospectus covering securities that have been registered pursuant to a Registration Statement on Form S-8 under the Securities Act of 1933, as amended (the “Securities Act”).

The Prospectus relates to the registration of Class A common shares, par value \$0.01 per share, of OneBeacon Insurance Group, Ltd. (“OneBeacon”) and common shares, par value \$1.00, of White Mountains Insurance Group, Ltd. (“White Mountains”) (OneBeacon and White Mountains together, the “Companies”), which are reserved for issuance to employees and former employees of the Companies and their subsidiaries under the OneBeacon 401(k) Savings and Employee Stock Ownership Plan (the “Plan”). A total of 2,000,000 Class A Common Shares of One Beacon (“OB Shares”) and 500,000 Common Shares of White Mountains (“WM Shares”) have been registered under the Securities Act, and may be delivered pursuant to awards granted under the Plan. An indeterminate amount of interests to be offered or sold pursuant to the Plan have been registered under the Securities Act as well.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

The date of this Summary Plan Description and Prospectus is January 1, 2011.

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**ONEBEACON 401(K) SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN
SUMMARY PLAN DESCRIPTION**

INTRODUCTION

What kind of Plan is this?

OneBeacon Insurance Company (the “Employer”) sponsors the OneBeacon 401(k) Savings and Employee Stock Ownership Plan (the “Plan”) for its employees and former employees. The Plan consists of a qualified employee stock ownership plan and 401(k) savings plan features that meet the requirements of Section 401(a) and other applicable provisions of the Internal Revenue Code.

The portion of the Plan that is an “employee stock ownership plan” is designed to invest primarily in Common Shares of White Mountains Insurance Group, Ltd. (“WM Shares”) and Class A Common Shares of OneBeacon Insurance Group, Ltd. (OB Shares and together with WM Shares “Employer Stock”). The remainder of the Plan is a 401(k) savings plan that allows eligible employees to make contributions to the Plan as authorized by Internal Revenue Code section 401(k).

The Plan is also intended to qualify under Section 404(c) of the Employee Retirement Income Security Act (“ERISA”).

What information does this Summary provide?

This Summary Plan Description (“SPD”) contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this SPD to get a better understanding of your rights and obligations in the Plan.

In this summary, your Employer has addressed the most common questions you may have regarding the Plan. If this SPD does not answer all of your questions, please contact the Administrator or other plan representative. The Administrator is responsible for responding to questions and making determinations relating to the administration, interpretation, and application of the Plan. The name and address of the Administrator can be found at the end of this SPD in the Article entitled “General Information About the Plan.”

This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

The Plan and your rights under the Plan are subject to federal laws, such as ERISA and the Internal Revenue Code, as well as some state laws. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or Department of Labor (DOL). Your Employer may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, your Employer will notify you.

The books and records of the Plan are maintained on the basis of a “plan year”, which is the period beginning on January 1 and ending on December 31.

If you have any questions about the Plan after reading this SPD, please contact the Plan Administrator.

Section 10(a) Prospectus

I. Available Information

The Companies have filed with the Securities and Exchange Commission (the “Commission”) in Washington D.C. Registration Statements on Form S-8 under the Securities Act (the “Registration Statements”), relating to the shares offered by means of this Prospectus. For further information, reference is made to the Registration Statements and their exhibits.

The Companies are also subject to the information disclosure requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance with the Exchange Act file annual and periodic reports with and furnish other information to the Commission. Reports and other information filed by the Companies with the Commission can be inspected and obtained at prescribed rates at the public reference facilities maintained by the Commission at 100 F. Street, N.E., Room 1580, Washington, D.C., 20549. Information on the operation of the Public Reference Room can be obtained by calling the Commission at 1-800-SEC-0330. The Commission also maintains a Web site (<http://www.sec.gov>) that contains reports and other information regarding registrants, like the Companies, that file or furnish information electronically with or to the Commission. Such reports and other information may also be requested without charge through the Company’s web site at www.onebeacon.com.

II. Incorporation of Certain Documents by Reference

The Commission allows the Companies to “incorporate by reference” information into this Prospectus. This means the Companies can disclose important information to you by referring you to other information filed with or furnished to the Commission.

The following documents filed with or furnished to the Commission by the Companies pursuant to the Exchange Act are incorporated into this Prospectus by reference and will be deemed to be a part of this Prospectus:

- OneBeacon’s Registration Statement on Form S-1 filed on August 4, 2006, as amended (Registration Statement No. 333-136287);
- the description of the OB Shares contained in OneBeacon’s Registration Statement on Form 8-A filed on November 3, 2006 (Registration No. 001-33128), together with any amendment filed with the Commission for the purpose of updating such description; and

the description of the White Mountain Shares contained in White Mountains’ Registration Statement on Form 8-A filed on December 16, 1999 (Registration No. 333-87649), together with any amendment filed with the Commission for the purpose of updating such description.

In addition, all reports and documents filed by the Companies pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act that are filed subsequent to the date of the Registration Statements and prior to the filings of post-effective amendments to the Registration Statements which indicate that all securities offered by the Registration Statements have been sold, or which deregister all securities then remaining unsold, will be deemed to be incorporated into this Prospectus by reference and to be a part of this Prospectus from the respective date of filing of each such document.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference into this Prospectus modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Companies will provide without charge, upon written or oral request, a copy of the Plan or any document incorporated by reference (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents) to each person who receives a copy of this Prospectus. In addition, the Companies will provide without charge, upon written or oral request, to all such persons who do not otherwise receive such materials, copies of all reports, proxy statements and other communications distributed to its shareholders generally.

Requests for documents or additional information about the Plan and the administrator should be addressed to:

OneBeacon Insurance Company
Human Resources-Benefits
1 Beacon Lane
Canton, MA 02021
(781) 332-7090

ARTICLE I PARTICIPATION IN THE PLAN

How do I participate in the Plan?

Provided you are not an Excluded Employee, you may begin participating in the Plan once you have satisfied the eligibility requirements and reached your "Entry Date" (as defined below). The following describes the eligibility requirements and Entry Dates that apply. You should contact the Administrator if you have questions about the timing of your Plan participation.

Salary Deferrals and After-Tax Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of the contributions listed above. "Excluded Employees" means:

- Leased employees
- Intern/Co-op student job category
- Workers utilized from a leasing or temporary service agency
- Employees who are members of a collective bargaining unit

Eligibility Conditions. You will be eligible to participate in the Plan on the later of the date that you commence employment or the date that you are no longer an Excluded Employee (referred to in this document as the "Entry Date").

What happens if I'm a participant, terminate employment and then I'm rehired?

If you are a former participant in the Plan, and you are rehired, then you will be able to participate in the Plan on your date of rehire provided you are otherwise eligible to participate in the Plan.

How do I enroll in the Plan? You may enroll in the Plan using Vanguard's automated VOICE Network or online at Vanguard.com/enroll.

Enroll using VOICE® Network by calling 1-800-523-1188.
Spanish speaking participants: Call 1-800-828-4487.
Hearing impaired: Call TTY at 1-800-523-8004.

The Vanguard VOICE® Network guides you through the enrollment process for payroll deferral percentage elections and selecting your investment options. Written confirmation of your payroll deduction and investment choices will be mailed to your home address within seven business days.

Enroll online at **Vanguard.com**:

- 1) Enter **Vanguard.com** in your computer's browser.
- 2) Click on Personal Investors.
- 3) Follow the online instructions to register and enroll. You will need your plan number (092133).

Your Vanguard Personal Identification Number (PIN)

Your PIN is confidential. It is important that you keep your PIN in a secure location; you will not be able to access your accounts through Vanguard's VOICE® Network without it. If you forget your PIN, call Vanguard to request a new one. You will receive your new PIN, via U.S. mail to your home, in about seven to 10 business days. Your PIN is not required to speak to a Vanguard associate; your PIN is not the same as your password to Vanguard.com.

For details about Automatic Enrollment, please refer to that section in Article II.

ARTICLE II EMPLOYEE CONTRIBUTIONS

The following types of employee contributions may be made under this plan:

- employee salary deferrals
- employee Roth contributions
- employee catch-up contributions
- employee Roth catch-up contributions
- employee after-tax contributions
- employee rollover contributions

What are salary deferrals and how do I contribute them to the Plan?

Salary Deferrals. As a participant under the Plan, you may elect to reduce your compensation, as defined in Article IV, by a specific percentage and have that amount contributed to the Plan on a pre-tax basis as a salary deferral. Your taxable income is reduced by the deferral contribution so you pay less in federal income tax (however, the amount you defer is still counted as compensation for purposes of Social Security tax). Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, federal income tax on the deferral contributions and the earnings are only postponed. Eventually, you will have to pay federal income tax on these amounts.

Roth Contributions. Instead of making contributions on a pre-tax basis, you may instead contribute from your pay on an after-tax basis, in the form of Roth contributions. Although Roth contributions are taxable at the time you make them, distributions of Roth amounts – and earnings – may be tax-free if certain criteria are met. This differs from the taxation of after-tax contributions, the earnings of which are taxable when distributed from the Plan. See the section entitled *What are my tax consequences if I take a distribution from my Roth Account?* in Article X for more information regarding the taxation of Roth distributions. Roth contributions are subject to the same rules and limits that apply to salary deferrals.

Deferral procedure. The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Administrator. The procedure requires that you enter into a salary deferral agreement after you satisfy the Plan's eligibility requirements. You may elect to defer a portion of your salary as of your Entry Date. Such election will become effective as soon as administratively feasible after it is received by the Administrator. Your election will remain in effect until you modify or terminate it.

Deferral modifications. You are permitted to revoke your salary deferral election at any time during the Plan Year. Any modification will become effective as soon as administratively feasible after it is received by the Administrator.

Deferral limit. As a participant, you may elect to defer a percentage of your compensation between 1% and 40% each year instead of receiving that amount in cash. Your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The limit for 2010 is \$16,500. After 2010, the dollar limit may increase for cost-of-living adjustments. See the paragraph below on annual dollar limit. The Administrator will notify you of the maximum percentage you may defer- currently the Plan allows deferrals from 1 to 40% across all employee contributions.

Automatic enrollment. If you do not make a salary deferral election at the time of hire, you shall be automatically enrolled to contribute 3% of your compensation, as defined in Article IV, as a salary deferral to the Plan. This contribution will occur on the first administratively practicable payroll period after you are employed for 60 days. If you are automatically enrolled, your salary deferral contribution is automatically increased 1%, effective on the first payroll period coincident with or next following April 1 of each Plan Year, unless you elect not to have the increase take effect. You may change or elect out of automatic enrollment contributions at any time by following the procedures for contribution elections established by the Administrator. Automatic enrollment contributions will be invested in the age appropriate Target Retirement Fund.

Catch-up contributions. If you are at least age 50 or will attain age 50 before the end of a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") to the plan as of the January 1st of that year. The additional amounts may be deferred regardless of any other limitations on the amount that you may defer to the plan. The maximum "catch-up contribution" that you can make in 2010 is \$5,500. After 2010, the maximum may increase for cost-of-living adjustments.

Annual dollar limit. Each separately stated annual dollar limit on the amount you may defer (the annual deferral limit and the "catch-up contribution" limit) is a separate aggregate limit that applies to all such similar salary deferral amounts and "catch-up contributions" you may make under this Plan and any other cash or deferred arrangements (including tax-sheltered 403(b) annuity contracts, simplified employee pensions or other 401(k) plans) in which you may be participating. Generally, if an annual dollar limit is exceeded, then the excess must be returned to you in order to avoid adverse tax consequences. For this reason, it is desirable to request in writing that any such excess salary deferral amounts and "catch-up contributions" be returned to you.

If you are in more than one plan, you must decide which plan or arrangement you would like to return the excess. If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Administrator no later than the March 1st following the close of the calendar year in which such excess deferrals were made. However, if the entire dollar limit is exceeded in this Plan or any other plan your Employer maintains, then you will be deemed to have notified the Administrator of the excess. The Administrator will then return the excess deferral and any earnings to you by April 15th.

Allocation of deferrals. The Administrator will allocate the amount you elect to defer to an account maintained on your behalf. You will always be 100% vested in this account (see Article VI below). This means that you will always be entitled to all amounts that you defer. This money will, however, be affected by any investment gains or losses. If there is an investment gain, then the balance in your account will increase. If there is an investment loss, then the balance in your account will decrease.

Distribution of deferrals. The rules regarding distributions of amounts attributable to your salary deferrals are explained later in this SPD.

What are After-Tax Contributions?

After-Tax Contributions. As a participant under the Plan, you may make contributions to the Plan on an after-tax basis. After-Tax Contributions are subject to current taxation even though they are contributed to the Plan. However, any earnings you receive on your After-Tax Contributions made to the Plan will generally not be taxed until you withdraw those amounts from the Plan. When you retire or otherwise become eligible for Plan benefits, the value of your After-Tax Contribution account will be used to provide additional benefits for you or your beneficiaries.

You will always be 100% vested in your After-Tax Contributions (see Article VI below). This means that you will always be entitled to all of your After-Tax contributions. Your After-Tax contributions will, however, be affected by any investment gains or losses.

Limitations. If you are a highly compensated employee, there are certain limitations imposed by law on the amount of After-Tax contributions you may contribute to the Plan. These limitations are based on the results of nondiscrimination testing (testing is done on salary deferrals, Roth contributions, after-tax contributions and matching contributions) required under Federal law, and will change from year to year depending upon the level of After-Tax contributions made by other highly compensated participants during the year. If you are a highly compensated employee and your After-Tax contributions exceed these limitations, the Administrator will return the excess contributions to you.

Withdrawal of after-tax contributions. You may withdraw After-Tax Contributions at any time. You will only be taxed on the portion of a distribution that consists of investment gains. See Article IX below for an explanation of how benefits (including your After-Tax Contributions) are paid from the Plan.

What are rollover contributions?

Rollover contributions. At the discretion of the Administrator, if you are an Eligible Employee, you may be permitted to deposit into the Plan distributions you have received from other plans and certain IRAs. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask the administrator or trustee of the other plan or IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, if you received a distribution from a prior plan, you may elect to deposit any amount eligible to be rolled over

within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is permitted and in your best interest.

The Plan will accept participant rollover contributions and/or direct rollovers of distributions from the types of plans specified below:

The Plan will accept a direct rollover of an eligible rollover distribution from:

- a qualified plan described in section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan), **including** after-tax employee contributions and Roth contributions;
- a qualified plan described in section 403(a) of the Internal Revenue Code (an annuity plan), **including** after-tax employee contributions and Roth contributions;
- an annuity contract described in section 403(b) of the Internal Revenue Code (a tax-sheltered annuity), **including** after-tax employee contributions and Roth contributions;
- an eligible Section 457(b) plan maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; or
- the portion of a distribution from a traditional IRA that is eligible to be rolled over and would otherwise be includible in gross income. Rollovers from Roth IRAs or a Coverdell Education Savings Account (formerly known as an Education IRA) are not permitted because they are not traditional IRAs.

Rollover account. Your rollover will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this SPD entitled "Vesting"). This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses.

Withdrawal of rollover contributions. You may withdraw the amounts in your "rollover account" at any time, subject to the withdrawal ordering provided in Article VIII on page 16, in the section entitled *Withdrawals from other than Salary Deferral Contributions Accounts, Employer Discretionary Contributions Accounts and ESOP Cash Accounts*

ARTICLE III EMPLOYER CONTRIBUTIONS

In addition to any deferrals you elect to make, your Employer will make additional contributions to the Plan on your behalf. This Article describes Employer contributions that will be made to the Plan and how your share of the contribution is determined.

What is the Matching Contribution?

Matching Contribution. OneBeacon will make a matching contribution equal to 50% of your pre-tax or Roth salary deferrals that do not exceed 6% of your compensation. For purposes of determining the Matching Contribution, compensation consists of your base salary, excluding overtime, bonuses, deferred compensation, or other types of extra compensation, or any Employer payments for group insurance, public or private employee welfare benefits, or Employer contributions to a retirement plan.

This Matching Contribution is subject to the vesting schedule discussed later in this SPD (see Article VI below).

For purposes of calculating the Matching Contribution, your compensation and deferrals will be determined on a payroll by payroll basis (you will only receive match during a pay period for which you contribute). For example, if you defer 6% (pre-tax, after-Tax or Roth) of compensation for a payroll period, you will receive a 3% Matching Contribution (50% X 6%). Matching contributions are made solely on pre-tax, after-tax and Roth salary deferrals, and are not made on catch-up contributions.

What is the Employer Discretionary Contribution and how is it allocated?

Employer Discretionary Contribution. Each year, your Employer may make a discretionary contribution to the Plan. Your share of any contribution is based on your compensation for the Plan Year. For purposes of the Employer Discretionary Contribution (commonly referred to as ESOP), compensation includes your base salary and overtime paid during the Plan Year, and excludes the following: bonuses, deferred compensation and other types of extra compensation, Employer payments for group insurance, public or private employee welfare benefits, and Employer contributions to a retirement plan.

Allocation conditions. In order to share in the Employer Discretionary Contribution for a Plan Year, you must satisfy the following conditions:

- If you are employed on the last business day of the Plan Year, you will share in an amount equal to three percent of your compensation earned during the Plan Year, excluding Salary in excess of the Social Security taxable wage base (\$106,800 in 2009) for the Plan Year – Fixed ESOP Contribution.
- In an amount from zero to six percent of your compensation earned during the Plan Year (Variable ESOP Contribution) if you (i) are employed on the last business day of the Plan Year, and (ii) were not awarded units or shares for the performance cycle beginning in such Plan Year under the OneBeacon Long-Term Incentive Plan, any successor plan, or any long-term performance plan or profit sharing plan maintained by an Affiliated Employer. For purposes of this paragraph, Salary shall be determined by including compensation in excess of the Social Security taxable wage base, but not to exceed the IRS maximum recognizable compensation limit (\$245,000 in 2009 – see page 7).
- If you terminate employment with OneBeacon, White Mountains and all of their affiliated companies (i.e., not employed on the last day of the Plan Year), you will not receive an Employer Discretionary Contribution regardless of the amount of service you complete during the Plan Year.

Your share of the Employer Discretionary Contribution. Your share of the Employer Discretionary Contribution shall be invested in the OneBeacon Stock Fund with respect to employees of OneBeacon Insurance Company and its subsidiaries including but not limited to OneBeacon Professional Insurance, Inc. and A.W.G. Dewar, Inc. and shall be invested in the White Mountains Stock Fund with respect to employees of White Mountains Insurance Group, Ltd., White Mountains Capital, Inc., White Mountains Financial Services LLC, Guilford Holdings, Inc. and White Mountains, Inc.

ARTICLE IV COMPENSATION AND ACCOUNT BALANCE

What compensation is used to determine my Plan benefits?

Definition of compensation. For the purposes of the Plan, compensation has a special meaning. Compensation is generally defined as your total compensation, excluding overtime and bonuses, which is subject to income tax and paid to you by your Employer during the Plan Year. Amounts paid to you after you terminate employment are generally not treated as compensation. The following describes the adjustments to compensation that may apply for the different types of contributions provided under the Plan.

All Contributions

Adjustments to compensation. The use of the term compensation in this SPD includes – or excludes - certain portions of your earnings from OneBeacon, White Mountains or an affiliated company. The following adjustments to your compensation will be made:

- salary deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits will be excluded.

- compensation paid while not a participant in any component of the Plan for which compensation is being used will be excluded.
- all bonuses will be excluded.
- all stock options and deferred compensation will be excluded.

Matching Contributions. For purposes of determining the Matching Contribution, compensation consists of your base salary, excluding overtime, bonuses, deferred compensation, or other types of extra compensation, or any Employer payments for group insurance, public or private employee welfare benefits, or Employer contributions to a retirement plan

Employer Discretionary Contributions. For purposes of the Employer Discretionary Contribution, compensation includes your base salary and overtime paid during the Plan Year, and excludes the following: bonuses, deferred compensation and other types of extra compensation, Employer payments for group insurance, public or private employee welfare benefits, and Employer contributions to a retirement plan.

Is there a limit on the amount of compensation which can be considered?

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2010 is \$245,000. After 2010, the dollar limit may increase for cost-of-living adjustments.

Is there a limit on how much can be contributed to my account each year?

Generally, the law imposes a maximum limit on the amount of contributions (excluding catch-up contributions) that may be made to your account and any other amounts allocated to any of your accounts during the Plan Year, excluding earnings. Beginning in 2010, this total cannot exceed the lesser of \$49,000 or 100% of your annual compensation. After 2010, the dollar limit may increase for cost-of-living adjustments.

**ARTICLE V
INVESTMENTS**

How is the money in the Plan invested?

The Trustee of the Plan has been designated to hold the assets of the Plan for the benefit of Plan participants and their beneficiaries in accordance with the terms of this Plan. The trust fund established by the Plan's Trustee will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

Participant directed investments. You will be able to direct the investment of your interest in the Plan, except for the assets held in the unvested ESOP portion of the Plan. The Administrator will provide you with information on the investment choices available to you, the procedures for making investment elections, the frequency with which you can change your investment choices and other important information. You need to follow the procedures for making investment elections and you should carefully review the information provided to you before you give investment directions. If you do not direct the investment of your applicable Plan accounts, then your accounts will be invested in accordance with the default investment alternatives established under the Plan.

If you are automatically enrolled in the Plan, you will be invested in the Plan's default investment, the age-appropriate Target Retirement Fund. This investment satisfies the requirements as a Qualified Default Investment Alternative (QDIA), as provided in DOL regulations. You will receive a description and other information regarding the default investment if you are automatically enrolled in the Plan.

The Plan is intended to comply with Section 404(c) of ERISA. If the Plan complies with this Section, then the fiduciaries of the Plan, including your Employer, the Trustee and the Administrator, will be relieved of any legal liability for any losses which are the direct and necessary result of the investment directions that you give.

How to Select or Change Your Investment Options

Your Choices — You may select among any of the investment options offered by the Plan for each account. Selections are made in 1% increments. You can choose any combination of options as long as the total equals 100%, such as:

100% in one fund;
45% in one fund, 55% in another fund;
50% in each of two different funds;
50% in one fund, 15% in one fund and 35% in one fund; or
10% in each of six different funds and 40% in one fund.

There are two ways in which you can change your investment choices:

- You can transfer your existing balance among your investment fund options;
- You can also change your investment choices for future contributions.

Each investment change is independent of the other. To change both existing balance and future contributions, you must make two independent changes. Investment changes may be made any day, 24 hours a day subject to limitations as set forth in each fund's prospectus. However, you can only change your investment choices for your existing balances once during any business day. Once you have made a change in your investment choices for your existing balances, you must wait until the following business day to make another change. During a blackout period, as determined by OneBeacon, active participants are restricted from exchanging or making allocation changes involving OneBeacon and White Mountains stock funds.

For the Vanguard Savings Retirement Trust (VRST), the money you have in the VRST can be transferred into a stock fund, a balanced fund, or a bond fund with an average duration of more than 4 years as often as your plan allows. However, once the money is transferred into such a fund, it must remain there for 90 days before you can transfer it into a shorter-term bond or money market fund. You can always transfer the money back into VRST, even if you transferred money out within the last 90 days.

How to Request a Change — Investment changes can be made any day, 24 hours a day online at Vanguard.com or by calling Vanguard's VOICE Network at 1-800-523-1188. You can also speak to a Vanguard associate between 8:30 a.m. and 9:00 p.m., Eastern time, Monday–Friday, by calling Vanguard at 1-800-523-1188.

If you make elections/changes before the stock market closes (normally 4 p.m., Eastern time), your elections/changes are based on that day's closing price. If you make elections/changes after the stock market closes, your elections/changes will be based on the next business day's closing price.

When the stock market closes before 4 p.m., Eastern time (e.g., New Year's Eve), any elections/changes made before closing are based on that day's closing price. Elections/changes made after closing are based on the next business day's closing price.

Vanguard will send a written confirmation of your elections or changes to your home address within seven business days. If desired, you may opt out of paper statements and confirmations on Vanguard.com to instead receive everything electronically.

Frequent-trading policy — A frequent-trading policy applies to all funds in the Plan, with the exception of Vanguard® Prime Money Market Fund. Under this policy, if you exchange money out of a fund, you will not be able to exchange money back into the same fund within 60 calendar days. The term "exchange" refers to a transaction in which proceeds from a redemption of fund shares in a plan are used to purchase another investment offered within the Plan.

Please note that the 60-day restriction only applies to exchanges *into* a fund and does not apply to transactions such as contributions, distributions and loans. You may always exchange money *out* of any fund at any time. In addition, the 60-day restriction described above will not apply to any change that you make to the investment of *future* contributions. The prospectus for each fund gives a more detailed description of restrictions on fund exchanges, including any changes made to this policy. You can request a copy of the prospectus by calling Vanguard at **1-800-523-1188** or online at **Vanguard.com**.

This policy will *not* apply to the following:

- Vanguard Prime Money Market Fund
- Purchases of shares with participant payroll or employer contributions or loan repayments
- Purchases of shares with dividends or capital gains distributions

- Distributions, loans and in-service withdrawals from the Plan
- Redemptions of shares as part of a plan termination or at the direction of the Plan
- Redemptions of shares by Vanguard to pay fund or account fees
- Share or asset transfers or rollovers
- Re-registration of shares
- Conversions of shares from one share class to another in the same fund

Redemption-fee policy — A number of Vanguard funds charge redemption fees for shares sold within stated time periods after purchase. Redemption fees will be charged on certain participant exchanges from the following funds in the Plan if those exchanges are made before specific holding periods have been met. The redemption fees will be paid directly to the funds to compensate long-term shareholders for the transaction costs incurred. Please refer to the prospectus of the following funds for more information.

Redemption Fee Rates

Name of Fund	Holding Period	Redemption Fee
Vanguard High-Yield Corporate Bond Fund	One Year	1%
Vanguard International Value Fund	Two Months	2%
Vanguard International Growth Fund	Two Months	2%
Vanguard Selected Value Fund	One Year	1%
Vanguard Total International Stock Index Fund	Two Months	2%

Please be aware that, while you can exchange out of any investment fund at any time, exchanges out of the funds listed in the table above will be subject to the redemption fee listed for that fund for any amounts not held in the fund for a minimum period of time, as specified.

These exchanges can be the result of investment exchanges out of the listed funds into another investment fund offered by the Plan.

Exchanges out of these funds will be made on a “first in, first out” basis, meaning that the oldest money in the fund will be exchanged out of the fund first. This method will result in a lower total redemption fee if a participant has any money invested in the funds for the minimum holding period as described above and the participant exchanges less than the entire amount in his or her fund account.

Each fund prospectus has more information regarding the imposition of the redemption fee on exchanges out of the fund. The prospectus for each fund gives a more detailed description of the redemption-fee policy, including any changes made to the policy. You can request a copy of the prospectus by calling Vanguard at 1-800-523-1188 or online at **Vanguard.com**.

If you have questions about redemption fee rates, please call Vanguard at 1-800-523-1188. Associates are available to answer your questions Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

Earnings or losses. When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance of other participants who have directed their own investments. You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and your Employer, the Administrator, and the Trustee will not guarantee the performance of any investment you choose.

Investment in Employer Stock

Allocations. All Discretionary Employer Contributions are invested in Employer Stock. Discretionary Employer Contributions credited to your account will be invested in units of the OneBeacon Stock Fund, which is a pool of assets consisting primarily of OB Shares; or in shares of the White Mountains Stock Fund, which is a pool of assets consisting primarily of WM Shares. Whether you receive contributions to the OneBeacon or White Mountains Stock Fund will depend on the company with which you are employed. Please see the section entitled *Your share of the Employer Discretionary Contribution* at the end of Article III. Any gain or loss experienced by the funds are credited to or charged against the individual account of each Participant.

Voting. You are entitled to direct the trustee as to the voting of shares of Employer Stock that are allocated to your account under the Plan. On each occasion for the exercise of voting rights, the Plan Trustee will provide copies of all notices,

financial statements, proxies and proxy soliciting materials that are provided to shareholders generally in connection with the matter. If you submit your voting instructions by the required deadline, the Plan Trustee will vote shares allocated to your account under the Plan in accordance with your directions. If the Plan Trustee does not receive your voting instructions prior to the required deadline, your shares will be voted in the same proportion as the shares for which the Trustee received timely directions.

Dividends on Employer Stock. If a stock dividend is paid on Employer Stock during a Plan Year, your account will be credited, based on the current number of units of the White Mountain Stock Fund or OneBeacon Stock Fund allocated to your Plan account, with the stock dividend.

If a cash dividend is paid on WM Shares or OB Shares during a Plan Year, your Plan account will be credited, based on the current number of units of the White Mountains Stock Fund or OneBeacon Stock Fund allocated to your Plan account, with the cash dividend. Cash dividends paid on WM Shares or OB Shares will be credited to the *ESOP Cash Account*.

You may elect whether the cash dividend will be reinvested on your behalf in additional units in the White Mountains Stock Fund or the OneBeacon Stock Fund as applicable, or distributed to you in cash. Vanguard will provide rules and procedures for making this election. If the election is not timely made under these rules, the cash dividend will be reinvested in additional units of the White Mountains Stock Fund or the OneBeacon Stock Fund, as applicable. If you elect to receive the dividend in cash, it will be subject to income tax in the year received. Your election remains in effect until you change it. Note that, if you do not make an election with regard to dividends, the “default” election is reinvestment in additional units of the White Mountains Stock Fund or the OneBeacon Stock Fund, as applicable.

Diversification. You may elect to diversify any portion of the vested White Mountains Stock Fund or OneBeacon Stock Fund allocated to your account. Diversification is accomplished by exchanging out of either the OneBeacon Stock Fund or the White Mountains Stock Fund into one or more of the available investment options offered by the Plan. The decision to diversify into other investments is not irrevocable. You may later reinvest in Employer Stock.

Will Plan expenses be deducted from my account balance?

Expenses allocated to all accounts. The Plan permits the payment of Plan expenses to be made from the Plan's assets. If expenses are paid using the Plan's assets, then the expenses will generally be allocated among the accounts of all participants in the Plan. These expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan.

Terminated employee. After you terminate employment with OneBeacon, White Mountains or one of their affiliated companies, OneBeacon reserves the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether OneBeacon pays some of these expenses on behalf of current employees. Beginning October, 2009, the account of each terminated participant will be assessed a charge of \$4.00 per quarter (every three months). The quarterly fee will apply to the accounts of all participants and beneficiaries who are not currently employed with OneBeacon, White Mountains or an affiliated company, including an account established for a former spouse pursuant to a Qualified Domestic Relations Order (QDRO).

Expenses allocated to individual accounts. There are certain other expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. As another example, if you take a loan from the Plan, a loan processing fee will be processed from your account. These additional expenses may be paid directly from your account (and not the accounts of other participants) because they are directly attributable to you under the Plan. The Administrator will inform you when there will be a charge (or charges) directly to your account.

Your Employer may, from time to time, change the manner in which expenses are allocated.

For a listing of the current Plan investment line-up, see Appendix II.

ARTICLE VI VESTING

What is my vested interest in my account?

In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that your Employer makes to the Plan. This means that you will not be entitled ("vested") to the contributions until you have been employed with the Employer for a specified period of time.

You receive one year of service for each 12 month period beginning on your employment or re-employment and ending on the date that you terminate employment with OneBeacon and its affiliated companies.

Please note that you may receive credit for years of service for employment with an acquired company prior to its acquisition by OneBeacon or White Mountains. In addition, in some instances, you may receive credit for service with a company or division after it is sold by OneBeacon. Please see Appendix I for more information on additional service credit.

100% vested contributions. You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- salary deferrals including catch-up contributions
- Roth contributions, including catch-up contributions
- after-tax contributions
- rollover contributions

Matching and Employer Discretionary Contributions. Your Matching and Employer Discretionary Contributions will be 100% vested if you attain your normal retirement age, become disabled or die while you are a participant in the Plan. Your normal retirement age under the Plan is your 65th birthday. You are disabled for Plan purposes if the Plan Administrator determines that you are unable, due to mental or physical disability, to perform your job or any job with the Employer for which you are suited by reason of training, education or experience, or if you are receiving benefits under the Employer's long-term disability plan.

Your Matching and Employer Discretionary Contributions will also be 100% vested if your employment with OneBeacon is involuntarily terminated on or after December 31, 2009 due to a:

- Layoff or reduction-in-force; or
- Sale of the division or line of business for which you work to another entity or company.

Otherwise, you will also become fully vested when you complete three years of service with the employer. If you terminate employment before becoming fully vested, you will immediately forfeit the non-vested portion of your account balance. If you are rehired before you incur a five-year period of severance, any forfeited amount shall be re-credited to your account.

Service with the Employer. When determining vesting, all service you perform for the Employer will generally be counted. A year of service for vesting purposes is each 12-month period of service on or after your date of hire. If you terminate employment and return at a later date, in order to determine the vested portion of your account accrued before your termination of employment, your years of vesting service after your return shall be included unless you have a five-year period of severance.

Benefits upon Return from a Military Leave of Absence (MLOA). You will be eligible to receive contributions for the period of time that you were on active military duty if you return to employment and have satisfied the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA) within the period specified after the date you are released from active duty. You must present proof of your activation date and release from active duty date to your manager.

You may make up any missed Pre-tax, After-tax, Roth and, if applicable, Catch-up contributions. These make-up contributions may be made over a period that is three times the period of your military service, not to exceed five years. Make-up contributions are calculated using the average of your 12 months' eligible earnings (or all, if less than 12 months) immediately prior to the MLOA. Any missed Matching Contributions will be credited monthly in the same amount as if you

had been at work during your period of MLOA. These will be credited as you make up your employee contributions. In addition, OneBeacon will make up any missed Employer Discretionary Contributions for your period of active service.

Contributions may not exceed the applicable limits for the year in which they would have been contributed. Your loan payments will be suspended while you are on MLOA.

What happens if the Plan becomes a "top-heavy plan"?

Top-heavy plan. A retirement plan that primarily benefits "key employees" is called a "top-heavy plan." Key employees are certain owners or officers of your Employer. A plan is generally a "top-heavy plan" when more than 60% of the plan assets are attributable to key employees. Each year, the Administrator is responsible for determining whether the Plan is a "top-heavy plan."

Top-heavy rules. If the Plan becomes top-heavy in any Plan Year, then non-key employees may be entitled to certain "top-heavy minimum benefits," and other special rules will apply. These top-heavy rules include the following:

- Your Employer may be required to make a contribution on your behalf in order to provide you with at least "top-heavy minimum benefits."
- If you are a participant in more than one Plan, you may not be entitled to "top-heavy minimum benefits" under both Plans.

ARTICLE VII LOANS

Is it possible to borrow money from the Plan?

You may request a participant loan from all your accounts, except that amounts from your Employer Discretionary Contributions Account and ESOP Cash Account are not available for a loan. You may obtain a loan by using an application form provided by Vanguard. Your ability to obtain a participant loan depends on several factors, which are described below. The Plan Administrator will determine whether you satisfy these factors.

What are the loan rules and requirements?

There are various rules and requirements that apply to any loan, which are outlined in this question. In addition, OneBeacon has established a written loan program which explains these requirements in more detail. You can request a copy of the loan program from Vanguard. Generally, the rules for loans include the following:

- Loans are available to participants on a reasonably equivalent basis. Loans will be made to participants in accordance with rules established by the IRS and the DOL. The Administrator may request that you provide additional information to make this determination.
- All loans must be adequately secured. You must sign a promissory note along with a payroll authorization form, which authorizes OneBeacon to deduct loan repayments from your pay. Generally, you must use your vested interest in the Plan as security for the loan, provided the outstanding balance of all your loans does not exceed 50% of your vested interest in the Plan.
- You will be charged a reasonable rate of interest (currently the prime rate of interest plus 1%) for any loan received from the Plan. The Administrator will determine a reasonable rate of interest by reviewing the interest rates charged for similar types of loans by other lenders.
- If approved, your loan will provide for level amortization with payments to be made not less frequently than quarterly. Generally, the term of your loan may not exceed five (5) years. However, if the loan is for the purchase of your principal residence, the Administrator may permit a longer repayment term. Generally, the Administrator will require that you repay your loan by agreeing to payroll deduction. If you have an unpaid leave of absence or go on military leave while you have an outstanding loan, please contact Vanguard to find out your repayment options.

- All loans will be considered a directed investment of your account under the Plan. All payments of principal and interest by you on a loan will be credited to your account.
- The amount the Plan may loan to you is limited by rules under the Internal Revenue Code. Any new loans, when added to the outstanding balance of all other loans from the Plan, will be limited to the lesser of:
 - (a) \$50,000 reduced by the excess, if any, of your highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date of the new loan over your current outstanding balance of loans as of the date of the new loan; or
 - (b) 1/2 of your vested interest in the Plan.
- No loan in an amount less than \$500 will be made.
- The maximum number of Plan loans that you may have outstanding at any one time is 2.
- If you fail to make payments when they are due under the terms of the loan, you will be considered to be "in default." The Plan Administrator will consider your loan to be in default if any scheduled loan repayment is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due. The Plan would then have authority to take all reasonable actions to collect the balance owed on the loan. This could include filing a lawsuit or foreclosing on the security for the loan. Under certain circumstances, a loan that is in default may be considered a distribution from the Plan and could be considered taxable income to you. In any event, your failure to repay a loan will reduce the benefit you would otherwise be entitled to from the Plan.

The Plan Administrator may periodically revise the Plan's loan policy. If you have any questions on participant loans or the current loan policy, please contact Vanguard.

Fees will be assessed against your account for the initial loan application (includes processing and document preparation).

Amount of Loan Application Fee: \$50 for each loan initiated through **Vanguard.com** or through the Vanguard VOICE[®] network. The fee is \$100 for loans initiated through a Vanguard associate.

Steps to Take to Apply for a Loan

Contact Vanguard at 1-800-523-1188 or Vanguard.com to request a loan.	
General Purpose	Principal Residence
<ul style="list-style-type: none"> • Your check will be mailed about one week after your request. Loans not requiring paperwork are generally mailed the next business day. • You also will receive a promissory note regarding the terms of your loan from Vanguard for your files. 	<ul style="list-style-type: none"> • Vanguard will send you an application packet within five to seven business days. • Sign and return the application with any required documentation to Vanguard. • Your check will be sent about one week after approval.

**ARTICLE VIII
DISTRIBUTIONS PRIOR TO TERMINATION**

Can I withdraw money from my account while working?

In-service distributions. You may be entitled to receive an in-service distribution. However, this distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement. This distribution is made at your election and will be made in accordance with the forms of distributions available under the Plan.

Conditions. Generally you may receive a distribution from the Plan prior to your termination of employment provided you satisfy any of the following conditions:

1. **Withdrawals from other than Salary Deferral Contributions Accounts, Employer Discretionary Contributions Accounts and ESOP Cash Accounts as described in Article V.** You may withdraw all or a portion of the vested balance of your Accounts as set forth below, other than your Salary Deferral Contributions Account, Employer Discretionary Contributions Account and ESOP Cash Account. *These withdrawals are available whether you are an Employee still working for OneBeacon or one of its affiliated companies, or if you have terminated employment.* The order of withdrawal from your Accounts shall be as follows:
 - (a) First, from your After-Tax Contributions Account (excluding income and appreciation) which is from your pre-1987 After-Tax Contributions;
 - (b) Second, pro rata (i) from your post-1986 After-Tax Contributions in your After-Tax Contribution and (ii) from the income and appreciation on Post-1986 After-tax Contributions;
 - (c) Third, from the income and appreciation on your pre-1987 After-Tax Contributions in your After-Tax Contribution Account;
 - (d) Fourth, from your vested Employer Matching Contribution Account and White Mountains Account, limited to an amount which is not greater than the excess of the amount in that Account over the amount of Employer Matching Contributions credited to that Account within the two-year period preceding the date your request for withdrawal is received by Vanguard. If you are at least age 59 ½ by the date of the withdrawal, the two year limitation shall not apply.
 - (e) Fifth, from your Rollover Account; and
 - (f) Last, from your Transfer Account (except for any pre-tax contributions under any plan from which you transferred assets into this plan).
2. **Withdrawals once you have attained age 59 ½.** Once you have attained age 59-1/2 you may withdraw all or a portion of your vested Account balance at any time.

Can I withdraw money from my account in the event of financial hardship?

Hardship distributions. You may withdraw money for financial hardship if you satisfy certain conditions. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement.

Qualifying expenses. A hardship distribution may be made to satisfy certain immediate and heavy financial needs that you have. A hardship distribution may only be made for payment of the following:

- Expenses for medical care (described in Section 213(d) of the Internal Revenue Code) previously incurred by you, your spouse or your dependents or necessary for you, your spouse or your dependents to obtain medical care.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for yourself, your spouse or your dependents.

- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children or other dependents.
- Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under the Internal Revenue Code.

Conditions. If you have any of the above expenses, a hardship distribution can only be made if you certify and agree that all of the following conditions are satisfied:

- (a) The distribution is not in excess of the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution;
- (b) You have obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans that your Employer maintains; and
- (c) That your salary deferrals and after-tax contributions will be suspended for at least six (6) months after your receipt of the hardship distribution.

Account restrictions. You may request a hardship distribution only from the vested portion of your Salary Deferral Contribution Account.

In addition, there are restrictions placed on hardship distributions which are made from certain accounts. These accounts are the ones set up to receive your salary deferral contributions and other Employer contributions which are used to satisfy special rules that apply to 401(k) plans (such as safe harbor contributions). Generally, the only amounts that can be distributed to you on account of a hardship from these accounts are your salary deferrals. The earnings on your salary deferrals may not be distributed to you on account of a hardship.

In the event you receive a hardship distribution from your deferrals to this Plan, you will not be allowed to make Salary Deferral Contributions and After-tax Contributions, or any other contributions to plans sponsored by OneBeacon or its affiliated employers for a period of six (6) months after you receive the distribution.

ARTICLE IX BENEFITS AND DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT OR DEATH

When can I get money out of the Plan?

You may receive a distribution of the vested portion of some or all of your accounts in the Plan for the following reasons:

- termination of employment for reasons other than death, disability or retirement
- normal retirement
- disability

This Plan is designed to provide you with retirement benefits. However, distributions are permitted if you die or become disabled. In addition, certain payments are permitted when you terminate employment for any other reason. The rules under which you can receive a distribution are described in this Article. The rules regarding the payment of death benefits to your beneficiary are also described in this Article.

You may also receive distributions while you are still employed with OneBeacon or one of its Affiliated Employers. (See the Article entitled "Distributions Prior to Termination" for a further explanation.)

What happens if I terminate employment before death, disability or retirement?

If your employment terminates for reasons other than normal retirement, you will be entitled to receive only the "vested percentage" of your account balance.

You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. (See the question entitled "How will my benefits be paid to me?" for additional information.)

What happens if I terminate employment at Normal Retirement Date?

Normal Retirement Date. Your Normal Retirement Date is the date on which you attain your 65th birthday.

Payment of benefits. You will become 100% vested in all of your accounts under the Plan on or after your Normal Retirement Date. However, the actual payment of benefits generally will not begin until you have terminated employment and reached your Normal Retirement Date. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Date, you may generally defer the receipt of benefits until you actually terminate employment. In such event, benefit payments will begin as soon as feasible at your request, but not later than age 70 1/2. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

What happens if I terminate employment due to disability?

Definition of disability. Under the Plan, disability is defined as a physical or mental disability of such severity and probable duration as to render you unable to perform the duties of your job or of any job with OneBeacon for which you are suited by reason of your training, education, or experience. Your disability will be determined by a licensed physician chosen by the Plan Administrator. However, if your condition constitutes total disability under OneBeacon's long-term disability program, then the Plan Administrator may deem that you are disabled for purposes of the Plan.

Payment of benefits. If you become disabled while an employee, you will be entitled to your vested account balance under the Plan. Payment of your disability benefits will be made to you as if you had retired. Your Matching and Employer Discretionary Contributions will be 100% vested if your employment with OneBeacon is terminated due to long term disability. However, if the value of your vested account balance does not exceed \$1,000, then a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

How will my benefits be paid to me?

Forms of distribution. If your vested account balance does not exceed \$1,000, then your vested account balance may only be distributed to you in a single lump-sum payment. In determining whether your vested account balance exceeds the \$1,000 threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

In addition, if your vested account balance exceeds \$1,000, you must consent to any distribution before it may be made. If your vested account balance exceeds \$1,000, you may elect to receive a distribution of your vested account balance in:

- a single lump-sum payment
- installments over a period of up to 30 years, but not more than your assumed life expectancy (or the assumed life expectancies of you and your beneficiary), or
- a combination of lump sum and installments.

Installments will also be permitted with respect to minimum required distributions, over a period of not more than your assumed life expectancy (or you and your beneficiary's assumed life expectancies). (See below "Delaying distributions." for an explanation of minimum required distributions.)

Periodic withdrawals are also permitted – see the section entitled: *Withdrawals from other than Salary Deferral Contributions Accounts, Employer Discretionary Contributions Accounts and ESOP Cash Accounts” in Article VIII - Distributions Prior to Termination.*

Delaying distributions. You may delay the distribution of your vested account balance unless a distribution is required to be made, as explained earlier, because your vested account balance does not exceed \$1,000. However, if you elect to delay the distribution of your vested account balance, there are rules that require that certain minimum distributions be made from the Plan. If you own 5% of either OneBeacon or White Mountains outstanding stock, distributions are required to begin not later than the April 1st following the end of the year in which you reach age 70 1/2. If you are not a 5% owner, distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 or retire. Please contact Vanguard if you think you may be affected by these rules.

Medium of payment. Benefits under the Plan will generally be paid to you in cash.

Distribution in stock; Put Option and Right of First Refusal. Distributions from the Plan will, at your election, be in cash, based on the fair market value of Employer Stock, and the value of the other investments into which you have diversified, as of the most recent valuation date, or Employer Stock and, to the extent you have diversified, cash.

If you receive a distribution in the form of Employer Stock at a time when the trading of the stock has been suspended, you have a “put option” which gives you the right to require OneBeacon (or White Mountains, as applicable) to repurchase the stock. If the distribution of Employer Stock is a total distribution of your account, then payment under the put option may be made in installments over a period of up to five years with adequate security and interest payable at a reasonable rate. If the distribution of Employer Stock is not a total distribution of your account, payment under the put option will be made within 30 days of its exercise.

There are generally no restrictions on the resale of Employer Stock that is publicly traded when distributed to you. However, directors, officers and certain other “insiders” defined by SEC regulations may be subject to certain restrictions on resale and should consult with legal counsel before disposing of their Employer Stock.

Also, if you receive a distribution in the form of Employer Stock at a time when the trading of the stock has been suspended and you at any time wish to sell it to a third party, you must first offer it for sale to the Plan Trustee or OneBeacon (or White Mountains, as applicable) on the same terms offered to the third party. The Plan Trustee and OneBeacon (or White Mountains, as applicable) have 14 days to buy the stock. If they do not, you may sell it to the third party. Please see Article V for restrictions on Employer Stock trading during the blackout period.

Special tax Treatment – Net Unrealized Appreciation. There are some special tax rules that you should be aware of, that may affect the taxation of the OneBeacon and White Mountains stock that you hold in your accounts. The tax rules are complex and you are cautioned to be extremely careful in your elections and to consult a tax adviser to be sure you obtain the tax results you are expecting.

The following special net unrealized appreciation rule applies to a lump-sum distribution for which you elect to receive *in kind* OB Shares or WM Shares:

When you take a distribution from the Plan that includes an *in kind* distribution of OB Shares or WM Shares – that is, the actual shares, rather than the cash value of the shares - the total net unrealized appreciation in the value of the shares is excludable from your income tax for the distribution year *only* if your distribution qualifies as a lump-sum distribution. A lump-sum distribution is a payment, within one tax year, of your entire balance under the Plan that is payable to you after you have reached age 59½, because you have separated from service with OneBeacon, White Mountains or one of their affiliates, or on account of your death or disability. Installment payments, loan defaults, and partial distributions do not qualify as lump-sum distributions.

The “taxable amount” for a lump-sum distribution from the Plan will not include any net unrealized appreciation – you will pay federal income tax at ordinary tax rates only on the “cost basis” of the shares. Upon subsequent sale of the shares, any taxable gain will be based on the difference in value between the cost basis and the fair market value of the shares. This amount will be taxed at the “capital gains” rate of federal income tax. Net unrealized appreciation is the amount by which the fair market value of the OB Shares or WM Shares you receive exceeds the amount that the Plan paid for the shares.

For example, if the OneBeacon 401(k) Savings and Employee Stock Ownership Plan paid \$2,000 for all of the shares of OneBeacon stock in your Plan account but those shares are worth \$3,000 at the time of the lump-sum distribution, \$1,000 is NUA and you could exclude this \$1,000 amount when figuring out how much tax to pay on the distribution, if you satisfy one of the distribution reasons provided above. When you later sell all of the shares, the capital gain would be determined based on the selling price of the shares minus the cost basis of the shares (in this example, \$2,000).

What happens if I die while working for the Employer?

If you die while still employed by the Employer, then your vested account balance will be used to provide your beneficiary with a death benefit.

Who is the beneficiary of my death benefit?

Married Participant. If you are married at the time of your death, your spouse will be the beneficiary of the entire death benefit unless an election is made to change the beneficiary. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NONSPOUSE BENEFICIARY.

If you are married and you change your designation, then your spouse must again consent to the change. In addition, you may elect a beneficiary other than your spouse without your spouse's consent if your spouse cannot be located.

Unmarried Participant. If you are not married, you may designate a beneficiary on a form to be supplied to you by Vanguard or online at Vanguard.com.

Designating a Beneficiary. You designate your beneficiary under the Plan by completing a beneficiary designation form (and, if necessary, a spousal consent form), which you may obtain by calling Vanguard. You may change your beneficiary designation at any time by submitting a new beneficiary designation form. *A beneficiary designation form is effective only if it is filed with Vanguard while you are still alive.*

No beneficiary designation. At the time of your death, if you have not designated a beneficiary or your beneficiary is also not alive, the death benefit will be paid in the following order of priority to:

- (a) your surviving spouse
- (b) your estate

How will the death benefit be paid to my beneficiary?

Upon receiving information regarding the participant's death, OneBeacon will send out the death distribution paperwork to the beneficiary on file.

Form of distribution. If the death benefit payable to a beneficiary does not exceed \$1,000, then the benefit may only be paid as a lump-sum. If the death benefit exceeds \$1,000, your beneficiary may elect to have the death benefit paid in:

- a single lump-sum payment
- installments over a period of not more than the assumed life expectancy of your beneficiary
- a combination of installments and lump sum.

When must the last payment be made to my beneficiary?

The law generally restricts the ability of a retirement plan to be used as a method of retaining money for purposes of your death estate. Thus, there are rules that are designed to ensure that death benefits are distributable to beneficiaries within certain time periods.

Regardless of the method of distribution selected, if your designated beneficiary is a person (rather than your estate or a trust) then minimum distributions of your death benefit will begin by the end of the year following the year of your death ("1-year rule") and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, then under the "1-year rule," the start of payments will be delayed until the year in which you would have attained age 70 1/2 unless your spouse elects to begin distributions over his or her life expectancy before then. However, instead of the "1-year rule" your beneficiary may elect to have the entire death benefit paid by the end of the fifth year following the year of your death (the "5-year rule"). Generally, if your beneficiary is not a person, your entire death benefit must be paid under the "5-year rule."

What happens if I'm a participant, terminate employment and die before receiving all my benefits?

If you terminate employment with OneBeacon or one of its affiliated employers and subsequently die, your beneficiary will be entitled to your remaining interest in the Plan at the time of your death.

What happens if my beneficiary dies before receiving an entire payout of the benefits?

If your beneficiary dies after becoming entitled to receive a benefit as a result of your death, any benefits remaining to be paid to such deceased beneficiary shall be paid to a beneficiary designated in a writing filed with the Plan Administrator by such deceased beneficiary before such beneficiary's death. If there is no such designated beneficiary, the remaining benefit will be paid to the deceased beneficiary's surviving spouse; or if there is no surviving spouse, the estate of such deceased beneficiary.

**ARTICLE X
TAX TREATMENT OF DISTRIBUTIONS**

What are my tax consequences when I receive a distribution from the Plan?

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59 1/2 could be subject to an additional 10% tax. You will not be taxed on your after-tax contributions to the Plan when they are distributed from the Plan. You will, however, be taxed on income attributable to those contributions.

What are my tax consequences if I take a distribution from my Roth Account?

Since Roth contributions are taxable when made, you would not be taxed on your Roth contributions again when they are distributed. In addition, if your Roth account has been open for at least five calendar years and you have attained age 59 1/2 or become permanently disabled, then the earnings on your Roth contributions may be distributed tax-free. Because Roth contributions only became available starting in 2007, the five-year minimum holding period means that tax-free distributions of earnings from the Plan will not be available before 2012. Distribution of Roth earnings that do not meet these conditions are subject to taxes and possibly penalties just like any of your other pre-tax accounts.

Can I elect a rollover to reduce or defer tax on my distribution?

Rollover or Direct Transfer. You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) **60-day rollover.** The rollover of all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution (such as a hardship distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, the direct transfer option described in paragraph (b) below would be the better choice.

(b) **Direct rollover.** For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of a distribution be made to either an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

Tax Notice. WHENEVER YOU RECEIVE A DISTRIBUTION, THE ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

ARTICLE XI PROTECTED BENEFITS AND CLAIMS PROCEDURES

Are my benefits protected?

As a general rule, your interest in your account, including your "vested interest," may not be alienated. This means that your interest may not be sold, used as collateral for a loan (other than for a Plan loan), given away or otherwise transferred. In addition, your creditors may not attach, garnish or otherwise interfere with your account.

Are there any exceptions to the general rule?

There are two exceptions to this general rule. The Administrator must honor a "qualified domestic relations order." A "qualified domestic relations order" is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by Vanguard, all or a portion of your benefits may be used to satisfy that obligation. The Plan Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain, without charge, a copy of the QUALIFIED DOMESTIC RELATIONS ORDER PROCEDURE from the Plan Administrator. The Plan Administrator may assess a charge for the determination of whether a domestic relations order is "qualified". You will be advised of the amount of any charge for determining the status of a domestic relations order at the time such an order is received by the Plan Administrator.

The second exception applies if you are involved with the Plan's operation. If you are found liable for any action that adversely affects the Plan, the Plan Administrator can offset your benefits by the amount that you are ordered or required by a court to pay the Plan. All or a portion of your benefits may be used to satisfy any such obligation to the Plan.

Can the Plan be amended?

Your Employer has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

What happens if the Plan is discontinued or terminated?

Although your Employer intends to maintain the Plan indefinitely, your Employer reserves the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will become 100% vested. Your Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. (See the question entitled "How will my benefits be paid to me?" for a further explanation.) You will be notified if the Plan is terminated.

How do I submit a claim for Plan benefits?

Benefits will be paid to you and your beneficiaries without the necessity for formal claims. However, if you think an error has been made in determining your benefits, then you or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Plan Administrator.

If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

What if my benefits are denied?

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Plan Administrator, unless the Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the case of a claim for disability benefits, if disability is determined by a physician (rather than relying upon a determination of disability for Social Security purposes), then instead of the above, the Plan Administrator will provide you with written or electronic notification of the Plan's adverse benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first 30-day extension period, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Administrator notifies you, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.

The Plan Administrator's written or electronic notification of any adverse benefit determination must contain the following information:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the determination is based.
- (c) A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary.
- (d) Appropriate information as to the steps to be taken if you or your beneficiary wants to submit your claim for review.

- (e) In the case of disability benefits where disability is determined by a physician:
 - (i) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided to you free of charge upon request.
 - (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If your claim has been denied, and you want to submit your claim for review, you must follow the Claims Review Procedure in the next question.

What is the Claims Review Procedure?

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator.

- (a) YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM FOR BENEFITS.

HOWEVER, IF YOUR CLAIM IS FOR DISABILITY BENEFITS AND DISABILITY IS DETERMINED BY A PHYSICIAN, THEN INSTEAD OF THE ABOVE, YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 180 DAYS FOLLOWING RECEIPT OF NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION.

- (b) You may submit written comments, documents, records, and other information relating to your claim for benefits.
- (c) You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Administrator.
- (d) You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (e) Your claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

In addition to the Claims Review Procedure above, if your claim is for disability benefits and disability is determined by a physician, then the Claims Review Procedure provides that:

- (a) Your claim will be reviewed without deference to the initial adverse benefit determination and the review will be conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual.
- (b) In deciding an appeal of any adverse benefit determination that is based in whole or part on medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.
- (c) Any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your adverse benefit determination will be identified, without regard to whether the advice was relied upon in making the benefit determination.
- (d) The health care professional engaged for purposes of a consultation under (b) above will be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

The Plan Administrator will provide you with written or electronic notification of the Plan's benefit determination on review. The Plan Administrator must provide you with notification of this denial within 60 days after the Administrator's receipt of your written claim for review unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 60-day period. In no event will such extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review. However, if the claim relates to disability benefits and disability is determined by a physician, then 45 days will apply instead of 60 days in the preceding sentences. In the case of an adverse benefit determination, the notification will set forth:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the benefit determination is based.
- (c) A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (d) In the case of disability benefits where disability is determined by a physician:
 - (i) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided to you free of charge upon request.
 - (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If you have a claim for benefits which is denied, then you may file suit in a state or Federal court. However, in order to do so, you must file the suit no later than 180 days after the Plan Administrator makes a final determination to deny your claim.

What are my rights as a Plan participant?

As a participant in the Plan you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants are entitled to:

- (a) Examine, without charge, at the Administrator's office and at other specified locations, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the DOL and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- (b) Obtain, upon written request to the Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- (c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such

a case, the court may require the Administrator to provide the materials and pay you up to \$110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. You and your beneficiaries can obtain, without charge, a copy of the qualified domestic relations order ("QDRO") procedures from the Administrator.

If it should happen that the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the DOL, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. The court may order you to pay these costs and fees if you lose or if, for example, it finds your claim is frivolous.

What can I do if I have questions or my rights are violated?

If you have any questions about the Plan, you should contact Vanguard. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ARTICLE XII GENERAL INFORMATION ABOUT THE PLAN

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

Plan Name

The full name of the Plan is OneBeacon 401(k) Savings and Employee Stock Ownership Plan.

Plan Number

Your Employer has assigned Plan Number 002 to your Plan.

Plan Effective Dates

This Plan is a result of the merger of the OneBeacon 401(k) Savings Plan (the "Savings Plan"), which was most recently restated effective as of January 1, 2006; and the OneBeacon Insurance Company Employee Stock Ownership Plan (the "ESOP"), which was most recently amended and restated effective as of January 1, 2003. The Savings Plan and the ESOP were merged, amended and restated effective April 27, 2007.

Other Plan Information

Valuations of the Plan assets are generally made every business day.

The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1st and ends on December 31st.

The Plan and Trust will be governed by the laws of Pennsylvania to the extent not governed by federal law.

Benefits provided by the Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974 because the insurance provisions under ERISA are not applicable to this type of Plan.

Service of legal process may be made upon your Employer. Service of legal process may also be made upon the Trustee or Administrator.

Employer Information

Your Employer's name, address and telephone number are:

OneBeacon Insurance Company
Attention Benefits
150 Royall Street
Canton, MA 02021
(781) 332-7090

Participating Employer Information

OneBeacon Insurance Company (EIN: 23-1502700)
OneBeacon Professional Insurance, Inc. (EIN: 56-2291255)
A.W.G. Dewar, Inc. (EIN: 04-1245100)
Guilford Holdings, Inc. (EIN: 20-5264121)
White Mountains Insurance Group Ltd. (EIN: 94-2708455)
White Mountains Capital, Inc. (EIN: 57-1163892)
White Mountains Financial Services LLC (EIN: 43-2090613)
Galileo Weather Risk Management Advisors LLC (sold effective June 2, 2009) (EIN: 56-2624603)
White Mountains, Inc. (EIN: 20-5305981)

Agent of Service for Legal Process

Bradford Rich
General Counsel
OneBeacon Insurance Company
150 Royall Street
Canton, MA 02021

Plan Administrator Information

The Plan's Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. The Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan or your participation, you should contact Vanguard. The Administrator may designate other parties to perform some duties of the Administrator.

The Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

The name, address and business telephone number of the Plan's Administrator are:

OneBeacon Benefits Committee
150 Royall Street
Canton, MA 02021
(781) 332-7090

Plan Trustee Information and Plan Funding Medium

All money that is contributed to the Plan is held in a trust fund. The Trustee is responsible for the safekeeping of the trust fund. The trust fund established by the Plan's Trustee(s) will be the funding medium used for the accumulation of assets from which benefits will be distributed. While all the Plan assets are held in a trust fund, the Administrator separately accounts for each Participant's interest in the Plan.

The name and address of the Plan's Trustee is:

Vanguard Fiduciary Trust Company
100 Vanguard Blvd.
Malvern, Pennsylvania 19355

APPENDIX I
CREDIT FOR SERVICE WITH ACQUIRED COMPANIES

(1) **For A. Paull Employees.** Any employee of the A. Paull Branch who was eligible to enter the Plan on July 1, 1981, and who did so before October 1, 1981 shall be credited with whole Years of Vesting Service (consisting of years and any fractional year of six months or more) for continuous employment with A. Paull & Son, Inc. Employment shall be considered continuous where there is no break of more than a year (but time during a break of less than a year shall not be credited toward vesting service).

A. Paull & Son, Inc. employees who did not enter the Plan by October 1, 1981 shall have their vesting service counted for all years as provided by the terms of the Plan. "Employment Date" shall mean the date on which such individuals became Employees of the Employer.

(2) **For A.L. Williams Employees.** Employees of the A.L. Williams Branch were eligible to enter the Plan on September 1, 1983, provided they had completed one year of service on or before August 31, 1983. "Employment Date" shall mean August 1, 1982, the date on which such individuals became Employees of the Employer.

(3) **For Oregon Auto and North Pacific Employees.** Employees of Oregon Automobile Insurance Company ("OAIC") and its wholly owned subsidiary, North Pacific Insurance Company ("North Pacific"), as of August 15, 1986, the date General Accident Insurance Company of America purchased all of the issued and outstanding stock of OAIC from Northwestern National Insurance Company of Milwaukee, Wisconsin (a wholly owned subsidiary of Armco Insurance Group, Inc.) shall receive credit for vesting for their service with OAIC or North Pacific as though such service had been service with OneBeacon.

(4) **For Silvey and Royal Employees.** Employees of the Silvey Corporation ("Silvey") or its subsidiaries, and those employees of Royal Indemnity Company "on loan" to Silvey, who became Employees of OneBeacon as a result of General Accident Insurance Company of America's purchase of all of the issued and outstanding stock of Silvey Corporation from Royal Group, Inc. in 1990 shall receive credit for vesting for their service with Silvey or its subsidiaries or with Royal (but, in the case of Royal, only while Royal and Silvey were members of the same "controlled group of corporations") as though such service had been service with OneBeacon.

(5) **For Hawkeye, Western States, and United Security Employees.** Employees of Hawkeye-Security Insurance Company ("Hawkeye") or its subsidiaries – Western States Insurance Company ("Western States") and United Security Insurance Company ("United Security") – as of July 30, 1991, the date General Accident Insurance Company of America purchased all of the issued and outstanding common stock of Hawkeye (which in turn owns all of the issued and outstanding common stock (other than director's qualifying shares) of Western States and United Security) from IB Holdings, Inc. (a wholly-owned subsidiary of USLICO Corporation), shall receive credit for vesting for their service with Hawkeye, Western States, or United Security as though such service had been service with OneBeacon.

(6) **For Commercial Union Employees.** If you were in covered employment under the Commercial Union Plan prior to January 1, 1999, you shall receive credit for vesting for your service with Commercial Union Insurance Company and its affiliates and for any service with a prior employer which was counted for vesting purposes under the Commercial Union Plan as of December 31, 1998, as though such service had been service with OneBeacon; provided, however, that your Years of Vesting Service for periods prior to January 1, 1999 shall in no event be less than your years of service credited for vesting purposes under the provisions of the Commercial Union Plan in effect on December 31, 1998.

(7) **For White Mountains Insurance Group, Ltd. Employees.** If you were employed by White Mountains Insurance Group, Ltd. or a predecessor immediately before becoming a Participant, you shall receive additional credit for Years of Vesting Service by treating White Mountains Insurance Group, Ltd. as if it had been an Affiliated Employer for your period of employment with White Mountains Insurance Group, Ltd.

(8) **For Atlantic Mutual Insurance Company Employees.** If you were employed by Atlantic Mutual Insurance Company in 2003, and you were hired by OneBeacon on or prior to December 31, 2004 or you became an Eligible Employee as a result of OneBeacon's acquisition of Atlantic Specialty Insurance Company, you shall receive credit for service with the Atlantic Mutual Insurance Company and its affiliates for purposes of vesting and in the determination of your Period of Service.

(9) **For First Media Insurance Company Employees.** If you were employed by First Media Insurance Company and were hired by OneBeacon on May 1, 2005, you shall receive credit for service with First Media Insurance Company for purposes of vesting and in the determination of your Period of Service.

- (10) **For Chubb Specialty Insurance Employees.** If you were employed by the Chubb Specialty Insurance Group and were hired by OneBeacon on June 16, 2005, you shall receive credit for service with the Chubb Specialty Insurance Group for purposes of vesting and in the determination of your Periods of Service.
- (11) **For Tower Insurance Group.** If you were terminated from OneBeacon in conjunction with the sale of New York Commercial business renewal rights to Tower Insurance Group, and you subsequently became an employee of Tower Insurance Group on or prior to December 1, 2004, you shall receive Years of Vesting Service based on your continuous service with the Tower Insurance Group.
- (12) **For Western States Insurance Company and OneCIS Insurance Company.** If you terminate from OneBeacon in conjunction with OneBeacon's sale of assets to Western States Insurance Company and immediately thereafter began employment with OneCIS Insurance Company ("OneCIS"), you will continue to receive Years of Vesting Service based on your continuous service with OneCIS.
- (13) **For Liberty Mutual Insurance Company.** If you terminated from service with OneBeacon and all Affiliated Employers as a direct consequence of the sale of the OneBeacon's property and casualty insurance business in 42 states and the District of Columbia to Liberty Mutual Insurance Company pursuant to the Master Agreement by and among White Mountains Insurance Group, OneBeacon and Liberty Mutual Insurance Company dated as of October 30, 2001, you shall be 100% vested in your Employer Matching Contributions Account. Whether your termination of service qualifies under the preceding sentence shall be determined by the Plan Administrator based on all the facts and circumstances and in a nondiscriminatory manner.
- (14) **For National Farmers Union Property and Casualty Company and QBE Insurance Group.** If you terminated from OneBeacon in conjunction with the sale of National Farmers Union Property and Casualty Company to QBE Insurance Group on June 30, 2005, and immediately began employment with QBE Insurance Group, you will continue to receive Years of Vesting Service based on your continuous service with QBE Insurance Group.
- (15) **For OneBeacon AGRI and QBE Insurance Group.** If you terminated from OneBeacon in conjunction with the sale of OneBeacon AGRI to QBE Insurance Group, and you subsequently became an employee of QBE Insurance Group on or before September 29, 2006, you shall receive Years of Vesting Service based on your continuous service with QBE Insurance Group.
- (16) **For National Marine Underwriters Employees.** If you were employed by National Marine Underwriters and were hired by the Company on October 30, 2006, you shall receive credit for your service with National Marine Underwriters Company, as though such service had been service with the Company.
- (17) **For Entertainment Brokers International Insurance Services.** If you were employed by Entertainment Brokers International Insurance Services and were hired by the Company on July 7, 2008, you shall receive credit for your service with Entertainment Brokers International Insurance Services, as though such service had been service with the Company.

Appendix II
OneBeacon 401(k) Savings and Employee Stock Ownership Plan Investment Line-up

FUND CATEGORY	FUND	OBJECTIVE	EXPENSE RATIO (as of 3/31/11)	ANNUAL TOTAL RETURNS (as of 3/31/11)
MONEY MARKET FUND	<i>Vanguard Prime Money Market Fund</i>	To provide participants with investment options that seek maximum current income that is consistent with preservation of capital and liquidity.	0.23%	1 year = 0.07% 3 year = 0.80% 5 year = 2.45%
STABLE VALUE	<i>Vanguard Retirement Savings Trust</i>	To provide participants with investment options that seek maximum current income that is consistent with preservation of capital and liquidity.	0.20%	1 year = 3.06% 3 year = 3.36% 5 year = 3.85%
SHORT-TERM BOND FUND	<i>Vanguard Short-Term Investment Grade Fund</i>	To provide participants with investment options whose portfolio manager has the flexibility to overweight by duration or issuer within a specific maturity segment and specific market sector within the investment-grade U.S. bond market.	0.24%	1 year = 3.79% 3 year = 4.35% 5 year = 4.92%
LONG-TERM BOND FUND	<i>Vanguard Long-Term Investment Grade Fund</i>	To provide participants with investment options whose portfolio manager has the flexibility to overweight by duration or issuer within a specific maturity segment and specific market sector within the investment-grade U.S. bond market.	0.26%	1 year = 9.12% 3 year = 7.47% 5 year = 6.43%
HIGH YIELD BOND FUND	<i>Vanguard High-Yield Corporate Fund</i>	To provide participants with a fund whose portfolio manager has the flexibility to overweight by duration or issuer within the non-investment-grade U.S. bond market.	0.28%	1 year = 12.37% 3 year = 9.30% 5 year = 6.74%
BALANCED FUND	<i>Vanguard Wellington Fund</i>	To provide participants with investment options that offer exposure to a relatively static mix of stocks and bonds through the use of active management techniques.	0.30%	1 year = 11.45% 3 year = 4.52% 5 year = 5.82%

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BALANCED FUND	<i>OneBeacon Fully Managed Fund</i>	To provide participants with investment options that offer exposure to a relatively static mix of stocks and bonds through the use of active management techniques.	0.84%	1 year = 18.03% 3 year = 6.53% 5 year = 7.68%
BALANCED FUND	<i>Vanguard Target Retirement Funds</i>	Provides participants with an array of simple, well-diversified, self-maintaining asset allocation portfolios that meet the needs of a participant population with a range of risk tolerances and time horizons.	0.17-0.20%	1 year = varies 3 year = varies 5 year = varies
LARGE-CAP CORE EQUITY FUND	<i>Vanguard 500 Index Fund</i>	To provide participants with investment options that track the performance of the large-, mid-, and small-cap U.S. equity markets.	0.18%	1 year = 15.49% 3 year = 2.30% 5 year = 2.54%
LARGE-CAP CORE EQUITY FUND	<i>OneBeacon Equity Fund</i>	To provide participants with investment options that employ active management techniques pursuing growth/value styles within the large-, mid-, and small-cap segments of the U.S. equity market.	0.83%	1 year = 19.93% 3 year = 6.02% 5 year = 7.98%
LARGE-CAP VALUE EQUITY FUND	<i>Vanguard Windsor II Fund</i>	To provide participants with investment options that employ active management techniques pursuing growth/value styles within the large-, mid-, and small-cap segments of the U.S. equity market.	0.35%	1 year = 11.24% 3 year = 2.18% 5 year = 2.03%
LARGE-CAP VALUE EQUITY FUND	<i>Vanguard Windsor Fund</i>	To provide participants with investment options that employ active management techniques pursuing growth/value styles within the large-, mid-, and small-cap segments of the U.S. equity market.	0.33%	1 year = 14.46% 3 year = 3.42% 5 year = 1.29%

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LARGE-CAP GROWTH EQUITY FUND	<i>Vanguard Morgan Growth Fund</i>	To provide participants with investment options that employ active management techniques pursuing growth/value styles within the large-, mid-, and small-cap segments of the U.S. equity market.	0.44%	1 year = 19.70% 3 year = 4.10% 5 year = 3.32%
MID-CAP CORE EQUITY FUND	<i>Vanguard Mid-Cap Index Fund</i>	To provide participants with investment options that track the performance of the large-, mid-, and small-cap U.S. equity markets.	0.27%	1 year = 24.94% 3 year = 7.35% 5 year = 4.39%
MID-CAP VALUE EQUITY FUND	<i>Vanguard Selected Value Fund</i>	To provide participants with investment options that employ active management techniques pursuing growth/value styles within the large-, mid-, and small-cap segments of the U.S. equity market.	0.47%	1 year = 18.46% 3 year = 8.29% 5 year = 5.36%
MID-CAP GROWTH EQUITY FUND	<i>Baron Asset Fund</i>	To provide participants with investment options that employ active management techniques pursuing growth/value styles within the large-, mid-, and small-cap segments of the U.S. equity market.	1.32%	1 year = 22.09% 3 year = 4.68% 5 year = 3.17%
SMALL-CAP CORE EQUITY FUND	<i>Vanguard Small-Cap Index Fund</i>	To provide participants with investment options that track the performance of the large-, mid-, and small-cap U.S. equity markets.	0.28%	1 year = 26.74% 3 year = 10.01% 5 year = 4.75%
INTERNATIONAL EQUITY FUND	<i>Vanguard International Value Fund</i>	To provide participants with investment options that employ active management techniques in the foreign equity markets.	0.39%	1 year = 7.69% 3 year = -2.43% 5 year = 1.93%
INTERNATIONAL EQUITY FUND	<i>Vanguard International Growth Fund</i>	To provide participants with investment options that employ active management techniques in the foreign equity markets.	0.51%	1 year = 16.42% 3 year = 0.78% 5 year = 4.35%

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INTERNATIONAL EQUITY FUND	<i>Vanguard Total International Stock Index Fund</i>	To provide participants with an investment option that employs passive management techniques in the foreign equity markets.	0.26%	1 year = 12.71% 3 year = -1.35% 5 year = 3.17%
COMPANY STOCK FUND	<i>OneBeacon Company Stock Fund</i>	To provide participants with an option to invest in the plan sponsor's company stock.	0.03%	1 year = -2.71% 3 year = -0.33% 5 year = N/A
COMPANY STOCK FUND	<i>White Mountains ESOP Fund</i>	To provide participants with an option to invest in the plan sponsor's stock of its majority shareholder.	0.08%	1 year = 2.72% 3 year = -8.44% 5 year = -8.63%