

No. 2613429

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

of

HEXAGON INSURANCE SERVICES LIMITED

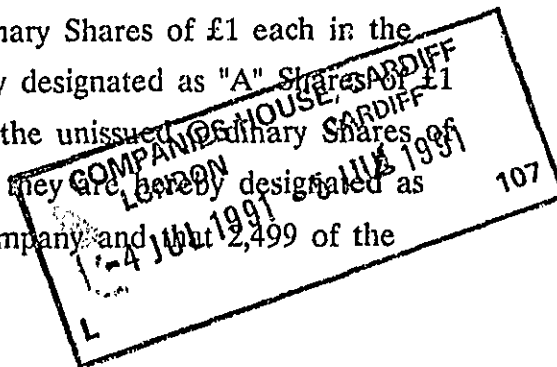
Passed 28th June, 1991

At an Extraordinary General Meeting of the above-named Company, duly convened, and held on 28th June, 1991 the following Resolutions were duly passed as Special Resolutions:

SPECIAL RESOLUTIONS

THAT:

- 1 (i) that the 4,999 issued Ordinary Shares of £1 each in the Company registered in the name of Gibbs Hartley Cooper Limited be and they are hereby designated as "A" Shares of £1 each of the Company and the one issued Ordinary Share of £1 in the Company registered in the name of Bob Bright be and it is hereby designated as a "C" Share of £1 each in the Company;
- (ii) that 18,751 of the unissued Ordinary Shares of £1 each in the Company be and they are hereby designated as "A" Shares of £1 each of the Company, 27,250 of the unissued Ordinary Shares of £1 each in the Company be and they are hereby designated as "B" Shares of £1 each of the Company and that 2,499 of the



unissued Ordinary Shares of £1 each in the Company be and they are hereby designated as "C" Shares of £1 each of the Company; and

(iii) that the "A" Shares, "B" Shares and the "C" Ordinary Shares of the Company be separate classes of Shares but save as otherwise provided in the Articles of Association the "A" Shares, B Shares and the "C" Shares shall carry the same rights and privileges and rank pari passu in all respects

2 THAT the Regulations ("the New Articles") contained in the printed document marked "A" now produced to the Meeting and for the purposes of identification signed by the Chairman thereof be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association thereof.

3 THAT the Directors be and they are hereby authorised to create and issue up to £6,600,000 in aggregate principal amount of floating rate subordinated unsecured Loan Notes 1996 of a principal amount of £1,000 each.



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Chairman

Private & Confidential

No. 2613429

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

HEXAGON INSURANCE SERVICES LIMITED

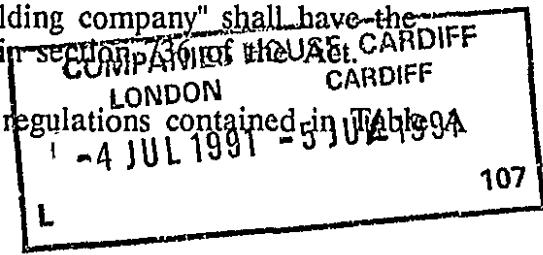
(Adopted by Special Resolution passed on 28th June, 1991)

1 Preliminary

1.1 In these Articles and in Table A:

- | | |
|----------------|--|
| "the Act" | means the Companies Act 1985 (as amended). |
| "Associate" | in relation to a member of the Company means any body corporate (wherever created) which is its subsidiary or holding company from time to time and any subsidiary from time to time of any such holding company |
| "Table A" | means Table A in the Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) (Amendment) Regulations 1985. References to regulations are to regulations in Table A. |
| "the Statutes" | means the Companies Act 1985 and any statutory amendment or replacement thereof for the time being in force and every other Act concerning companies and affecting the Company. |

- 1.2 The expressions "subsidiary" and "holding company" shall have the meanings respectively given thereto in section 36 of the Act.
- 1.3 Subject as hereinafter provided, the regulations contained in Table A shall apply to the Company.



- 1.4 Regulations 2, 17, 24, 38, 39, 40, 50, 54, 60, 61, 64, 72 to 80 inclusive, 84, 85, 87, 88 to 91 inclusive, 101, and 118 shall not apply to the Company, but the Articles hereinafter contained and the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

2 Shares

- 2.1 The share capital of the Company at the date of the adoption of these Articles is £50,000 divided into 23,750 "A" Shares of £1 each, 23,750 "B" Shares of £1 each, and 2,500 "C" Shares of £1 each.
- 2.2 The "A" Shares, "B" Shares and "C" Shares shall be separate classes of shares but save as hereinafter otherwise provided shall carry the same rights and privileges and shall rank *pari passu* in all respects.
- 2.3 The holders of the "C" Shares shall have no right as such to share in any of the profits of the Company available for distribution to Members or in any of the assets of the Company available for distribution to Members on a winding-up of the Company.
- 2.4 Unissued shares in the capital of the Company for the time being shall only be allotted as follows:
- (a) every allotment shall be of an equal number of "A" Shares and "B" Shares and a proportionate number of "C" Shares;
 - (b) on the occasion of each allotment the "A" Shares, and the "B" Shares shall be allotted at the same price (not being at a discount) and on the same terms as to date for payment, ranking for dividend and otherwise howsoever. The "C" Shares shall be allotted at par or at such other price as the Directors may determine;
 - (c) no shares of any class shall be issued otherwise than to members holding shares of the same class without the prior written consent of the holders for the time being of the "A" Shares and the "B" Shares;
 - (d) as between holders of shares of the same class the shares of that class being allotted shall be allotted in proportion to such holders' then existing holdings of shares of the class or in such other proportions between them as all the members holding shares of the same class shall agree in writing;
 - (e) the maximum nominal amount of share capital which the Directors may allot, grant options or subscriptions or conversion rights over or otherwise deal with or dispose of pursuant to Article 2 shall be £45,000. The authority conferred on the

directors by Article 2 shall expire on the day preceding the fifth anniversary of the date of adoption of these Articles.

- 2.5 Save as provided in Article 2, the Directors shall have no power to issue unissued shares and shall not allot, grant options or subscriptions or conversion rights over or otherwise dispose of the same.

3 Transfer of Shares

- 3.1 No "A" Share or "B" Share shall be transferable except as follows:

- (a) to a corporation which is its Associate; or
- (b) to any body corporate or person with the prior written consent (delivered to the Company) of the holder of the "A" Shares or the "B" Shares as the case may be; or
- (c) as otherwise permitted by these Articles.

- 3.2 None of the "C" Shares shall be transferable save with the prior written consent of all the holders for the time being of the "A" Shares and the "B" Shares.

- 3.3 The Directors may decline to register a transfer permitted under Article 3 if it is a transfer of a partly-paid share and shall decline to register any transfer not so permitted.

4 Transmission of Shares

Notwithstanding anything to the contrary contained in regulations 29 to 31, the Directors shall not be bound to register as a member any person becoming entitled to a share in consequence of the death, bankruptcy or liquidation of a member and may refuse to do so if the Directors are of the opinion that the registration of such person will not be conducive to the interests of the Company and the Directors shall not be bound to give any reason for their opinion.

5 Lien

- 5.1 The lien conferred by regulation 8 shall apply to:

- (a) all shares of the Company whether fully paid or not;
- (b) all shares registered in the name of any person indebted or under liability to the Company, whether he be the sole registered holder thereof or one of several joint holders;

and shall be for all indebtedness or other liability to the Company of any member. Regulation 8 shall be modified accordingly.

- 5.2 All shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 2 of these Articles as if they were unissued shares of the Company. Regulation 9 shall be modified accordingly.

6 General Meetings

- 6.1 The words "seven weeks" shall be substituted for the words "eight weeks" in regulation 37.
- 6.2 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 days' notice but a general meeting, other than one called for the passing of an elective resolution, may be called by shorter notice if so agreed by all members entitled to attend and vote thereat.

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all members and to the directors and the auditors.

- 6.3 No business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two members present in person or by proxy, including one person being or representing a holder of any of the "A" Shares and one person being or representing a holder of any of the "B" Shares, shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present if represented by an individual authorised under the written authority of an executive officer of the corporation or, in accordance with the provisions of section 375 of the Act.
- 6.4 Regulation 41 shall be modified by the insertion at the end of that regulation of the following sentence: "If at the adjourned meeting a quorum is not present within two hours from the time appointed for the meeting the meeting shall be dissolved."
- 6.5 A poll may be demanded at any General Meeting by the chairman of the meeting or by any member present in person or by proxy. Regulation 46 shall be modified accordingly.
- 6.6 On a show of hands every member present in person or by proxy shall have one vote and on a poll every member so present shall have one vote for every "A" Share, one vote for every "B" Share of which he is

the holder, and one vote for every "C" Share of which he is the holder provided that if at any meeting any holder of shares is not present in person or by proxy the votes exercisable on a poll in respect of the shares of the same class held by members present in person or by proxy shall be pro tanto increased so that such shares shall together entitle such members to the same aggregate number of votes as could be cast in respect of all the shares of that class if all the holders thereof were present.

- 6.7 No resolution of the members of the Company shall be deemed passed unless all the holders for the time being of the "A" Shares and the "B" Shares has voted in favour of the resolution, and in those circumstances only.
- 6.8 An instrument appointing a proxy may be in any usual or common form or in any other form which the Directors may approve.
- 6.9 The chairman at any General Meeting shall not be entitled to a second or casting vote.
- 6.10 A resolution in writing in accordance with regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be sufficient for the purposes of that regulation. The Directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of proceedings of a general meeting of the Company and to be signed by a Director or the Secretary of the Company.
- 6.11 Before a resolution in writing is executed, the Company, if it is required by section 381B of the Act to do so:
- (a) shall send a copy of the proposed resolution to the auditors; and
 - (b) shall ensure that the resolution is not passed unless either it has received the auditors' notification in the terms of section 381B(3)(a) of the Act or the period for giving a notice under section 381B(2) has expired without any notice having been given to the Company by the auditors in accordance with that sub-section.
- 6.12 The accidental omission to give notice of a meeting to any member entitled to receive notice of and attend and vote at General Meetings shall invalidate the proceedings at that meeting.

7 Directors

- 7.1 The Directors shall be not more than three in number, of whom one ("A" Director") shall be appointed by the holders of the majority of

the "A" Shares and one ("B" Director") shall be appointed by the holders of the majority of the "B" Shares. The third Director ("C Director") shall be appointed by the Board in accordance with the provisions of Article 13.1.

- 7.2 The holders of the "A" Shares may at any time and from time to time by a memorandum signed by the holders of a majority of the "A" Shares (a corporation which is a holder acting by the signature of any of its directors or of its General Manager or of its secretary) appoint any person to be an "A" Director (but so that not more than one of the Directors for the time being authorised shall at any one time be an "A" Director) and may in like manner remove any Director appointed by the holders of the "A" Shares and appoint another in his place and may similarly fill any other vacancy in the Directors to be appointed by the holders of the "A" Shares. Any such appointment or removal shall take effect at and from the time when the memorandum is lodged at the registered office of the Company or produced to a meeting of the Directors.
- 7.3 The rights conferred by Article 7.2 on the holders of the "A" Shares shall mutatis mutandis apply in respect of the holders of the "B" Shares in relation to the "B" Director or Directors appointed by the holders of the "B" Shares.

8 Powers and Duties of Directors

- 8.1 Subject to the provisions of the Statutes, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor. Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him. Regulation 94 shall be modified accordingly.
- 8.2 The Directors may exercise all the powers of the Company contained in Clause 3(t) of the Memorandum of Association of the Company.

9 Disqualification of Directors

- 9.1 The office of a Director shall be vacated if he is removed from office under Article 7.2, or 7.3 or Article 13.1. Regulation 81 shall be modified accordingly.

- 9.2 Unless and until otherwise determined by the Company by Ordinary Resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy, and any person proposed to be appointed a Director shall be capable of being appointed as a Director notwithstanding that he has attained the age of seventy, and no special notice need be given of any resolution for the appointment as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be appointed as such.

10 Rotation of Directors

The Directors shall not be subject to retirement by rotation and accordingly the second and third sentences of regulation 79 shall be deleted. No Director shall be appointed otherwise than as herein provided.

11 Alternate Directors

- 11.1 The "A" Director and the "B" Director shall each be entitled to appoint up to three alternate Directors to act in sequence, so that the first named alternate director shall be authorised to act in the absence of the director in question, the second named alternate director shall be authorised to act in the absence of the director in question and the first named alternate director, and the third named alternate director shall be authorised to act in the absence of the director in question, and the first and second named alternates. The "C" Director shall not be entitled to appoint any alternate director. Regulation 65 shall be modified accordingly.
- 11.2 Any appointment or removal of an alternate Director made under Table A shall be delivered at the registered office of the Company. Any "A" Director or any "B" Director may appoint any other person willing to act to be an alternate and may remove from office an alternate director so appointed by him, in each case without the sanction of a resolution of the Directors. Regulation 65 shall be modified accordingly.
- 11.3 If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate Director to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall be deemed to be a Director for the purpose of signing instruments pursuant to Article 14.
- 11.4 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to

receive from the Company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

12 Proceedings of Directors

- 12.1 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and manner of dispatching business as they think fit. The quorum shall throughout the meeting be two Directors (of whom one at least shall be an "A" Director and one at least a "B" Director). No business shall be transacted at any Board Meeting unless a quorum is present at the commencement of business and also when such business is voted on.
- 12.2 The Directors may from time to time appoint committees consisting of at least one "A" Director and at least one "B" Director and such other persons as the Directors may from time to time determine and may delegate any of their powers to any such committee and from time to time revoke any such delegation and discharge any such committee wholly or in part. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors but may meet and adjourn as it thinks proper provided that the quorum for a meeting of any committee shall throughout the meeting be at least one "A" Director and at least one "B" Director. Any committee shall have power unless the Directors direct otherwise to co-opt as a member or members of the committee any person or persons although not being a Director of the Company.
- 12.3 The appointment and removal of the Chairman of the Directors shall be determined by resolution of the Board, but so that the Chairmanship of the Board shall rotate annually so that an "A" Director and a "B" Director shall alternately act as Chairman of the Board, the first Chairman to act being an "A" Director. The Chairman shall not have a second or casting vote.
- 12.4 All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by resolution and no such resolution shall be effective unless carried by a majority including at least one "A" Director and at least one "B" Director.
- 12.5 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting.

- 12.6 The continuing Directors (provided that there is a quorum as defined above) may act notwithstanding any vacancies.

13 Managing or Executive Directors

- 13.1 The Directors may from time to time appoint the "C" Director, and may appoint the "C" Director to an executive office (including that of Managing Director, Manager or any other salaried office) for such period and upon such terms as shall be thought fit, and subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed as a Managing Director shall (without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company) ipso facto cease to be Managing Director if he ceases for any cause to be a Director.
- 13.2 The Managing Director, Manager or other executive officer as aforesaid shall receive such remuneration whether by way of salary, commission or participation in profits or otherwise (either in addition to or in lieu of his remuneration as a Director), as the Directors may determine.
- 13.3 The Directors may entrust to and confer upon a Managing Director, Manager or other executive officer as aforesaid any of the powers exercisable by them upon such terms and conditions with such restrictions as they think fit and may from time to time withdraw, alter or vary all or any of such powers.

14 The Seal

- 14.1 If the Company has a seal it shall be used with the authority of the Directors or a committee of the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.
- 14.2 If the Company has a Common Seal the Company may also have an official seal for use abroad under the provisions of the Act, where and as the Directors shall determine, and the Company may by writing under the Common Seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Common Seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

15 Capitalisation of Profits and Reserves

- 15.1 On any occasion when shares are allotted and distributed credited as fully paid in accordance with regulation 110 the shares allotted to holders of "A" Shares shall forthwith on allotment automatically stand converted into "A" Shares and the shares allotted to holders of "B" Shares shall forthwith on allotment automatically stand converted into "B" Shares and the shares allotted to holders of "C" Shares shall forthwith on allotment stand converted into "C" Shares. Regulation 110 shall be modified accordingly.

16 Notices

- 16.1 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Statutes. The third sentence of Regulation 112 shall be deleted.
- 16.2 Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including telex, facsimile and electronic mail, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Regulations 111 and 112 shall be amended accordingly.
- 16.3 A notice posted to an address outside the United Kingdom shall be deemed, unless the contract is proved to be given at the expiration of 7 days after the envelope containing it was posted and regulation 115 shall be amended accordingly.

17 Indemnity

Subject to the provisions of and so far as may be consistent with the Statutes but without prejudice to any indemnity to which a Director may be otherwise entitled every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

18 Miscellaneous Provisions where material overseas interests exist

18.1 Table A shall be further modified as follows:

- (a) in regulation 37 the words "within the United Kingdom" shall be deleted;
- (b) in regulation 66 the second sentence shall be deleted;
- (c) in regulation 88 the third sentence shall be deleted;
- (d) in regulation 112 the words "(or at such other address, whether within or outside the United Kingdom, as he may supply to the Company for that purpose)" shall be inserted after "registered address";
- (e) regulation 116 shall be modified by the substitution of the words "at the address, if any, whether within or outside the United Kingdom" for the words "the address, if any, within the United Kingdom".