


## VENTON UNDERWRITING AGENCIES LIMITED

WRITTEN RESOLUTION

We, the undersigned, being all the members of the above-named private company ("the Company"), hereby agree that the following resolution shall have effect as a written resolution of the Company in accordance with sections 381A and 381B of the Companies Act 1985:

THAT:

1. the existing Articles of Association of the Company do hereby cease to have effect and that the draft Articles of Association, which are attached hereto, be and are hereby substituted in lieu thereof; and
2. each of the 100 'A' Non-Participating Shares of £1 each in the capital of the Company be and is hereby redesignated an Ordinary Share of the same nominal value, carrying the rights and obligations conferred by the Company's Articles as replaced by this resolution, and ranking pari passu with every other Ordinary Share in the capital of the Company.

  
(for and on behalf of  
New Street Holdings Limited)

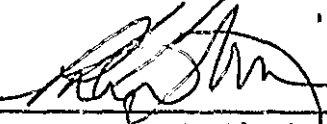
Date: 2.6. 1993

  
(J.H. Venton)

Date: 2.6. 1993

  
(L.W. Nichols)

Date: 2.6. 1993

  
(P.M. O'Brien)

Date: 3.6.9 1993

  
(R.N. Alwen)

Date: 3.6. 1993

  
(C.N.R. Atkin)

Date: 2.6. 1993



Date of notification by the auditors under S.381B(3)(a): 15.3 1993

THE COMPANIES ACT 1985  
A PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF  
VENTON UNDERWRITING AGENCIES LIMITED



(adopted by written resolution passed on 13 June 1993 )

PRELIMINARY

1. The Regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (S.I. 1985 No.805), as amended by S.I. 1985 No.1052, (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company, to the exclusion of any other regulations.

INTERPRETATION

2.(A) In these Articles--

"the Act" means the Companies Act 1985 including any statutory modification thereof for the time being in force;

"Active Underwriter" bears the meaning given by Lloyd's Underwriting Agents Byelaw (No.4 of 1984);

"the Auditor" means the person or firm for the time being holding office as auditor of the Company;

"clear days", in relation to a period of notice, means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"the Company" means this Company;

"the Council" means the Council of Lloyd's and any delegate of the powers of the Council of Lloyd's;

"Director" means a person regarded by law as a director of the Company;

"Lloyd's" means the society incorporated by the Lloyd's Act 1871;

"Member" means any person who has agreed to take Shares and

whose name is for the time being entered in the register of members of the Company;

"the Office" means the registered office of the Company;

"Qualifying Working Member" bears the meaning given by Lloyd's Underwriting Agents Byelaw (No.4 of 1984);

"the seal" means the common seal of the Company;

"Secretary" means any person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

"Shares" means shares in the Company of any class, except where the context otherwise requires;

"the Special Articles" means Articles 3, 4, 5(A), 6, 7, 8, 13, 17 and 20;

"Syndicate" means a syndicate at Lloyd's for which the Company acts as managing agent with the permission of Lloyd's.

- (B) Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.
- (C) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force at the date when these Articles become binding upon the Company; and words importing the singular shall include the plural, and vice versa, words importing the masculine gender shall include the feminine, and words importing persons shall include corporations. Regulation 1 of Table A shall not apply to the Company, and this Article 2 shall apply for the interpretation of those Regulations in Table A that do apply to the Company, as well as for the interpretation of these Articles.
- (D) Any provision in these Articles which requires any agreement, consent or approval on the part of the Council:
  - (i) shall be construed as requiring that such agreement, consent or approval shall be given in writing before the act, event or state of affairs for which such agreement, consent or approval is done, occurs or comes into being, and that agreement, consent or approval may be given on such terms and conditions and for such period as the Council thinks fit and may be revoked by the Council at any time, and
  - (ii) shall have effect only for as long as the Company is on

the Register of Approved Underwriting Agents at Lloyd's.

#### LLOYD'S REQUIREMENTS

- 3.(A) The Special Articles shall apply only for as long as the name of the Company is on the Register of Approved Underwriting Agents (or such other register as may be substituted therefor) at Lloyd's, during which time they shall override any other provision in these Articles inconsistent therewith.
- (B) No provision of these Articles shall be amended without the prior approval of the Council.

#### SHARE CAPITAL

- 4.(A) At the date on which this Article is adopted, the capital of the Company is £175,100 divided into 175,100 Ordinary Shares of £1 each carrying the rights, and being subject to the restrictions, set out in these Articles.
- (B) For as long as this Article remains in force, no more Shares shall be issued.
- (C) The Company shall not:
- (i) issue share warrants to bearer; or
  - (ii) without the consent of the Council:
    - (1) create any Shares of any class other than Ordinary Shares; or
    - (2) confer or permit to be conferred on any person, whether by virtue of the holding of a Share or otherwise, the right to prevent or affect the exercise by the Directors or the Company in general meeting of any of their or its powers without the consent or concurrence of such person.
- (D) Except with the consent of the Council, the Company shall neither reduce its share capital in any way, nor purchase or redeem any Shares. Regulations 3, 34 and 35 of Table A shall be read and construed accordingly.

#### TRANSFER OF SHARES

- 5.(A) Except with the consent of the Council:
- (i) no Share shall be transferred otherwise than to the Company's holding company; and
  - (ii) no interest in any Share shall be created or transferred; provided that this shall not restrict a

Member which is a corporation from appointing a representative in accordance with section 375(1)(a) of the Act.

- (B) Subject to paragraph (A) of this Article, the Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any Share, whether or not it is a fully paid Share. Regulation 24 of Table A shall not apply to the Company.

#### COMPULSORY SALE AND TRANSFER OF SHARES

6.(A) If:

- (i) without the consent of the Council, any person becomes the holder or joint holder of any Share; or
- (ii) without the consent of the Council, any person has an interest in a Share other than the holder thereof except by reason of the death of the holder; or
- (iii) any consent, agreement or approval given by the Council with respect to a Share is revoked or expires or terminates, or there is a breach by any holder of the Share of any undertaking given to the Council; or
- (iv) any holder is in breach of Article 8,

the Directors shall, unless the Council agrees otherwise, as soon as practicable give a Transfer Notice complying with paragraph (D) of this Article to the holder of the Share concerned; provided that where sub-paragraph (d) hereof applies and the Shares in question are held by more than one person, such notice need only be given to such holders as the Directors may in their absolute discretion and without assigning any reason therefor determine for the purpose of remedying the breach of Article 8, and their determination shall be conclusive.

- (B) A Transfer Notice required to be given by paragraph (A) of this Article shall apply, unless the Council otherwise agrees, to every Share registered (whether solely or jointly with some other person) in the name of the holder to whom the Transfer Notice is required to be given, provided that if paragraph (A) of this Article applies to such holder:

- (i) by reason only of his being a joint holder of any Share without the consent of the Council, the Transfer Notice shall apply only to Shares so held; or
- (ii) by reason only that, without the consent of the Council, another person has an interest in any Share held by him, the Transfer Notice shall apply only to every Share in which that other person has, without the consent of the Council, an interest; or

- (iii) by virtue only of sub-paragraph (d) thereof, paragraph (A) shall apply only to such number or value of the Shares held by him as the Directors may in their absolute discretion and without assigning any reason therefor determine for the purpose of remedying the breach of Article 8, and their determination shall be conclusive.

(C) If:

- (i) any Member (being an individual) dies, or
- (ii) any Member (being an individual) is adjudicated bankrupt, or (being a body corporate) enters into liquidation or has a receiver or administrator appointed over its Shares, or (whether a body corporate or an individual) makes any arrangement or composition with his creditors generally, or anything analogous to any of the events specified in this sub-paragraph (ii) occurs under the laws of any applicable jurisdiction, or
- (iii) a Default Notice (as defined in Article 7) has been served on any member and has not been withdrawn,

the Directors may, and shall if so directed by the Council, give a Transfer Notice complying with paragraph (D) of this Article to the Member in question with respect to such of the Shares held by him (whether solely or jointly) as may be specified in such notice; provided that no such direction may be given by the Council in a case falling within sub-paragraph (i) or (ii) above less than 60 days after the event in question.

(D) A Transfer Notice shall be a notice in writing which is addressed to the Member concerned and which:

- (i) specifies the provision of this Article by reference to which it is given;
- (ii) specifies the Shares in respect of which it is given;
- (iii) requires the Member (except where the Member is the Company's holding company), or (where the Member is deceased) any legal personal representatives of his, to transfer to the Company's holding company the Shares in respect of which the Transfer Notice is given, such transfer to be by way of sale for a consideration equal to the fair value of the Shares in question and to take place no later than 7 days after the fair value has been determined by the Auditor; and
- (iv) informs the Member that the Shares in respect of which the Transfer Notice is given shall carry no voting

rights until such time as either the Shares are duly transferred or the Transfer Notice is revoked.

- (E) The fair value of the Shares in respect of which a Transfer Notice is given shall be determined in writing by the Auditor as that sum which is in his opinion the fair value of those Shares as at the date of the Transfer Notice. In determining the fair value of those Shares, the Auditor shall pay due regard to the total number of Shares in respect of which the Transfer Notice in question is given and the percentage of the issued Shares represented by those Shares. In so acting, the Auditor shall be considered to be acting as an expert and not as an arbiter or arbitrator and accordingly any provisions of law or statute relating to arbitration shall not apply.
- (F) If a Transfer Notice is given and the Company does not, within 7 days after the fair value of the Shares in question has been determined by the Auditor, receive a duly executed stock transfer form in respect of the Shares to which the Transfer Notice relates, the Company may receive the purchase money on behalf of the Member concerned and may authorise some person to execute a transfer of the Shares in favour of the Company's holding company, which shall thereupon be registered as the holder thereof. The receipt of the Company for the purchase money shall be a good discharge to the Member concerned or his personal representatives. The Company shall hold the purchase money and any interest earned thereon in trust for that Member or his personal representatives.
- (G) The Shares in respect of which a Transfer Notice is given shall not entitle their holder to attend or vote at any general or class meeting of the Company, either personally or by proxy, or to be reckoned in a quorum in relation to any such meeting, until such time as either the Shares are duly transferred or the Transfer Notice is revoked.
- (H) A Transfer Notice may, with the consent of the Council, be revoked by the Directors at any time prior to the registration of the transfer of the Shares to which it relates.

#### SUSPENSION OF VOTING RIGHTS

- 7.(A) In this Article 7 and in Article 6, the expression "Default Notice" means a notice stating that the Member on whom it is served is not entitled to attend or vote at any general or class meeting of the Company, either personally or by proxy, or to be reckoned in a quorum in relation to any such meeting in respect of any Share specified in such notice. Upon service of a Default Notice in accordance with this Article, the relevant Member ceases to be so entitled. If a Default Notice is withdrawn in accordance with this Article, the relevant Member becomes entitled, in

respect of the Shares specified in such notice, to exercise such right as he had immediately before the service of the Default Notice to attend and vote at any general or class meeting of the Company, either personally or by proxy, or to be reckoned in a quorum in relation to any such meeting.

- (B) The Directors may at any time, and shall at the request of the Council, by written notice require any holder of a Share to give them such information or evidence, supported (if the Directors or the Council so require) by a statutory declaration, as the Directors or the Council may consider necessary or desirable for the purpose of determining whether there has occurred, or is about to occur, any infringement by any person with respect to such Share of any one or more of Articles 4(C), 5(A) or 8 or of any condition imposed by, or of any undertaking given to, the Council pursuant to any of the Special Articles.
- (C) If:
  - (i) at any time the Directors have reasonable grounds for believing that any holder has, within 14 days of the service of such notice, failed to comply with a Default Notice given to him pursuant to this Article; or
  - (ii) any holder, having responded within such period to such notice, has failed to satisfy the Directors or (where the notice was given at the request of the Council) the Council that there has not occurred, or is not about to occur, any infringement by any person with respect to any Share held by him of any one or more of Articles 4(C), 5(A) or 8 or of any condition imposed by, or of any undertaking given to, the Council pursuant to any of the Special Articles,the Directors may, and shall if so directed by the Council, as soon as practicable serve a Default Notice on the holder concerned specifying the Share to which such notice relates.
- (D) The Directors shall cause the register of Members to have noted, against any Member upon whom a Default Notice is served, details of such notice and of the Shares specified therein.
- (E) A Default Notice is conclusive evidence against the Member concerned that circumstances had arisen entitling the Directors to serve such notice.
- (F) If a Share specified in a Default Notice which has not been withdrawn is transferred in accordance with Article 5 or Article 6, the Default Notice is to be treated as withdrawn upon the registration of the transfer.
- (G) A Default Notice once served may not be withdrawn unless:



(i) the default to which it relates is capable of being remedied and is, within 7 days of the service of the Default Notice, remedied to the satisfaction of the Directors or (where the notice was given at the direction of the Council) the Council; or

(ii) the Council agrees.

#### SUBSTANTIAL SHAREHOLDINGS

8.(A) No person may, except to the extent that the Council otherwise agrees, be the holder of Shares carrying more than one-third of the voting power conferred by all the Shares or be the holder of more than one-third of the nominal value of the Shares of any class.

(B) In determining whether such limit of one-third has been exceeded by any person ("the shareholder"), there shall be aggregated with the Shares registered in the name of the shareholder (and, therefore, treated as held by him) any Shares registered in the names of the persons who, in relation to him, are the persons referred to in the following sections of Lloyd's Act 1982:

(i) section 12(1)(c), if the shareholder is a body corporate;

(ii) section 12(1)(e) (but excluding the proviso to that section), if the shareholder is an individual; and

(iii) section 12(1)(d), if the shareholder is a member of a partnership,

provided that:

(a) references in the aforementioned section 12(1)(c) and (d) to a director or a partner are to be treated, in the case of a director or partner who is an individual, as including the persons mentioned in section 12(1)(e); and

(b) this paragraph (B) does not require any Share to be taken into account more than once in determining whether the limit of one-third has been exceeded.

#### GENERAL MEETINGS

9. Subject to section 366A of the Act, the Company shall in each year hold a general meeting as its annual general meeting in addition to any other general meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint.

10. A resolution in writing signed by all the Members for the time being entitled to receive notice of and attend and vote at general meetings (or, where such a Member is a corporation, by any director, company secretary or other duly authorised representative of such Member) shall, subject to the provisions of the Act, be as valid and effective as if it had been passed at a general meeting of the Company duly convened and held, and may consist of several instruments in the like form each executed by or on behalf of one or more Members. Regulation 53 of Table A shall not apply to the Company.

#### ALTERNATE DIRECTORS

11. A Director appointing an alternate Director may by notice in writing require the Company to remunerate the alternate Director out of funds otherwise available for the remuneration of the Director himself. The remuneration of the alternate Director shall consist of such portion of the amount otherwise payable as remuneration to the Director appointing him as shall be agreed between the alternate Director and the Director appointing him and notified in writing to the Company. Save as aforesaid, an alternate Director shall not be entitled to receive any remuneration from the Company for his services. Regulation 66 of Table A shall be modified accordingly.

12. Subject to Article 13, a person may act as an alternate Director to represent more than one Director, and in such case he shall be entitled at any meeting of the Directors (including a meeting of a committee of the Directors) to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

#### SPECIAL QUALIFICATIONS OF DIRECTORS

13. Unless the Council otherwise agrees:

(A) A person shall not be appointed a Director unless:

- (i) he shall have been approved by the Council to hold such office and the Company shall have received written notice to that effect; and
- (ii) he is an underwriting member, annual subscriber or associate (as defined by the Lloyd's Act 1982).

The following paragraphs (B), (C) and (D) of this Article shall take effect subject to this paragraph (A).

(B) At least two-thirds of the Directors (other than alternate Directors) for the time being shall be Qualifying Working Members. If and for so long as without the agreement of the Council two-thirds of the Directors shall not be such members, the continuing Director(s) may act for the purposes

of increasing the number of Directors so that two-thirds thereof shall be such members or of summoning a general meeting of the Company, but for no other purpose.

- (C) Without prejudice to Regulations 78 and 79 of Table A as amended by these Articles, the Directors shall appoint as a Director (if such person is not already a Director):
- (i) an Active Underwriter chosen from each of the marine, non-marine, aviation and motor markets in which the Company manages Syndicates, provided that an Active Underwriter who acts on behalf of Syndicates which operate in more than one such market may be chosen in respect of each market in which those Syndicates operate; and
  - (ii) unless the Council otherwise agrees, the Active Underwriter of any Syndicate which represents ten per cent. or more of the total stamp capacity of the Syndicates managed by the Company.
- (D) Directors of the Company may be appointed only by a resolution of either the Company in general meeting or the board of Directors, and removed only by a resolution of the Company in general meeting in accordance with sections 303 and 304 of the Act or by disqualification. The consent or concurrence of any person (other than the Council) shall not be required for the appointment or removal of a person as a Director.
- (E) A person is not eligible to be an alternate Director unless he satisfies the criteria of the Council as to suitability and the Company receives written notice to that effect, and a person is not eligible to be an alternate Director for a Director who is a Qualifying Working Member unless the proposed alternate is also a Qualifying Working Member. Regulation 65 of Table A shall be read and construed accordingly.
- (F) If any resolution for the removal of a Director is to be proposed at any general meeting of the Company, the Directors, or, in the case of a meeting requisitioned by Members in accordance with section 368 of the Act, the requisitionists, shall send to the Council a copy of the notice of such meeting at the same time as the notice is sent to Members, and, in addition, the Company must send to the Council a copy of any representations made pursuant to section 304 of the Act at the same time as the representations are sent to Members. If copies of such representations are not sent to Members because they are received too late, they must be sent by the Company to the Council as soon as practicable after their receipt.
- (G) Notice of a meeting of Directors shall be given to every Director including a Director who is for the time being

absent from the United Kingdom who has given to the Secretary an address either within or outside the United Kingdom for the purpose. Any notice of meeting required by this paragraph (G) to be sent to an address outside the United Kingdom must, if less than 14 days' notice is given, be sent by telex, facsimile transmission, cable or telephone. Any such notice given by telephone must be confirmed as soon as possible by telex, facsimile transmission or cable. Any such notice authorised to be given by post must be sent by prepaid airmail (first class where appropriate). Regulation 88 of Table A shall be read and construed accordingly.

- (K) The quorum necessary for the transaction of the business of the Directors is two or, if greater, one half of the number of the Directors for the time being in office. For the purpose of determining whether a quorum exists, alternate Directors shall not be counted. Regulation 89 of Table A shall not apply to the Company.
- (I) It shall not be necessary for the purpose of a Directors' meeting that all participants be present at the same place, provided that the Directors counted in the quorum are all in contact for the purpose of the meeting, whether in person or by radio or telephone or other instantaneous means of communication.

#### POWERS OF THE DIRECTORS

14. The affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or these Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. Regulation 70 of Table A shall not apply to the Company.

15. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time determine by resolution.

16. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject (in the case of any security convertible into Shares) to section 80 of the Act, to issue debentures, debenture stock, and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

#### DIRECTORS' POWER TO DELEGATE

17. The powers of the Directors are not capable of general delegation otherwise than to a managing Director or with the approval of the Council. Regulations 71 and 72 of Table A shall be read and construed accordingly.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

18. Regulations 73, 74, 75 and 80 of Table A shall not apply to the Company. A Director shall not retire by rotation, and Regulations 76, 77 and 78, and all other Regulations of Table A making references to retirement by rotation, shall be read and construed accordingly.

19. A Director appointed by the Directors to fill a vacancy or as an addition to the board of Directors shall not retire from office at the annual general meeting next following his appointment. The last two sentences of Regulation 79 of Table A shall not apply to the Company.

#### DISQUALIFICATION OF DIRECTORS

20. By way of addition to any other provision of these Articles providing for the disqualification of a Director, the office of a Director shall be vacated:

- (i) if the Director is the subject of a direction or administrative suspension under any Lloyd's Byelaw or the Director is found guilty of misconduct under any Lloyd's Byelaw and, in either case, the Council notifies the Company that such Director is no longer permitted to be a Director by reason of such direction or finding; or
- (ii) if the Director ceases to hold the qualification for appointment as Director contained in paragraph (A) of Article 13.

#### REMUNERATION OF DIRECTORS

21. The Directors shall be entitled to such fees (as distinct from salaries or other emoluments payable to them for services rendered in the course of any employment with the Company) as may be determined by the Company in General Meeting. Unless the resolution provides otherwise, the fees shall be deemed to accrue from day to day. Regulation 82 of Table A shall not apply to the Company.

22. If any Director shall be called upon to perform extra services or make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Directors may arrange with such Director for extra remuneration for such services or exertions either by way of salary, commission or the payment of a lump sum of money or otherwise, as they shall think fit.

## DIRECTORS' INTERESTS

23. A Director who is in any way, whether directly or indirectly (whether through persons connected with him as defined in section 346 of the Act or otherwise), interested in any contract or proposed contract or in any other transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with section 317 of the Act.

24. On any matter in which a Director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him therefrom. No transaction or arrangement shall be impugned on the ground of any such interest or benefit. Regulations 85 and 94 to 97 inclusive of Table A shall not apply to the Company.

25. A Director may hold also any other office or place of profit in the Company (except that of Auditor) and may be appointed thereto upon such terms as to remuneration, tenure of office and otherwise as the Directors may determine.

26. The Directors may retain any benefits received by all or any of themselves by reason of exercising any powers of the Company conferred by the Memorandum of Association.

27. A Director may be or become a director or other officer of, or employed by, any body corporate promoted by the Company or in which the Company may be interested as a shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, officer or employee of such other body corporate.

## INDEMNITY

28. Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company; and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of his duties or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by section 310 of the Act. Regulation 118 of Table A shall not apply to the Company.