4. Names and addresses of the allottees

Names and Addresses	Number of shares allotted		
	Ordinary	Preference	Other
Anthony David Pilcher			15000
8 Victoria Road			
Kensington			
London			
W8 5RD			
Peter Stuart Chapman			8000
62 Lansdowne Road			
London			
W11 2LR			
Joan Chapman			2000
62 Lansdowne Road			
London			
W11 2LR			
John Shelton			4000
Marchants Farm			
Hyde Lane			
Churt			
Surrey GU1 0LP			
Stephen Kemp-King			5000
41 Lateward Road			
Brentford			
Middlesex TW8 0PL			
Total			34000

Where the space given on this form is inadequate, continuation sheets should be used and the number of sheets attached should be indicated in the box opposite:

0

§ Insert Director Secretary, Administrator, Administrative Receiver or Receiver (Scotland) as appropriate

Signed _____ Designation § DIRECTOR Date 27/2/98

Companies registered in England and Wales or Wales should deliver this form to:-

The Registrar of Companies
Companies House
Crown Way
Cardiff CF4 3UZ

Companies registered in Scotland should deliver this form to :-

The Registrar of Companies
Companies House
100-102 George Street
Edinburgh EH2 3DJ

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

- of -

Professional Underwriters for Life and Special Expenses Limited

(Adopted 27 February 1998)

PRELIMINARY

1 (A) In these Articles "Table A" means Table A in The Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805), as amended by The Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052).

(B) The Regulations contained in Table A shall apply to the Company save insofar as they are excluded or modified hereby.

(C) The Regulations in Table A numbered 64, and 73 to 76 inclusive shall not apply to the Company.

(D) Together with Table A (save as excluded or modified) the following shall be the Articles of Association of the Company.

SHARES

2 The share capital of the Company is £100,000 divided into 1,000 A shares of £1 each and 99,000 B shares of £1 each. The A shares and the B shares shall rank pari passu except as provided hereunder:

(a) Voting

The holders of the A shares shall be entitled to receive notice of and attend and vote at any general meeting of the Company.

The holders of the B shares shall be entitled to receive notice of and attend and speak at any general meeting of the Company but shall not be entitled to vote except on a resolution to wind-up the Company or to dispose of the assets of the Company other than in the ordinary course of the business of the Company.

(b) Dividends

(i) Upon any dividend being declared the total dividend payable shall be divided as to seventy-five per cent to the A shares as a class and twenty-five per cent to the B shares as a class.

(ii) The dividend attributed to the A shares shall be divided by the total number of A shares in issue at the date of the declaration of the dividend and paid to the holders of such shares in proportion to the number of shares held by such holder at the date of the declaration of the dividend.

(iii) The dividend attributed to the A shares shall be divided by the total number of A shares in issue at the date of the declaration of the dividend and paid to the holders of such shares in proportion to the number of shares held by such holder at the date of the declaration of the dividend.

(iv) The dividend attributed to the A shares shall be divided by the total number of A shares in issue at the date of the declaration of the dividend and paid to the holders of such shares in proportion to the number of shares held by such holder at the date of the declaration of the dividend save that where any B share is not fully paid at the date of the payment of the dividend than the Company shall be entitled to retain and apply to the relevant B share such sum as is necessary to meet the amount unpaid on any share with the balance (if any) being paid to the relevant shareholder.

(c) Winding-up

(i) Upon the winding-up or other distribution of the assets of the Company, the holders of the B shares shall be entitled to the repayment of the amounts paid-up on such shares in priority to the holders of the A shares. Subject thereto, any surplus assets shall be divided as to seventy-five per cent to the A shares as a class and twenty-five per cent to the B shares as a class.

(ii) The surplus assets attributed to the A shares shall be divided by the total number of A shares in issue at the date of the distribution and paid to the holders of such shares on proportion to the number of shares held by such holder at the date of the distribution.

(v) The surplus assets attributed to the A shares shall be divided by the total number

of A shares in issue at the date of the distribution and paid to the holders of such shares on proportion to the number of shares held by such holder at the date of the distribution save that where any B share is not fully paid at the date of the payment of the distribution than the Company shall be entitled to retain and apply to the relevant B share such sum as is necessary to meet the amount unpaid on any share with the balance (if any) being paid to the relevant shareholder.

(d) Where it is proposed to vary or abrogate the rights attaching to the B shares the rights attaching to the B shares may only be varied or abrogated not only with the consent in writing or of an extraordinary resolution of the requisite number/percentage of the holders of the B shares but also the consent in writing of the holders of three quarters of the issued A shares or with the sanction of an extraordinary resolution passed at a separate general meeting of such A shareholders.

3 Subject to article 4, the Directors are unconditionally authorised for the purposes of Section 80 of the Act to allot shares up to the amount of share capital created at the date of adoption of these Articles at any time or times during the period of five years from the date of adoption of these Articles. Such authority may be renewed varied or extended by the Company in general meeting by ordinary resolution from time to time.

4 After the allotment of 98 'A' shares and 34,000 'B' shares immediately following the adoption of these Articles, any further shares which the Directors propose to issue shall be B shares which shall be offered in the first instance to all of the then existing Members of the company regardless of whether they are at the relevant date holders of A shares or B shares and they shall be offered in proportion as nearly as may be to the number of shares then held by each of them unless the company by special resolution shall otherwise direct. The offer shall be made by notice to each shareholder specifying the number of shares offered and stipulating a period of time being not less than 14 days from the date of the notice within which the offer if not accepted by any shareholder will be deemed to be declined by that shareholder. After the expiration of that period those shares declined or deemed declined shall be offered in the proportion aforesaid to the Members who have within the time period accepted all of the shares offered to them. Such further offer shall be made in the same manner and subject to the same time limit as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by special resolution shall be under the control of the Directors who subject to the authority contained in Article 3 may allot or otherwise dispose of the same to such persons (including any Director) and on such terms and conditions at such time or times as the Directors think fit provided that in the case of shares not accepted by the Members pursuant to the offer or further offer procedure shall not be disposed of on terms which are more favourable to the ultimate

subscribers thereof from the terms on which they were offered to the Members.

5 Section 89(1) of the Act shall not apply to any allotment or proposed allotment by the Company of equity securities as defined by Section 94 of the Act.

SHARE CERTIFICATES

6 Share certificates need not be executed under Seal, and Regulation 6 of Table A shall be modified accordingly.

LIEN

7 The lien conferred by Regulation 8 of Table A shall attach to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of two or more joint holders whether or not such shares are fully paid and Regulation 8 shall be modified accordingly.

TRANSFER OF SHARES

8 The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share and Regulation 24 of Table A shall be modified accordingly.

9 (A) Save as otherwise provided by these Articles no Member shall be entitled to transfer any shares in the Company whether by way of sale or otherwise without first causing the same to be offered to such persons as are hereinafter mentioned at the fair value per share determined in accordance with the provisions of this Article.

(B) (a) Any Member intending to transfer all or any of his shares in the Company (hereinafter called "the Transferor") shall give notice in writing (hereinafter called "the transfer notice") to the Company that he desires to transfer the same. The transfer notice shall specify the number and class of shares which the Transferor intends to transfer and shall constitute the Company his agent for the sale of the shares specified in the transfer notice at the fair value per share to be fixed in accordance with paragraph (B)(d) of this Article ("the Sale Price"). The transfer notice shall not be revocable except with the sanction of the Directors.

(b) All shares included in any transfer notice shall be offered by the Company:

(i) in the first instance to the existing Members (other than the Transferor) regardless of whether they hold A shares or B shares for purchase at the Sale Price and so that in case of competition the shares so offered shall be sold to the Members accepting the offer in proportion (as nearly as may be and without increasing the number sold to any Members beyond the number applied for by him) to their existing holdings of shares ("the First Offer");

(ii) if after the First Offer any shares contained in the transfer notice have not been accepted, the Directors shall have the right to nominate a purchaser for such shares who is not already a Member but whom they consider to be suitable for admission to Membership of the Company and who will and does pay the Sale Price and/or recommend to the Members that such shares be repurchased by the Company at the Sale Price subject to these Articles and the Act.

All offers of shares under this paragraph shall be made by notice in writing and every such offer shall stipulate a time (not being less than twenty-one days) within which the offer must be accepted or in default of acceptance will lapse.

(c) If the Company shall within the space of three calendar months after being served with a transfer notice find persons willing to purchase the shares comprised in the transfer notice at the sale price or any of them and shall give notice thereof to the Transferor, he shall be bound on payment of the Sale Price to transfer such shares to the respective purchasers thereof.

(d) The Auditors of the Company shall certify in writing the sum which in their opinion is the fair value of a share, and such value shall be based on the price which would be given for the share in the open market upon the supposition that the purchaser would be entitled to be duly registered as holder of the share and the sum so certified by the Auditors shall be the fair value per share for the purpose of this Article. In certifying for the purposes of this Article the Auditors shall be considered to be acting as experts and not as arbitrators.

(e) If, in the case of the Transferor having become bound to transfer any shares to a purchaser, the Transferor makes default in transferring the shares, the Directors may nominate some person to execute the necessary transfer on behalf of the Transferor and receive payment of the Sale Price and shall thereupon cause the name of the purchaser to be entered on the Register as the holder of the shares and shall hold the Sale Price moneys in trust for the Transferor. The receipt of the Company shall be a good discharge to the purchaser[s], and after his/their name[s] has [have] been entered on the Register in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

(C) The provisions of Article 8 shall not apply to any transfer to a purchasing Member in accordance with the provisions of paragraph (B) of this Article.

(D) The restrictions contained in the paragraph (B) of this Article shall not apply where (a) the shares have at all times been held by the Member who but for this paragraph would be the transferor as nominee or trustee and (b) the Member can satisfy the Directors that there will not as a consequence or on the subsequent registration of a transfer be any change whatsoever in the beneficial ownership of the shares.

(E) If any Member corporate or otherwise shall become controlled (as defined by section 840 of the Income and Corporation Taxes Act 1988) by persons different from the person or persons controlling such Member at the time of becoming a Member of the Company then such Member shall be deemed to have served a transfer notice in respect of all the shares of the Company then held by it pursuant to paragraph (B) (a) of the Article. The Directors may, for the purpose of this paragraph, from time to time request each corporate Member to confirm by statutory declaration that no change in the control of such Member has taken place.

(F) A Member shall be deemed to have served a transfer notice in respect of all the shares of the Company then held by him in pursuance of paragraph (B) (a) of this Article in the event of:

(a) The death of a Member

(b) Any shareholder being an individual

(i) having a receiver appointed over any of his assets; or

(ii) becoming bankrup; or

(iii) entering into any arrangement or composition whether formal or informal with his creditors

(c) Any shareholder being a company

a) having a receiver receiver and manager or administrative receiver appointed over the whole or any part of its assets; or

b) having a petition presented against it for an administration order;

c) having a petition presented against it for a compulsory winding up order;

d) entering into voluntary liquidation;

e) entering into any arrangement or composition (whether formal or informal) with its creditors.

(G) Notwithstanding anything hereinbefore contained in this Article, upon the sale of the Company by all the holders of the A shares and the B shares agreeing to transfer all their shares to a third party the provisions of paragraph (B) of this article shall not apply and the aggregate proceeds of such sale shall be applied as to seventy-five per cent to the A shares and twenty-five per cent to the B Shares to be distributed pro-rata to the holders of such shares and the provisions of Article 2 (c) i to (iii) shall apply mutatis mutandis save that all reference to surplus assets shall be construed as proceeds of sale.

PROCEEDINGS AT GENERAL MEETINGS

10 In the event of the Company having one Member, one Member present in person or by proxy shall be a quorum and Regulation 40 of Table A shall be modified accordingly.

11 All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the election of Directors in the place of those retiring, fixing the remuneration of the Directors and the appointment of, and the fixing of the remuneration of, the Auditors.

12 It shall not be necessary to give any notice of an adjourned meeting and Regulation 45 of Table A shall be amended accordingly.

13 A poll may be demanded by any Member present in person or by proxy and Regulation 46 of

Table A shall be modified accordingly.

DIRECTORS

14 Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be more than ten. In the event of the minimum number of directors being one, a sole director shall have authority to exercise all the powers and discretions by Table A or these Articles expressed to be vested in the directors generally and Regulation 89 of Table A shall be modified accordingly.

15 If any Director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by resolution passed at a Board Meeting of the Directors of the Company, and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.

16 The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and, subject to section 80 of the Act, to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

17 A Director may vote as a Director in regard to any contract or arrangement in which he is interested, or upon any matter arising thereout, and if he does so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration and Regulations 94 and 95 of Table A shall be modified accordingly.

18 Paragraph (c) of Regulation 81 of Table A shall be modified by deleting the words in that paragraph and substituting therefor the words "in the opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as a Director".

19 A Director shall not retire by rotation and Regulations 77, 78 and 80 of Table A shall be modified accordingly.

20 A Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment and the last two sentences of Regulation 79 of Table A shall be deleted.