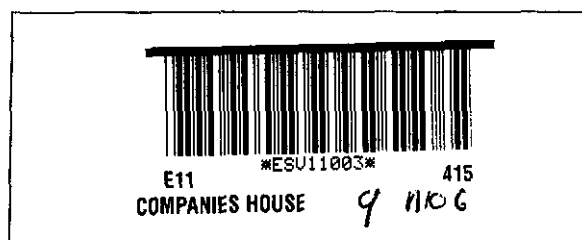


Separator Sheet

Company Number .....3437588.....

Company Name .....OMEGA UNDERWRITING HOLDINGS PLC.....



**IN THE HIGH COURT OF JUSTICE**

**CHANCERY DIVISION**

**COMPANIES COURT**

**THE HON MR. JUSTICE EVANS-LOMBE**

8 November 2006

No. 6654 of 2006



**IN THE MATTER OF OMEGA UNDERWRITING HOLDINGS PLC  
AND  
IN THE MATTER OF THE COMPANIES ACT 1985**

**UPON THE PETITION** of the above-named Omega Underwriting Holdings PLC of 4<sup>th</sup> Floor, New London House, 6 London Street, London, EC3R 7LP (hereinafter called the "**Company**") dated 20 October 2006

**AND UPON HEARING** Counsel for the Company and for Omega Insurance Holdings Limited (referred to in the Scheme of Arrangement hereinafter sanctioned) (hereinafter called "**New Omega**")

**AND** New Omega by its Counsel consenting to and undertaking to be bound by the Scheme of Arrangement hereinafter sanctioned and undertaking to do or procure to be executed or done all such documents acts or things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect thereto

**AND UPON READING** the said Petition and the evidence

**THE COURT HEREBY SANCTIONS** the Scheme of Arrangement set forth in the First Schedule hereto

**AND THE COURT CONFIRMS** in accordance with the provisions of the above-mentioned Act the reduction of the share capital of the Company from £10,100,000 to £2,732,221.85 and the cancellation of the share premium account of the Company resolved on and effected by a Special Resolution passed at an Extraordinary General Meeting of the Company held on 20 October 2006

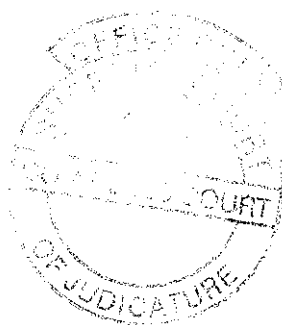
**AND THE COURT APPROVES** the Minute set forth in the Second Schedule hereto

**AND IT IS ORDERED** that this Order be produced to the Registrar of Companies and that an Office Copy be delivered to him together with a copy of the said Minute

**AND THE COURT AUTHORISES** pursuant to Section 139(3) of the said Act the re-registration of the Company as a private company **AND DIRECTS** that in connection with such re-registration the Company's Memorandum and Articles of Association be altered to the form set forth in the Third Schedule hereto

4

**AND IT IS ORDERED** that notice of the registration by the Registrar of Companies of this Order (so far as it confirms the reduction of the capital of the Company) and of the said Minute be published once in the Times newspaper within 21 days after such registration



**THE FIRST SCHEDULE BEFORE REFERRED TO**  
(Scheme of Arrangement)

**IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT**

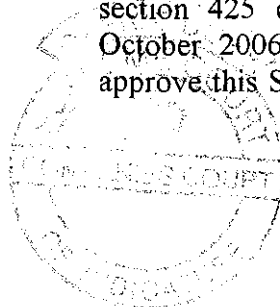
**No. 6654 of 2006**

**IN THE MATTER OF OMEGA UNDERWRITING HOLDINGS PLC  
AND  
IN THE MATTER OF THE COMPANIES ACT 1985  
SCHEME OF ARRANGEMENT  
(UNDER SECTION 425 OF THE COMPANIES ACT 1985)  
BETWEEN  
OMEGA UNDERWRITING HOLDINGS PLC  
AND  
THE SCHEME SHAREHOLDERS (as hereinafter defined)**

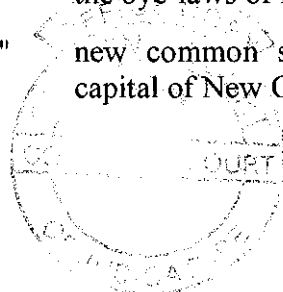
**Preliminary**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

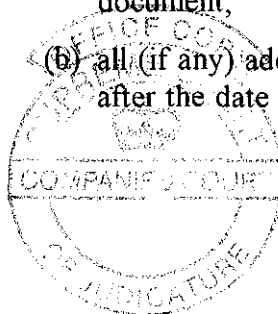
"Act"	the Companies Act 1985, as amended;
"business day"	any day other than a Saturday or Sunday on which banks are generally open for business in England and Wales;
"Capital Reduction"	the proposed reduction of the issued share capital of the Company under section 135 of the Act in accordance with sub-clause 1.1 of the Scheme and the cancellation of the entire amount standing to the credit of the Company's share premium account as at the date of the Court Hearing;
"certificated" or "in certificated form"	not in uncertificated form;
"Certificated Holders"	Scheme Shareholders holding their Scheme Shares in certificated form;
"Company"	Omega Underwriting Holdings PLC;
"Court"	the High Court of Justice of England and Wales;
"Court Hearing"	the hearing of the Petition by the Court;
"Court Meeting"	the meeting of holders of Ordinary Shares convened by direction of the Court pursuant to section 425 of the Act for 9:00 a.m. on 20 October 2006, to consider and, if thought fit, approve this Scheme, including any adjournment



	thereof;
"Court Order"	the Order of the Court sanctioning the Scheme under section 425 of the Act and confirming the Capital Reduction;
"CREST"	the relevant system (as defined in the Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form (as defined in the Regulations) in respect of which CRESTCo is the Operator (as defined in the Regulations);
"CRESTCo"	CRESTCo Limited;
"CREST Transfer Form"	means the form of stock transfer in use from time to time within CREST, by which a Scheme Shareholder holding Ordinary Shares in certificated form wishing to hold his/her/its interest in New Omega in uncertificated form can effect the transfer of his/her/its holding of New Omega Common Shares to the Depositary in exchange for an equivalent amount of Depositary Interests representing such New Omega Common Shares;
"Deferred Share"	means the deferred share of 5 pence in the capital of the Company, to be designated as such pursuant to the Resolution;
"Demat Form"	means the CREST Dematerialisation Request Form in use from time to time within CREST, by which a Scheme Shareholder holding Ordinary Shares in uncertificated form wishing to hold his/her/its interest in New Omega in uncertificated form can effect the transfer of his/her/its holding of New Omega Common Shares to the Depositary in exchange for an equivalent amount of Depositary Interests representing such New Omega Common Shares;
"Depositary"	Capita IRG Trustees Limited;
"holder"	includes any person entitled by transmission;
"New Omega"	Omega Insurance Holdings Limited, an exempted company limited by shares incorporated under the Companies Act 1981 of Bermuda, as amended, with the registration number EC38802;
"New Omega Bye-laws"	the bye-laws of New Omega;
"New Omega Common Shares"	new common shares of US\$0.10 each in the capital of New Omega;



"New Ordinary Shares"	new ordinary shares of 5 pence each in the capital of the Company referred to in sub-clause 1.2 of the Scheme;
"Ordinary Shares"	the ordinary shares of 5 pence each in the capital of the Company;
"Petition"	the petition to the Court to sanction the Scheme and the Capital Reduction;
"Placing"	the placing by Numis Securities Limited and Cenkos Securities Limited of the Placing Shares at the Placing Price on behalf of the Company on the terms and conditions of the Placing Agreement;
"Placing Agreement"	the agreement dated 18 September 2006 and made between (1) Numis Securities Limited, (2) Cenkos Securities Limited and (3) the Company;
"Placing Price"	132 pence per Placing Share;
"Placing Shares"	26,515,152 new Ordinary Shares to be allotted and issued by the Company and placed by Numis Securities Limited and Cenkos Securities Limited pursuant to the Placing Agreement;
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
"Resolution"	the second special resolution set out in the notice to be proposed at the Scheme EGM;
"Scheme Effective Date"	the date on which this Scheme becomes effective in accordance with its terms;
"Scheme EGM"	the extraordinary general meeting of the holders of Ordinary Shares convened for 9:10 a.m. (or if later, immediately following the conclusion or adjournment of the Court Meeting) on 20 October 2006, including any adjournment thereof;
"Scheme Record Time"	6:00 p.m. London time on the business day immediately preceding the Scheme Effective Date, which is expected to be on or around 8 November 2006;
"Scheme Shareholder"	a holder of Scheme Shares;
"Scheme Shares"	(a) all Ordinary Shares in issue at the date of this document; (b) all (if any) additional Ordinary Shares issued after the date of this document but up to and



including the Voting Record Time; and

- (c) all (if any) further Ordinary Shares which may be issued after the passing of the Resolution at the Scheme EGM but at or prior to 6:00 p.m. on the business day prior to the date on which the Court Order is made either on terms that the original or any subsequent holders shall be bound by this Scheme or in respect of which the holders shall have agreed in writing to be bound by this Scheme, including all (if any) Ordinary Shares issued pursuant to the Placing,

but excluding in each case the Deferred Share to be held by New Omega;

"this Scheme"

this scheme of arrangement in its present form or with or subject to any modification thereof or addition thereto or condition approved or imposed by the Court;

"UK"

the United Kingdom of Great Britain and Northern Ireland;

"uncertificated" or "in uncertificated form"

recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST;

"Uncertificated Holders"

Scheme Shareholders holding their Scheme Shares in uncertificated form;

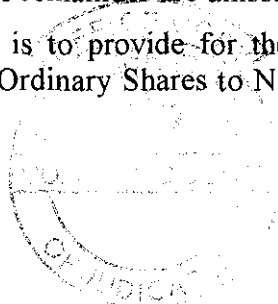
"Voting Record Time"

48 hours before the time of the Court Meeting or any adjournment thereof.

(B) The authorised share capital of the Company as at the date of this Scheme is £8,850,000 divided into 177,000,000 Ordinary Shares, of which at 21 September 2006, 120,840,411 Ordinary Shares have been issued and are fully paid up (and the remainder are unissued). Such authorised share capital is due to be increased to £10,100,000 by the creation of 25,000,000 Ordinary Shares if the first special resolution set out in the notice is passed at the Scheme EGM.

(C) New Omega was incorporated in Bermuda as an exempted company limited by shares on 22 August 2006 under the name Omega Insurance Holdings Limited. The authorised share capital of New Omega at the date of this Scheme is \$1,000,000,000 divided into 10,000,000,000 New Omega Common Shares of which at 21 September 2006, 120,000 New Omega Common Shares have been issued and are nil paid (and the remainder are unissued).

(D) The purpose of this Scheme is to provide for the cancellation of the Scheme Shares and the issue of New Ordinary Shares to New Omega in consideration of

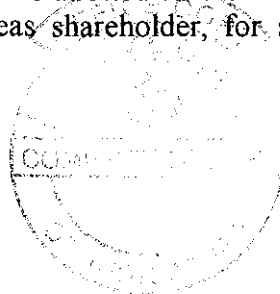


the issue by New Omega of the New Omega Common Shares to the Scheme Shareholders on the register of the Company as at the Scheme Record Time.

- (E) New Omega has agreed to appear by Counsel at the Court Hearing to consent to this Scheme and to undertake to the Court to be bound by this Scheme and do, or procure to be executed or done, all such documents, acts or things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.

## 1. The Scheme

- 1.1 The issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares.
- 1.2 Forthwith and contingently upon the reduction of issued share capital pursuant to sub-clause 1.1 of this Scheme taking effect and notwithstanding anything in the articles of association of the Company, the Company shall apply £1,000,000 of the reserve arising in its books of account as a result of the reduction of capital pursuant to sub-clause 1.1 of this Scheme, in paying up in full and at par New Ordinary Shares of an aggregate nominal amount equal to £1,000,000, and shall allot and issue the same, credited as fully paid up to New Omega as the holder of the Deferred Share and/or its nominee.
- 1.3 In consideration of the issue of the New Ordinary Shares to New Omega and/or its nominee pursuant to clause 1 of this Scheme, New Omega shall (subject to the provisions of sub-clauses 1.4 and 1.5 of this Scheme) allot and issue New Omega Common Shares to the Scheme Shareholders on the basis of one fully paid New Omega Common Share for every Scheme Share cancelled per sub-clause 1.1 above held as at the Scheme Record Time.
- 1.4 The New Omega Common Shares to be issued pursuant to sub-clause 1.3 of this Scheme shall rank in full for all dividends or distributions made, paid or declared after the Scheme Effective Date in accordance with the New Omega Bye-laws on the share capital of New Omega. New Omega Common Shares issued pursuant to sub-clause 1.3 of this Scheme shall be issued with the rights and subject to the restrictions set out in the memorandum of association of New Omega and the New Omega Bye-laws.
- 1.5 The provisions of sub-clause 1.3 of this Scheme shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder who is a citizen, resident or national of any jurisdiction outside the UK ("**overseas shareholder**"), New Omega is advised that the allotment and issue of New Omega Common Shares pursuant to this clause 1 of this Scheme would infringe the laws of any jurisdiction outside the UK or would require New Omega to observe any governmental or other consent or any registration, filing or other formality, then New Omega may in its sole discretion determine that no New Omega Common Shares shall be allotted or issued to such overseas shareholder under this clause 1 of this Scheme, but shall instead be allotted to a UK resident nominee appointed by New Omega or such overseas shareholder, for such overseas shareholder, either:

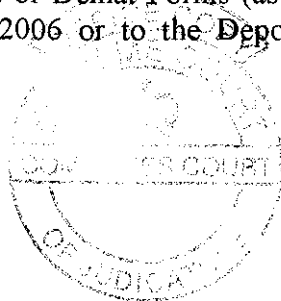




- (a) on terms that the nominee shall hold the New Omega Common Shares subject to the instructions of such overseas shareholder; or
- (b) on terms that the nominee shall, as soon as reasonably practicable following the Scheme Effective Date, sell the New Omega Common Shares so allotted and issued at the best price which can reasonably be obtained at the time of sale and shall, within seven business days after any such sale, account for the net proceeds of such sale (after the deduction of all expenses and commissions, including any value added tax payable thereon) by delivering a cheque to such overseas shareholder in accordance with the provisions of sub-clause 2.2 of this Scheme. In the absence of fraud or wilful default, neither New Omega nor the nominee shall be responsible for any loss or damage to any person arising from any transaction pursuant to this sub-clause 1.5(b) or for any alleged insufficiencies of any sale price or the timing of such sale.

## **2. Certificates and payment**

- 2.1 Save where Scheme Shareholders have completed CREST Transfer Forms or Demat Forms (as appropriate) and returned them to their broker by 6:00 p.m. on 2 November 2006 or to the Depository by 6:00 p.m. on 3 November 2006 (respectively), not later than fourteen (14) days after the Scheme Effective Date, New Omega shall send by post to the allottees of the New Omega Common Shares allotted and issued pursuant to clause 1 of this Scheme certificates in respect of such shares.
- 2.2 All certificates and cheques required to be sent by New Omega pursuant to this Scheme shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of the Company as at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of the Company prior to the Scheme Record Time.
- 2.3 None of the Company, New Omega, any nominee referred to in sub-clause 1.5 of this Scheme or any agent of any of them shall be responsible for any loss or delay in transmission of certificates and cheques, sent in accordance with this clause 2.
- 2.4 The preceding sub-clauses of this clause 2 shall take effect subject to any prohibition or condition imposed by law.
- 2.5 In the event that certificates are not sent to the allottees of the New Omega Common Shares within fourteen (14) days after the Scheme Effective Date, New Omega will notify the allottees that the certificates are being retained until further notice from New Omega.
- 2.6 The Depository shall on or about 9 November 2006 credit Depository Interests to the CREST stock accounts of Scheme Shareholders or their nominees who have returned CREST Transfer Forms or Demat Forms (as applicable) to their broker by 6:00 p.m. on 2 November 2006 or to the Depository by 6:00 p.m. on 3 November 2006 (respectively).



### **3. Certificates representing Scheme Shares**

With effect from and including the Scheme Effective Date, all certificates representing holdings of Scheme Shares held in certificated form shall cease to be valid in respect of such holdings and Certificated Holders shall at the request of the Company return such certificates for cancellation to the Company or to any person appointed by the Company.

### **4. Scheme Shares held in CREST**

In the case of Uncertificated Holders, CRESTCo will be instructed to cancel, with effect as from the Scheme Record Time, such holders' entitlement to their Scheme Shares held in uncertificated form.

### **5. Scheme Effective Date**

5.1 This Scheme shall become effective as soon as an Office copy of the Order of the Court sanctioning this Scheme under section 425 of the Act and confirming the reduction of capital proposed under this Scheme under section 137 of the Act shall have been duly delivered to the Registrar of Companies for registration and, in relation to the reduction of capital, is registered by him.

5.2 All mandates and other instructions to the Company in force on the Scheme Effective Date relating to Scheme Shares shall, unless and until revoked or amended, be deemed as from the Scheme Effective Date to be a valid and effective mandate and instruction to New Omega in relation to the corresponding New Omega Common Shares allotted and issued pursuant to this Scheme.

### **5. Lapse**

Unless this Scheme shall have become effective on or before 31 January 2007 or such later date, if any, as the Company and New Omega may agree and as the Court may allow, it shall lapse.

### **7. Modification**

The Company and New Omega may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

Dated the 25<sup>th</sup> day of September 2006



**THE SECOND SCHEDULE BEFORE REFERRED TO**  
(Minute approved by the Court)

The share capital of Omega Underwriting Holdings PLC was by virtue of a Special Resolution and with the sanction of an Order of the High Court of Justice dated 8 November 2006 reduced from £10,100,000 divided into 201,999,999 Ordinary Shares of 5 pence each and 1 Deferred Share of 5 pence to £2,732,221.85 divided into 54,644,436 Ordinary Shares of 5 pence each none of which has been issued and 1 Deferred Share of 5 pence which has been issued and is credited as fully paid.



No. 6654 of 2006

**IN THE HIGH COURT OF JUSTICE**

**CHANCERY DIVISION**

**COMPANIES COURT**

The Hon Mr. Justice Evans-Lombe

8 November 2006

**IN THE MATTER OF OMEGA  
UNDERWRITING HOLDINGS PLC**

**and**

**IN THE MATTER OF THE COMPANIES  
ACT 1985**

---

**ORDER**

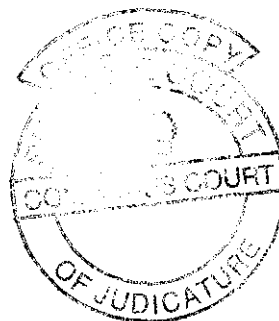
sanctioning Scheme of Arrangement  
and confirming Reduction of Capital

---

LeBoeuf, Lamb, Greene & MacRae  
No 1 Minster Court  
Mincing Lane  
London  
EC3R 7YL

Solicitors to the Company

Tel: 020 7459 5000  
Ref: MPE/12679-0003



**THE THIRD SCHEDULE BEFORE REFERRED TO**  
(New Memorandum and Articles of Association)

THE COMPANIES ACTS 1985 AND 1989

---

PRIVATE COMPANY LIMITED BY SHARES

---

**MEMORANDUM OF ASSOCIATION**

of

**OMEGA UNDERWRITING HOLDINGS LIMITED**

1. The Company's name is "OMEGA UNDERWRITING HOLDINGS LIMITED".<sup>1</sup>
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:
  - (A) (i) To carry on business as a general commercial company and as manufacturers, builders and suppliers of and dealers in goods of all kinds, and as mechanical, general, electrical, marine, radio, electronic, aeronautical, chemical, petroleum, gas civil and constructional engineers, and manufacturers, importers and exporters of, dealers in machinery, plant and equipment of all descriptions and component parts thereof, forgings, castings, tools, implements, apparatus and all other articles and things.
  - (ii) To act as a holding company and an investment holding company and to co-ordinate the business of any companies in which the Company is for the time being interested, and to acquire (whether by original subscription, tender, purchase exchange or otherwise) the whole of or any part of the stock, shares, debentures, debenture stocks, bonds and other securities issued or guaranteed by a body corporate constituted or carrying on business in any part of the world or by any government, sovereign ruler, commissioners, public body or

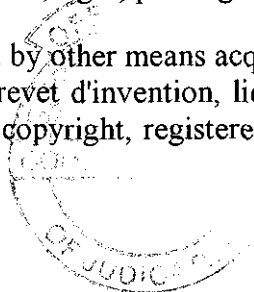
---

<sup>1</sup> Name changed from Extoncrown Limited to Omega Underwriting Holdings Limited pursuant to a special resolution dated 14 January 1998. The Company was re-registered as a public limited company on 22 March 2005 with the name Omega Underwriting Holdings PLC. The Company was re-registered as a private company limited by shares on 9 November 2006 with the name Omega Underwriting Holdings Limited.

authority and to hold (whether directly or indirectly) the same as investments or otherwise, and to sell, exchange, carry and dispose of the same.

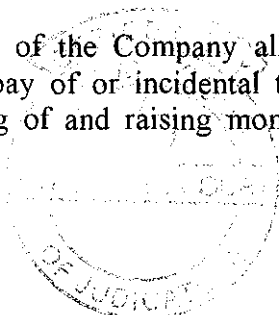
(iii) To carry on the businesses in any part of the world as importers, exporters, buyers, sellers, distributors and dealers and to win, process and work produce of all kinds.

- (B) To carry on the following businesses, namely, contractors, garage proprietors, filling station proprietors, owners and charterers of road vehicles, aircraft and ships and boats of every description, lightermen and carriers of goods and passengers by road, rail, water or air, forwarding, transport and commission agents, customs agents, stevedores, wharfingers, cargo superintendents, packers, warehouse storekeepers, cold store keepers, hotel proprietors, caterers, publicans, consultants, advisers, financiers, bankers, advertising agents, insurance brokers, travel agents, ticket agents and agency business of all kinds and generally to provide entertainment for and render services of all kinds to others and to carry on any other trade or business which can in the opinion of all the directors be advantageously carried on by the Company in connection with or ancillary to any of the businesses of the Company.
- (C) To buy, sell, manufacture, repair, alter, improve, manipulate, prepare for market, let on hire, and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the businesses specified in clause 4, or which may be required by persons having, or about to have, dealings with the Company.
- (D) To build, construct, maintain, alter, enlarge, pull down, remove and replace any buildings, shops, factories, offices, works, machinery and engines, and to work, manage and control these things.
- (E) To enter into contracts, agreements and arrangements with any person for the carrying out by that person on behalf of the Company of any object for which the Company is formed.
- (F) To acquire, undertake and carry on the whole or any part of the business, property and liabilities of any person carrying on any business which may in the opinion of the directors be capable of being conveniently carried on, or calculated directly or indirectly to enhance the value of or make profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
- (G) To enter into any arrangement with a government or authority, whether national, international, supreme, municipal, local or otherwise, that may in the opinion of the directors be conducive to any object of the Company, and to obtain from that government or authority any right, privilege or concession which in the opinion of the directors is desirable, and to carry out, exercise and comply with that arrangement, right, privilege or concession.
- (H) To apply for, purchase and by other means acquire, protect, prolong and renew any patent, patent right, brevet d'invention, licence, secret process, invention, trade mark, service mark, copyright, registered design, protection, concession



and right of the same or similar effect or nature, and to use, turn to account, manufacture under and grant licences and privileges in respect of those things, and to spend money in experimenting with, testing, researching, improving and seeking to improve any of those things.

- (I) To acquire an interest in, amalgamate with and enter into partnership or any arrangement for the sharing of profits, union of interests, co operation, joint venture, reciprocal concession or otherwise with any person, or with any employees of the Company. To lend money to, guarantee the contracts of, and otherwise assist that person or those employees, and to take and otherwise acquire an interest in that person's shares or other securities and to sell, hold, re-issue, with or without guarantee, and otherwise deal with those shares or other securities.
- (J) To lend money to, subsidise and assist any person, to act as agents for the collection, receipt and payment of money and generally to act as agents and brokers for and perform services for any person, and to undertake and perform sub-contracts.
- (K) To enter into any guarantee or contract of indemnity or suretyship, and to provide security, including, without limitation, the guarantee and provision of security for the performance of the obligations of and the payment of any money (including, without limitation, capital, principal, premiums, dividends, interest, commissions, charges, discount and any related costs or expenses whether on shares or other securities) by any person including, without limitation, any body corporate which is for the time being the Company's holding company, the Company's subsidiary, a subsidiary of the Company's holding company or any person which is for the time being a member or otherwise has an interest in the Company or is associated with the Company in any business or venture, with or without the Company receiving any consideration or advantage (whether direct or indirect), and whether by personal covenant or mortgage, charge or lien over all or part of the Company's undertaking, property, assets or uncalled capital (present and future) or by other means. For the purposes of paragraph (K) "guarantee" includes any obligation, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for shares or other securities and purchase of assets or services), indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person.
- (L) To promote, finance and assist any person for the purpose of acquiring all or any of the property, rights and undertaking or assuming the liabilities of the Company, and for any other purpose which may in the opinion of the directors directly or indirectly benefit the Company, and in that connection to place, guarantee the placing of, underwrite, subscribe for, and otherwise acquire all or any part of the shares or other securities of a body corporate.
- (M) To pay out of the funds of the Company all or any expenses which the Company may lawfully pay of or incidental to the formation, registration, promotion and advertising of and raising money for the Company and the



issue of its shares or other securities, including, without limitation, those incurred in connection with the advertising and offering of its shares or other securities for sale or subscription, brokerage and commissions for obtaining applications for and taking, placing, underwriting or procuring the underwriting of its shares or other securities.

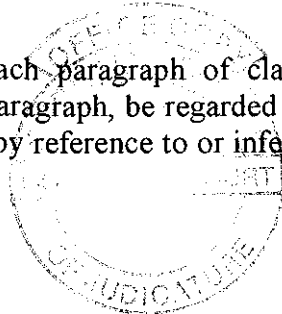
- (N) To remunerate any person for services rendered or to be rendered to the Company, including, without limitation, by cash payment or by the allotment of shares or other securities of the Company, credited as paid up in full or in part.
- (O) To purchase, take on lease, exchange, hire and otherwise acquire any real or personal property and any right or privilege over or in respect of it.
- (P) To receive money on deposit on any terms the directors think fit.
- (Q) To invest and deal with the Company's money and funds in any way the directors think fit.
- (R) To lend money and give credit with or without security.
- (S) To borrow, raise and secure the payment of money in any way the directors think fit, including, without limitation, by the issue of debentures and other securities, perpetual or otherwise, charged on all or any of the Company's property (present and future) or its uncalled capital, and to purchase, redeem and pay off those securities.
- (T) To remunerate any person for services rendered or to be rendered in placing, assisting and guaranteeing the placing and procuring the underwriting of any share or other security of the Company or of any person in which the Company may be interested or proposes to be interested, or in connection with the conduct of the business of the Company, including, without limitation, by cash payment or by the allotment of shares or other securities of the Company, credited as paid up in full or in part.
- (U) To acquire, hold, dispose of, subscribe for, issue, underwrite, place, manage assets belonging to others which include, advise on, enter into contracts or transactions in relation to or involving and in any other way deal with or arrange dealings with or perform any service or function in relation to (as applicable): shares, stocks, debentures, loans, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness, government, public or other securities, warrants, certificates representing securities or other obligations, units in collective investment schemes, options, futures, spot or forward contracts, contracts for differences or other investments or obligations, currencies, interest rates, precious metals or other commodities, any index (whether related in any way to any of the foregoing or otherwise), any right to, any right conferred by or any interest or any obligation in relation to any of the foregoing and any financial instrument or product deriving from or in any other way relating to any of the foregoing or of any nature whatsoever, and any transaction which may seem to be convenient for hedging the risks associated with any of the foregoing.



- (V) To co ordinate, finance and manage the business and operation of any person in which the Company has an interest.
- (W) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (X) To sell, lease, exchange, let on hire and dispose of any real or personal property and the whole or part of the undertaking of the Company, for such consideration as the directors think fit, including, without limitation, for shares, debentures or other securities, whether fully or partly paid up, of any person, whether or not having objects (altogether or in part) similar to those of the Company. To hold any shares, debentures and other securities so acquired, and to improve, manage, develop, sell, exchange, lease, mortgage, dispose of, grant options over, turn to account and otherwise deal with all or any part of the property and rights of the Company.
- (Y) To adopt any means of publicising and making known the businesses, services and products of the Company as the directors think fit, including, without limitation, advertisement, publication and distribution of notices, circulars, books and periodicals, purchase and exhibition of works of art and interest and granting and making of prizes, rewards and donations.
- (Z) To support, subscribe to and contribute to any charitable or public object and any institution, society and club which may be for the benefit of the Company or persons who are or were directors, officers or employees of the Company, its predecessor in business, any subsidiary of the Company or any person allied to or associated with the Company, or which may be connected with any town or place where the Company carries on business. To subsidise and assist any association of employers or employees and any trade association. To grant pensions, gratuities, annuities and charitable aid and to provide advantages, facilities and services to any person (including any director or former director) who may have been employed by or provided services to the Company, its predecessor in business, any subsidiary of the Company or any person allied to or associated with the Company and to the spouses, children, dependants and relatives of those persons and to make advance provision for the payment of those pensions, gratuities and annuities by establishing or acceding to any trust, scheme or arrangement (whether or not capable of approval by the Commissioners of Inland Revenue under any relevant legislation) the directors think fit, to appoint trustees and to act as trustee of any trust, scheme or arrangement, and to make payments towards insurance for the benefit of those persons and their spouses, children, dependants and relatives.
- (AA) To establish and contribute to any scheme for the purchase or subscription by trustees of shares or other securities of the Company to be held for the benefit of the employees of the Company, any subsidiary of the Company or any person allied to or associated with the Company, to lend money to those employees or to trustees on their behalf to enable them to purchase or subscribe for shares or other securities of the Company and to formulate and

carry into effect any scheme for sharing the profits of the Company with employees.

- (BB) To apply for, promote and obtain any Act of Parliament and any order or licence of any government department or authority (including, without limitation, the Department of Trade and Industry) to enable the Company to carry any of its objects into effect, to effect any modification of the Company's constitution and for any other purpose which the directors think fit, and to oppose any proceeding or application which may in the opinion of the directors directly or indirectly prejudice the Company's interests.
- (CC) To establish, grant and take up agencies, and to do all other things the directors may deem conducive to the carrying on of the Company's business as principal or agent, and to remunerate any person in connection with the establishment or granting of an agency on the terms and conditions the directors think fit.
- (DD) To distribute among the shareholders in specie any of the Company's property and any proceeds of sale or disposal of any of the Company's property and for that purpose to distinguish and separate capital from profits, but no distribution amounting to a reduction of capital may be made without any sanction required by law.
- (EE) To purchase and maintain insurance for the benefit of any person who is or was an officer or employee of the Company, a subsidiary of the Company or a company in which the Company has or had an interest (whether direct or indirect) or who is or was trustee of any retirement benefits scheme or any other trust in which any officer or employee or former officer or employee is or has been interested, indemnifying that person against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.
- (FF) To amalgamate with any other person and to procure the Company to be registered or recognised in any part of the world.
- (GG) To do all or any of the things provided in any paragraph of clause 4:
  - (i) in any part of the world;
  - (ii) as principal, agent, contractor, trustee or otherwise;
  - (iii) by or through trustees, agents, sub-contractors or otherwise; and
  - (iv) alone or with another person or persons.
- (HH) To do all things that are in the opinion of the directors incidental or conducive to the attainment of all or any of the Company's objects, or the exercise of all or any of its powers.
- (II) The objects specified in each paragraph of clause 4 shall, except where otherwise provided in that paragraph, be regarded as independent objects, and are not limited or restricted by reference to or inference from the terms of any



other paragraph or the name of the Company. None of the paragraphs of clause 4 or the objects or powers specified or conferred in or by them is deemed subsidiary or ancillary to the objects or powers mentioned in any other paragraph. The Company has as full a power to exercise all or any of the objects and powers provided in each paragraph as if each paragraph contained the objects of a separate company.

(JJ) In clause 4, a reference to:

- (i) a "person" includes a reference to a body corporate, association or partnership whether domiciled in the United Kingdom or elsewhere and whether incorporated or unincorporated;
- (ii) the "Act" is, unless the context otherwise requires, a reference to the Companies Act 1985, as modified or re enacted or both from time to time; and
- (iii) a "subsidiary" or "holding company" is to be construed in accordance with Section 736 of the Act.

4. The liability of the members is limited.

5. The Company's share capital is £2,732,221.85 divided into 54,644,436 shares of 5 pence each and 1 deferred share of 5 pence.<sup>2</sup>

<sup>2</sup>

By ordinary resolution passed on 14 January 1998 the Company's share capital was increased from £100 divided into 100 shares of £1 each to £1,000,000 divided into 1,000,000 shares of £1 each. By ordinary resolution passed on 18 March 2005 the Company's share capital was increased from £1,000,000 divided into 1,000,000 shares of £1 each to £2,800,000 divided into 56,000,000 ordinary shares of 5 pence each. By ordinary resolution passed on 2 December 2005 the Company's share capital was increased from £2,800,000 divided into 56,000,000 ordinary shares of 5 pence each to £8,850,000 divided into 177,000,000 ordinary shares of 5 pence each. By ordinary resolution passed on 20 October 2006 the Company's share capital was increased from £8,850,000, divided into 177,000,000 ordinary shares of 5 pence each, to £10,100,000, divided into 201,999,999 ordinary shares of 5 pence each and 1 deferred share of 5 pence. On 9 November 2006 the Court Order confirming the reduction of the Company's share capital from £10,100,000 divided into 201,999,999 ordinary shares of 5 pence each and 1 deferred share of 5 pence to £2,732,221.85 divided into 54,644,436 ordinary shares of 5 pence each and 1 deferred share of 5 pence became effective.



I, being the sole subscriber to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and I agree to take the number of shares in the capital of the company shown opposite my name.

NAMES AND ADDRESS OF SUBSCRIBER	Number of shares taken by the sole Subscriber
---------------------------------	---

CHANTAL ELIZABETH BRACKENBURY For and on behalf of Clifford Chance Nominees Limited 200 Aldersgate Street London EC1A 4JJ	ONE
---	-----

DATED the 11th day of September, 1997.

WITNESS to the above Signature:-

DENISE WARD  
200 Aldersgate Street  
London EC1A 4JJ



**THE COMPANIES ACTS 1985 to 1989**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION OF**  
**OMEGA UNDERWRITING HOLDINGS LIMITED**  
**(the "Company")**

**PRELIMINARY**

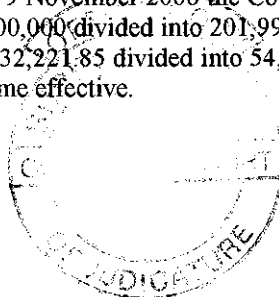
1. The following regulations and (subject to their provisions) the regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 ('Table A') constitute the articles of association of the Company.
2. In regulation 1 of Table A the words 'and the articles' shall be deemed to be added after the words 'these regulations' in each place where they occur.
3. In these articles the expression the 'Act' means the Companies Act 1985, but so that any reference in these articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force; and the expression 'Statutes' means the Act, the Electronic Communications Act 2000 and every other act, order regulation or other subordinate legislation made pursuant thereto for the time being in force concerning or affecting companies and affecting the Company.
4. Regulations 37, 40, 73 to 80 (inclusive), 85 to 87 (inclusive), 94 to 98 (inclusive), 101 to 108 (inclusive), 117 and 118 of Table A shall not apply to the Company.

**SHARES**

5. The share capital of the Company is £2,732,221.85 divided into 54,644,436 ordinary shares of 5 pence each and 1 deferred share of 5 pence.<sup>3</sup>
6. The directors are generally and unconditionally authorised for the purpose of section 80 of the Act to allot relevant securities (within the terms of that section) up to a maximum nominal amount equal to the nominal amount of the authorised but unissued share capital of the Company for the time being. The authority given by this

---

<sup>3</sup> By ordinary resolution passed on 14 January 1998 the Company's share capital was increased from £100 divided into 100 shares of £1 each to £1,000,000 divided into 1,000,000 shares of £1 each. By ordinary resolution passed on 18 March 2005 the Company's share capital was increased from £1,000,000 divided into 1,000,000 shares of £1 each to £2,800,000 divided into 56,000,000 ordinary shares of 5 pence each. By ordinary resolution passed on 2 December 2005 the Company's share capital was increased from £2,800,000 divided into 56,000,000 ordinary shares of 5 pence each to £8,850,000 divided into 177,000,000 ordinary shares of 5 pence each. By ordinary resolution passed on 20 October 2006 the Company's share capital was increased from £8,850,000, divided into 177,000,000 ordinary shares of 5 pence each, to £10,100,000, divided into 201,999,999 ordinary shares of 5 pence each and 1 deferred share of 5 pence. On 9 November 2006 the Court Order confirming the reduction of the Company's share capital from £10,100,000 divided into 201,999,999 ordinary shares of 5 pence each and 1 deferred share of 5 pence to £2,732,221.85 divided into 54,644,436 ordinary shares of 5 pence each and 1 deferred share of 5 pence became effective.



article shall expire at the end of five years beginning on the date on which it was given.

7. Sections 89 and 90 of the Act shall not apply to the Company.

#### **TRANSFER OF SHARES**

8. The directors may, in their absolute discretion and without giving any reason, refuse to register a transfer of any share (whether or not fully paid) to any person.

#### **GENERAL MEETINGS**

9. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall immediately proceed to convene an extraordinary general meeting within 21 days of receipt of a valid requisition for a date not later than 28 days from the date of the notice convening the meeting. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

10. Notwithstanding any other provision of these articles to the contrary:

- a) if and for so long as the voting rights of any shares of the Company's sole shareholder, Omega Insurance Holdings Limited ('OIHL'), are adjusted pursuant to OIHL Bye-laws 38-42 (inclusive)<sup>4</sup>; and
- b) if the Company is required or entitled to vote at a general meeting of any direct non-U.S. subsidiary of the Company,

then the directors of the Company shall refer the subject matter of the vote to OIHL on a poll (subject to OIHL Bye-laws 38-42 (inclusive)) and seek authority from OIHL for the Company's corporate representative or proxy to vote in favour of the resolution proposed by the Company. The directors shall cause the Company's corporate representative or proxy to vote the Company's shares in the subsidiary pro rata to the votes received at the general meeting of the Company, with votes for or against the directing resolution being taken, respectively, as an instruction for the Company's corporate representative or proxy to vote the appropriate proportion of its shares for and the appropriate proportion of its shares against the resolution proposed by the subsidiary. The directors shall have authority to resolve any ambiguity.

11. The directors in their discretion shall require that the bye-laws or articles of association or similar organisational documents of each subsidiary of the Company, organised under the laws of a jurisdiction outside the United States of America, other than any non-U.S. subsidiary that is a direct or indirect subsidiary of a U.S. Person (as defined in the Internal Revenue Code of 1986, as amended, of the United States of America), shall contain provisions substantially similar to article 10 and this article 11. The Company shall enter into agreements, as and when determined by the directors, with each such subsidiary, only if and to the extent reasonably necessary and permitted under applicable law, to effectuate or implement this article 11
12. The words 'or a resolution appointing a person as a director' shall be deemed to be omitted from regulation 38 of Table A; and notice of meeting need not be given to the directors (in their capacity as directors) and regulation 38 of Table A shall be deemed to be modified accordingly.

<sup>4</sup> OIHL Bye-laws 1 (Interpretation) and 38-42 (inclusive) are set out in the Annex hereto



13. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two persons or, if the Company has only one member, one person entitled to vote at the meeting, being or each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

#### **APPOINTMENT AND REMOVAL OF DIRECTORS**

14. A member or members holding not less than a majority in nominal amount of the ordinary shares of the Company for the time being in issue may appoint a person willing to act to be a director and may remove any director (howsoever appointed) from office, without prejudice to any claim for damages he may have for breach of any contract of service between him and the Company. The appointment or removal shall be made either by an instrument signed by or on behalf of the person or persons making it and delivered to the office or by a statement delivered to the Company using electronic communications at such address as the Company may for the time being have specified for the purpose. In this article 'address' in relation to electronic communications includes any number or address used for the purposes of such communications.
15. A director shall not be required to retire by rotation.
16. A director shall not be required to vacate his office as a director and a person shall not be disqualified from being appointed as a director by reason of his attaining or having attained the age of seventy or any other age.

#### **DIRECTORS' REMUNERATION AND EXPENSES**

##### **Directors' fees**

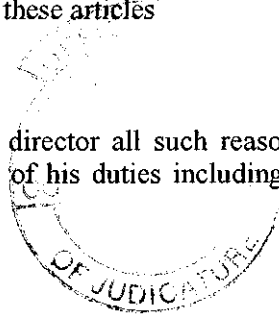
17. The amount of any fees payable to directors shall be determined by the directors provided that they shall not in any year exceed in aggregate the sum of £325,000 or such other sum as may from time to time be approved by ordinary resolution (excluding amounts payable under any other provision of these articles). Any such fees shall be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of the remuneration related to the period during which he has held office.

##### **Remuneration of executive director**

18. Any director who holds any executive office (including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who, at the request of the directors, goes or resides abroad, makes any special journey or otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such remuneration by way of salary, commission or otherwise as the directors may determine in addition to or in lieu of any fee payable to him for his services as director pursuant to these articles

##### **Expenses**

19. The Company shall repay to any director all such reasonable expenses as he may properly incur in the performance of his duties including attending meetings of the



directors or of any committee of the directors or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in or about the business of the Company.

## **DIRECTORS INTERESTS**

### **Directors' pensions and other benefits**

20. The directors may exercise all the powers of the Company to establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of or who are or were at any time directors or officers of and holding any salaried employment or office in the Company or any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company or in any company which is a subsidiary undertaking of the Company or of any such other company and the families and dependants of any such persons, and also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company, or of any such persons as aforesaid, and, subject to the Statutes, make payments for or towards the insurance of any such persons as aforesaid, and do any of the matters aforesaid either alone or in conjunction with any such other company.

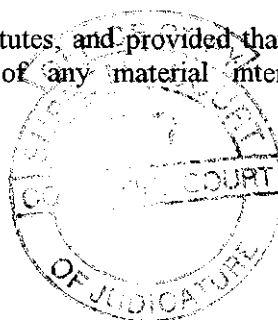
### **Power to purchase insurance**

21. Without prejudice to the provisions of articles 49 to 51 (inclusive) and subject to the Statutes, the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time:
- a) directors, officers (excluding auditors) or employees of the Company or of any other company which is its holding company, or in which the Company or such holding company has any interest whether direct or indirect, or which is in any way allied to or associated with the Company or such holding company, or of any subsidiary undertaking of the Company or of such other company;
  - b) trustees of any pension fund in which employees of the Company or of any other such company or subsidiary undertaking are interested,

including (without prejudice to the generality of the foregoing) insurance against any liability (which may lawfully be insured against by the Company) incurred by such persons in respect of any act or omission in the actual or purported exercise, execution and/or discharge of their powers or duties and/or otherwise in relation to their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or pension fund.

### **Directors' interests in offices/arrangements**

22. Subject to the provisions of the Statutes, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

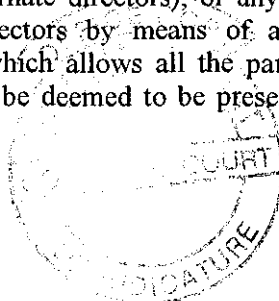




- a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested (including any insurance against any liability purchased or maintained by the Company for him or for his benefit);
  - b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
  - c) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company and in any such case on such terms as to remuneration and otherwise as the directors may arrange either in addition to or in lieu of any remuneration provided for by any other of these articles; and
  - d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.
23. A director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, transaction or arrangement with the Company shall declare the nature of his interest at the directors' meeting at which the question of entering into the contract, transaction or arrangement is first considered if he knows his interest then exists or, in any other case, at the first directors' meeting after he knows that he is or has become so interested.
24. For the purposes of articles 22 and 23:-
- a) a general notice given to the directors at a meeting of the directors that a director is to be regarded as having an interest, of the nature and extent specified in the notice, in any contract, transaction or arrangement in which a specified person or class of persons is interested, shall be deemed to be a disclosure that the director has an interest in any such contract, transaction or arrangement of the nature and extent so specified; and
  - b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

#### PROCEEDINGS OF DIRECTORS

25. The words 'But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.' and 'It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.' shall be deemed to be omitted from regulations 66 and 88 respectively of Table A.
26. The directors (including alternate directors), or any of them, may participate in or form a meeting of the directors by means of a conference telephone or any communication equipment which allows all the participants to hear each other. A person so participating shall be deemed to be present in person at the meeting and



shall be counted in the quorum and be entitled to vote accordingly. The meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

27. A director may as a director vote and be counted as one of the quorum upon a motion in respect of any transaction or arrangement which he enters into or makes with the Company or in which he is in any way interested.

## **DIVIDENDS**

### **Declaration of dividends**

28. Subject to the provisions of the Statutes and of these articles, the Company may by ordinary resolution declare dividends to be paid to the members according to their respective rights and interests in the profits of the Company, but no such dividend shall exceed the amount recommended by the directors.

Except as otherwise provided by the rights attached to shares, dividends may be declared or paid in any currency. The directors may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

### **Fixed and interim dividends**

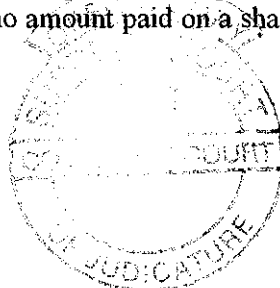
29. Subject to the provisions of the Statutes, if and so far as in the opinion of the directors the profits of the Company justify such payments, the directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

30. **Interim dividends**

If the share capital is divided into different classes, the directors may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividends as well as on shares with preferred rights, unless at the time of payment any preferential dividend is in arrear and, provided the directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of any interim dividend on any shares ranking after those with preferred rights.

31. **Entitlement to dividends**

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this article no amount paid on a share in advance of calls shall be treated as paid up on the share.



32. **Profits available for distribution**

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

33. **Dividends bear no interest**

No dividend or other moneys payable by the Company on or in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the shares.

34. **Calls or debts may be deducted from dividends**

The directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.

35. **Retention of dividend**

The directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

36. **Withholding of dividend on transmission**

The directors may defer payment of any dividend payable on or in respect of a share in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such share or shall transfer the same.

37. **Waiver of dividend**

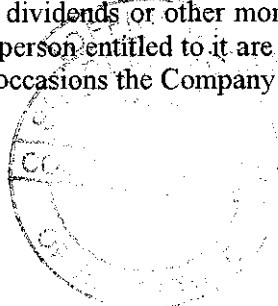
The waiver, in whole or in part, of any dividend on any share by any document (whether or not executed as a deed) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if and to the extent that the same is accepted as such or acted upon by the Company.

38. **Unclaimed dividends**

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. The payment by the directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

39. **Uncashed dividends**

If cheques, warrants or orders for dividends or other moneys payable in respect of a share sent by the Company to the person entitled to it are returned to the Company or left uncashed on two consecutive occasions the Company shall not be obliged to send



any dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

40. **Payment of dividends *in specie***

The Company may, upon the recommendation of the directors, by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other body corporate) and the directors shall give effect to such resolution, and, where any difficulty arises in regard to such distribution, the directors may settle the same as they think expedient and in particular may issue fractional certificates (or ignore fractions), may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the directors.

41. **Method of payment of dividends**

Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder or otherwise by operation of law, to the registered address of the person whose name stands first in the Register) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to, or to the order of, the person to whom it is sent, or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct, and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system, or such other means and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions.

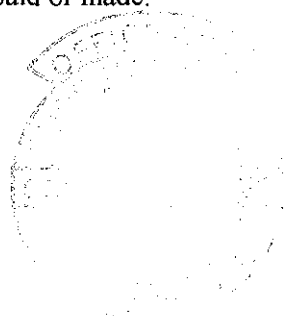
42. **Receipt of dividends**

If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

43. **Record date for dividends**

Notwithstanding any other provision of these articles but without prejudice to the rights attached to any shares, the directors may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within six months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

**THE SEAL**



44. Regulation 101 of Table A shall apply only if the Company has a common seal. Whether it does or not, a share certificate may be executed under section 36A (4) of the Act instead of being sealed.

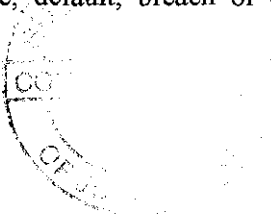
### **WINDING UP**

45. The directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.
46. *If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of an extraordinary resolution and any other sanction required by law, divide among the members in specie or in kind the whole or any part of the assets of the Company, whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and determine how such division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110 of the Insolvency Act 1986.*
47. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.
48. A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section 110 of the Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by section 111 of that Act.

### **INDEMNITY AND LOANS TO DIRECTORS**

#### **Indemnity and loans to directors**

49. Subject to the provisions of, and so far as may be permitted by, the Statutes, and subject to articles 50 and 51 below but without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director, alternate director, secretary or other officer (excluding any auditor) of the Company shall be and shall be kept indemnified by and out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including 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 judgement is given in his favour (or the proceedings 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 for negligence, default, breach of duty or breach of trust in

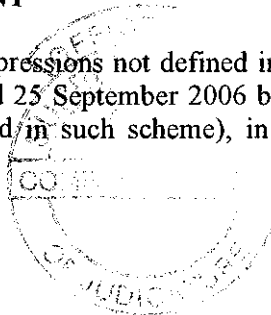


relation to the affairs of the Company in which relief is granted to him by any court of competent jurisdiction.

50. So far as may be permitted by the Statutes and by any other law applicable to companies incorporated in England and Wales, and subject always to the Statutes and such applicable law, the Company may only directly or indirectly provide (to any extent) an indemnity for a director or alternate director of the Company against any liability attaching to such director or alternate director in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company if all of the following conditions are met:
- a) the indemnity must not be against any liability incurred by the director or alternate director to the Company or to any "associated company" (being the Company's subsidiary or holding company or a subsidiary of the Company's holding company);
  - b) the indemnity must not be against any liability incurred by the director or alternate director to pay a fine imposed in criminal proceedings, or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising); and
  - c) the indemnity must not be against any liability incurred by a director or alternate director in defending any criminal proceedings in which he is finally convicted, or in defending any civil proceedings brought by the Company or an associated company in which final judgment is given against him, or in connection with any application under any of sections 144(3) or (4) or section 727 of the Act in which the court finally refuses to grant him relief.
51. So far as may be permitted by the Statutes and by any other law applicable to companies incorporated in England and Wales, and subject always to the Statutes and such applicable law, the Company is not prevented by section 330 of the Act from doing anything to provide a director or alternate director of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings, or in connection with any application under any of sections 144(3) or (4) or section 727 of the Act, nor does section 330 of the Act prohibit the Company from doing anything to enable a director or alternate director to avoid incurring such expenditure provided that in relation to a loan or other thing done such loan falls to be repaid, or any liability of the Company under any transaction connected with the thing in question falls to be discharged not later than:
- a) in the event of the director or alternate director being convicted in the proceedings, the date when the conviction becomes final;
  - b) in the event of judgment being given against him in the proceedings, the date when the judgment becomes final; or
  - c) in the event of the court refusing to grant him relief on the application, the date when the refusal of relief becomes final.

#### SCHEME OF ARRANGEMENT

52. In articles 53 to 56 inclusive, expressions not defined in these articles but defined in the scheme of arrangement dated 25 September 2006 between the Company and the Scheme Shareholders (as defined in such scheme), in its original form or with or



subject to any modification, addition or condition approved or imposed by the Court (as defined in such scheme (the "Scheme")) shall have the same respective meanings in articles 53 to 56 inclusive.

53. Notwithstanding any other provision of these articles, if any shares in the Company are allotted and issued to any person (other than Omega Insurance Holdings Limited, an exempted company limited by shares incorporated under the Companies Act 1981 of Bermuda, as amended, with the registration number EC38802 ("New Omega") or any nominee of New Omega) (a "new member") after the adoption of these articles but on or prior to 6:00 p.m. on the business day prior to the date on which the Court Order (as defined in the Scheme) is made, such shares shall be allotted and issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the new member, and any subsequent holder other than New Omega or any nominee of New Omega, shall upon the Scheme becoming effective be bound by the terms of the Scheme.
54. Notwithstanding any other provision of these articles, if any shares in the Company are allotted and issued to a new member after 6:00 p.m. on the business day prior to the date on which the Court Order is made then, after the Scheme shall have taken effect or on issue (whichever is the later), all such shares will be transferred to New Omega or its nominee in consideration for and conditionally on the issue or transfer to the new member (or any subsequent holder) of shares on the following basis: one New Omega common share for every ordinary share in the capital of the Company so transferred.
55. The number of shares to be issued or transferred by New Omega or its nominee under article 54 may be adjusted by the directors of New Omega in such manner as the auditors may determine on any reorganisation of the share capital of the Company or of New Omega effected after the Scheme Effective Date (as defined in the Scheme), provided always that any fractions of a share in New Omega shall be dealt with in such manner as the directors of New Omega shall determine.
56. To give effect to any such transfer required by article 54, the Company may appoint any person to execute a form of transfer on behalf of the new member (or any subsequent holder of the relevant shares in the Company) in favour of New Omega or its nominee and to agree for and on behalf of the new member (or any such holder) to become a member of New Omega.

#### **DEFERRED SHARE**

57. The deferred share so designated by special resolution of the Company passed on 20 October 2006 (the "Deferred Share") shall have all the rights of an Ordinary Share as set out in these articles, save that:
  - (a) the holder of the Deferred Share shall not be entitled to receive, otherwise than pursuant to the Scheme as defined in article 52, a dividend or other distribution or to have any other right to participate in the profits of the Company;
  - (b) the holder of the Deferred Share shall have no right to attend or vote at any general meeting of the Company; and
  - (c) on a return of capital or winding-up of the Company, the holder of the Deferred Share shall be entitled, subject to the payment to the holders of all other classes of shares of the amount paid up or credited as paid up on such

STAMP: 20 OCT 2006

shares, to repayment of the amounts paid up or credited as paid up on the Deferred Share, but shall have no further or other right to participate in the assets of the Company.

1999



## ANNEX

### OIHL Bye-laws 1 and 38-42 (inclusive)

#### OIHL Bye-law 1

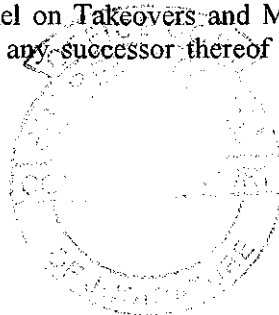
#### INTERPRETATION

##### 1. Definitions

##### 1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981, as amended from time to time;
Admission	the first occurring admission of any class of share in the capital of the Company to trading on AIM becoming effective pursuant to the AIM Rules or to the Official List of the UK Listing Authority and to trading on London Stock Exchange plc's market for listed securities;
AIM	AIM, a market operated by the London Stock Exchange plc;
AIM Rules	rules of the London Stock Exchange plc governing the admission to and the operation of AIM;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
Attribution Percentage	with respect to a Member, the percentage of the Member's shares that are treated as Controlled Shares of a Tentative 9.5% U.S. Shareholder;
Auditor	includes an individual or partnership;
Board	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
City Code	The City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel or any successor to or replacement thereof from time to time issued by or on behalf of the Panel or, for the avoidance of doubt, any successor thereto or replacement body thereof;
Code	the Internal Revenue Code of 1986, as amended, of the United States of America;
Company	the company for which these Bye-laws are approved and confirmed;
Controlled Shares	all shares of the Company directly, indirectly or constructively owned by a person as determined pursuant to

	section 958 of the Code and Treasury Regulations promulgated thereunder and under section 957 of the Code;
Depository	any person who is a member in the Company by virtue of holding shares in the Company as trustee for those individuals who have elected to hold shares in the Company in dematerialised form though depositary interests;
Employee Share Schemes	any employees' share scheme which the Company shall from time to time adopt including, without limitation, the Omega Insurance Holdings Limited Long Term Incentive Plan and the Omega Insurance Holdings Limited Executive Share Option Plan;
Director	a director of the Company and shall include an Alternate Director;
Group	the Company and every company and other entity which is for the time being controlled by or under common control with the Company (for these purposes, "control" means the power to direct management or policies of the person in question, whether by means of an ownership interest or otherwise);
Indirect	when referring to a holder or owner of shares, ownership of shares within the meaning of section 958(a)(2) of the Code;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
9.5% U.S. Shareholder	a "United States person" as defined in the Code (a "U.S. Person") whose Controlled Shares constitute nine and one-half percent (9.5%) or more of the voting power of all issued shares of the Company and who generally would be required to recognize income with respect to the Company under section 951(a)(1) of the Code, if the Company were a controlled foreign corporation as defined in section 957 of the Code and if the ownership threshold under section 951(b) of the Code were 9.5%;
Notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Panel	means the Panel on Takeovers and Mergers in the United Kingdom, and any successor thereof or replacement body thereto;



Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of members referred to in these Bye-laws;
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of <i>secretary of the Company and includes any deputy or assistant secretary</i> and any person appointed by the Board to perform any of the duties of the Secretary;
Special Resolution	a resolution passed by a majority of not less than three-fourths of such Members as (being entitled to do so) vote in person or by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given;
Tentative 9.5% U.S. Shareholder	a U.S. Person that, but for adjustments or restrictions on exercise of the voting power of shares pursuant to Bye-laws 38-42 (inclusive), would be a 9.5% U.S. Shareholder; and

**1.2** In these Bye-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:
  - (i) "may" shall be construed as permissive; and
  - (ii) "shall" shall be construed as imperative; and
- (e) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

**1.3** In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

**1.4** Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.



**VOTES OF MEMBERS**

**38. Adjustment of Voting Power**

38.1 The voting power of all shares is hereby adjusted (and shall be automatically adjusted in the future) to the extent necessary so that there is no 9.5% U.S. Shareholder. The Board shall implement the foregoing in the manner provided herein, provided however, that the foregoing provision and the remainder of this Bye-law 38 shall not apply in the event that one Member owns greater than 75% of the voting power of the issued shares of the Company determined without applying the voting power adjustments or eliminations under Bye-laws 38-42 (inclusive).

38.2 The Board shall from time to time, including prior to any time at which a vote of Members is taken, take all reasonable steps necessary to ascertain, including those specified in Bye-law 42, through communications with Members or otherwise, whether there exists, or will exist at the time any vote of Members is taken, a Tentative 9.5% U.S. Shareholder.

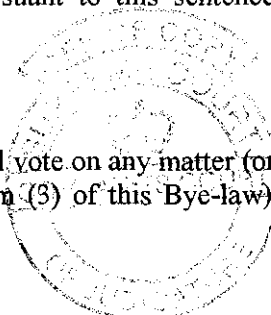
38.3 In the event that a Tentative 9.5% U.S. Shareholder exists, the aggregate votes conferred by shares held by a Member and treated as Controlled Shares of that Tentative 9.5% U.S. Shareholder shall be reduced to the extent necessary such that the Controlled Shares of the Tentative 9.5% U.S. Shareholder will constitute less than 9.5% of the voting power of all issued and outstanding shares. In applying the previous sentence where shares held by more than one Member are treated as Controlled Shares of such Tentative 9.5% U.S. Shareholder, the reduction in votes shall apply to such Members in descending order according to their respective Attribution Percentages, provided that, in the event of a tie, the reduction shall apply pro rata to such Members. The votes of Members owning no shares treated as Controlled Shares of any Tentative 9.5% U.S. Shareholder shall, in the aggregate, be increased by the same number of votes subject to reduction as described above provided however that no shares shall be conferred votes to the extent that doing so will cause any person to be treated as a 9.5% U.S. Shareholder. Such increase shall be apportioned to all such Members in proportion to their voting power at that time, provided that such increase shall be limited to the extent necessary to avoid causing any person to be a 9.5% U.S. Shareholder. The adjustments of voting power described in this Bye-law shall apply repeatedly until there is no 9.5% U.S. Shareholder. The Board of Directors may deviate from any of the principles described in this Bye-law and determine that shares held by a Member shall carry different voting rights as it determines appropriate (1) to avoid the existence of any 9.5% U.S. Shareholder or (2) to avoid adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its affiliates. For the avoidance of doubt, in applying the provisions of Bye-laws 38-42 (inclusive), a share may carry a fraction of a vote.

**39. Other Adjustments of Voting Power**

In addition to the provisions of Bye-law 38, any shares shall not carry any right to vote to the extent that the Board of Directors determines that it is necessary that such shares should not carry the right to vote in order to avoid adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any other direct or indirect holder of shares or its affiliates, provided that no adjustment pursuant to this sentence shall cause any person to become a 9.5% U.S. Shareholder.

**40. Notice**

Prior to the meeting on which Members shall vote on any matter (or prior to any vote in the case of notification to Members specified in item (3) of this Bye-law) the Board may, in its sole



discretion, (1) retain the services of an internationally recognized accounting firm or organization with comparable professional capabilities in order to assist the Company in applying the principles of Bye-laws 38 and 39 and (2) obtain from such firm or organization a statement describing the information obtained and procedures followed and setting forth the determinations made with respect to Bye-laws 38 and 39, and (3) notify in writing or orally each Member of the voting power conferred by its shares determined in accordance with Bye-laws 38 and 39. For the avoidance of doubt, any failure by the Board to take any of the actions described in this Bye-law 40 shall not invalidate any votes cast or the proceedings at the meeting.

**41. Board Determination Binding**

Any determination by the Board as to any adjustments or eliminations of voting power of any shares made pursuant to Bye-laws 38-42 (inclusive) shall be final and binding and any vote taken based on such determination shall not be capable of being challenged solely on the basis of such determination.

**42. Requirement to Provide Information and Notice**

**42.1** The Board shall have the authority to request from any direct or indirect holder of shares, and such holder of shares shall provide, such information as the Board may reasonably request for the purpose of determining whether any holder's voting rights are to be adjusted. If such holder fails to respond to such a request, or submits incomplete or inaccurate information in response to such a request, the Board may determine in its sole discretion that such holder's shares shall carry no voting rights in which case such holder shall not exercise any voting rights in respect of such shares until otherwise determined by the Board.

**42.2** Any direct or indirect holder of shares shall give notice to the Company within ten days following the date that such holder acquires actual knowledge that it is the direct or indirect holder of Controlled Shares of 9.5% or more of the voting power of all issued shares of the Company (without giving effect to voting power adjustments or eliminations under Bye-laws 38-42 (inclusive)).

**42.3** Notwithstanding the foregoing, no Member shall be liable to any other Member or the Company for any losses or damages resulting from such Member's failure to respond to, or submission of incomplete or inaccurate information in response to, a request under Bye-law 42.1 or from such Member's failure to give notice under Bye-law 42.2.

**42.4** Any information provided by any Member to the Company pursuant to this Bye-law 42 or for purposes of making the analysis required by Bye-laws 38 and 39, shall be deemed "confidential information" (the "Confidential Information") and shall be used by the Company solely for the purposes contemplated by such Bye-laws (except as may be required otherwise by applicable law or regulation). The Company shall hold such Confidential Information in strict confidence and shall not disclose any Confidential Information that it receives, except (i) to the U.S. Internal Revenue Service (the "Service") if and to the extent the Confidential Information is required by the Service, (ii) to any outside legal counsel or accounting firm engaged by the Company to make determinations regarding the relevant Bye-laws or (iii) as otherwise required by applicable law or regulation.

**42.5** For the avoidance of doubt, the Company shall be permitted to disclose to the Members and others the relative voting percentages of all Members after application of Bye-laws 38-42 (inclusive). At the written request of a Member, the Confidential Information of such Member shall be destroyed or returned to such Member after the later to occur of (i) such Member no longer being a Member or (ii) the expiration of the applicable statute of limitations with respect to any Confidential Information obtained for purposes of engaging in any tax-related analysis.