

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION  
OF  
ACE GROUP HOLDINGS LTD  
("Company")

1. PRELIMINARY

1.1. In these Articles the following words and expressions have the following meanings:

Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;
Group	the Company, any subsidiary of the Company and any holding company of the Company and any subsidiary of such holding company;
Parent Company	a company which is the registered holder of not less than 90% of the issued shares of the Company.

A reference in these Articles to a "Model Article" is a reference to the article of that number in the Model Articles.

1.2. In these Articles the expression "the Act" means the Companies Act 2006, 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.

1.3. Apart from Model Articles 11(2), 11(3), 12, 12(3), 14, 16, 17(1), 19(5), 21, 22(2), 26(5), 39, 41, 52 and 53 the Model Articles apply to the Company except insofar as they are inconsistent with these Articles.

1.4. Model Article 5(1) shall be modified by adding after the words "as they think fit" the words "provided that where any delegation is made to a committee, such committee must consist of at least one director."

- 1.5. Model Articles 19(2) shall be modified so that the words "as the Parent Company determines or, where there is no Parent Company," are inserted before the words "as the directors determine.

## 2. ISSUE OF SHARES

- 2.1. Shares may be issued as fully, nil or partly paid.
- 2.2. Subject to the remaining provisions of this Article 2, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:
- 2.2.1. offer or allot;
  - 2.2.2. grant rights to subscribe for or to convert any security into; or
  - 2.2.3. otherwise deal in, or dispose of,
- any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper.
- 2.3. The authority referred to in Article 2.2:
- 2.3.1. shall be limited to such amount as may from time to time be authorised in writing by the Parent Company or, if there is no Parent Company, by ordinary resolution;
  - 2.3.2. shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
  - 2.3.3. may only be exercised for a period of five years from the date of adoption of these Articles or the date of the resolution referred to in Article 2.3.1, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).
- 2.4. The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder, and the terms, conditions, and manner of redemption of any such shares shall be determined by the Parent Company or, if there is no Parent Company, by ordinary resolution.

## 3. TRANSFER OF SHARES

The directors shall not register a transfer of shares without the prior written consent of the Parent Company.

#### 4. LIEN

- 4.1. The Company has a first and paramount lien on all shares (whether or not such shares are fully paid) standing registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder thereof or is one of two or more joint holders, for all moneys payable by him or his estate to the Company (whether or not such moneys are presently due and payable).
- 4.2. The Company's lien over shares:
  - 4.2.1. takes priority over any third party's interest in such shares; and
  - 4.2.2. extends to any dividend or other money payable by the Company in respect of such shares and (if the Company's lien is enforced and such shares are sold by the Company) the proceeds of sale of such shares.
- 4.3. The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.
- 4.4. 4.4.1. Subject to the provisions of this Article, if:
  - 4.4.1.1. a notice of the Company's intention to enforce the lien ("lien enforcement notice") has been sent in respect of shares, and
  - 4.4.1.2. the person to whom the lien enforcement notice was sent has failed to comply with it,the Company may sell those shares in such manner as the directors with the approval of the Parent Company decide.
- 4.4.2. A lien enforcement notice:
  - 4.4.2.1. may only be sent in respect of shares if a sum is payable to the Company by the sole registered holder or one of two or more joint registered holders of such shares and the due date for payment of such sum has passed;
  - 4.4.2.2. must specify the shares concerned;
  - 4.4.2.3. must include a demand for payment of the sum payable within fourteen days;
  - 4.4.2.4. must be addressed either to the holder of such shares or to a person entitled to such shares by reason of the holder's death, bankruptcy or otherwise;
  - 4.4.2.5. must state the Company's intention to sell the shares if the notice is not complied with.
- 4.4.3. If shares are sold under this Article:

- 4.4.3.1. the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
    - 4.4.3.2. the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
  - 4.4.4. The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
    - 4.4.4.1. first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
    - 4.4.4.2. second, in payment to the sole holder or joint holders of the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.
  - 4.4.5. A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been sold to satisfy the Company's lien on a specified date:
    - 4.4.5.1. is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
    - 4.4.5.2. subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- 4.5. Notwithstanding anything contained in these articles, the Company's lien shall not apply to shares which have been charged by way of security to a Secured Party. For the purposes of this Article 4, "Secured Party" means, in respect of any shares, any person to which such shares have been mortgaged or charged (or in favour of which any other security interest in such shares has been created) and any nominee, agent or trustee of or for any such person.

## 5. GENERAL MEETINGS

- 5.1. Notices of meetings need not be given to the directors as such.
- 5.2. If and so long as there is a Parent Company, its representative shall be the only person to constitute a quorum at general meetings.
- 5.3. If a quorum is not present within half an hour of the time appointed for the meeting then the meeting shall be dissolved.
- 5.4. If a chairman has been appointed pursuant to Article 12.2, the chairman shall chair general meetings if present and willing to do so.
- 5.5. If a chairman has not been so appointed or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start;
  - 5.5.1. the directors present; or
  - 5.5.2. (if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 5.6. The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".
- 5.7. If and so long as there is only one member of the Company, a decision taken by the member, which may be taken in a general meeting, is as effective as if agreed by the Company in general meeting.
- 5.8. A decision taken by a sole member under Article 5.7 (unless taken by way of a written resolution) shall be recorded in writing and a copy shall be provided to the Company.

## 6. VOTES OF MEMBERS

- 6.1. The notice appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:
  - 6.1.1. in the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom and at such time as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting; or
  - 6.1.2. (notwithstanding any provision to the contrary in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting):

6.1.2.1. in the case of an instrument in writing be deposited with the chairman 30 minutes before the commencement of the meeting or adjourned meeting; or

6.1.2.2. in the case of an electronic communication be received not less than 24 hours before the commencement of the meeting or adjourned meeting

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

6.2. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it.

6.3. For the avoidance of doubt, any reference to "writing" in this Article excludes the writing on a visual display unit, faxes, telexes or e-mail.

## 7. NUMBER OF DIRECTORS

The minimum number of directors is one and, unless otherwise determined by ordinary resolution, the number of directors is not subject to a maximum. A sole director may exercise all the powers and discretions given to the directors by these articles.

## 8. APPOINTMENT AND RETIREMENT OF DIRECTORS

8.1. Any person who is willing to act may be appointed as a director, either to fill a casual vacancy or as an additional director, by the Parent Company (if there is one) giving notice to the company of the appointment or (if there is no Parent Company) by a resolution of the directors.

8.2. A director is not required to hold qualification shares.

## 9. DISQUALIFICATION AND REMOVAL OF DIRECTORS

Model Article 18 is amended:

9.1. by replacing paragraph (f) with "he resigns his office by notice delivered to the office or tendered at a meeting of the directors"; and

9.2. by adding at the end the following paragraph:

"(g) he is served a written notice, signed on behalf of the Parent Company (if there is one) or, if there is no Parent Company, signed by or on behalf of the holder of shares conferring a majority of the voting rights conferred by all the shares, requiring him to resign."

**10. DIRECTORS' APPOINTMENTS AND INTERESTS**

- 10.1. Model Article 17 (1) (b) is amended by replacing "by a decision of the directors " with "by a decision of the directors with the approval of the Parent Company (if there is one)".
- 10.2. Each director shall comply with his obligations to disclose his interest in existing and proposed transactions or arrangements with the Company pursuant to sections 177 and 182 of the Act.
- 10.3. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company or in which the Company is otherwise directly or indirectly interested;
  - 10.3.1. may be a party to, or otherwise interested in any such contract, transaction or arrangement;
  - 10.3.2. subject to Article 12.4, shall be entitled to count in the quorum and to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of any proposed decision relating to such contract, transaction or arrangement;
  - 10.3.3. shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 10.4. A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in a shareholder of the Company or in any other company within the Group and may be a shareholder of the Company or in any other company within the Group, without breaching his duty under section 175 of the Act and no authorisation under Article 12.3 shall be necessary in respect of any such interest. A director is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any interest in any such body corporate. Model Article 19(5) is modified accordingly.

## 11. DIRECTORS' GRATUITIES AND PENSIONS

The directors may, with the approval of the Parent Company (if there is one), provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

## 12. PROCEEDINGS OF DIRECTORS

- 12.1. Except as otherwise authorised in writing by the Parent Company (if there is one), the quorum for the transaction of the business of the directors is two except when there is only one director. When there is only one director, he may exercise all the powers conferred on directors by these Articles.
- 12.2. The Parent Company (if there is one) may appoint and remove the chairman of the board of directors by notice to the company. If and so long as the position of chairman is vacant, the directors may appoint one of their number to be the chairman. The person so appointed for the time being is known as the chairman.
- 12.3. Subject to Article 10.4, the directors may, in accordance with section 175(5)(a) of the Act, authorise any matter which would otherwise involve or may involve a director breaching his duty under section 175(1) of the Act to avoid conflicts of interest (a "Conflict").
- 12.4. When a Conflict is considered by the directors the director seeking authorisation in relation to the Conflict and any other director with a similar interest:
  - 12.4.1. shall not count in the quorum nor vote on a resolution authorising the Conflict; and
  - 12.4.2. may, if the other directors so decide, be excluded from the board meeting while the Conflict is considered.

## 13. ALTERNATE DIRECTORS

- 13.1. Any director ("the appointor") may, with the consent of the Parent Company, appoint as an alternate any other director, or any other person approved by a decision of the directors, to exercise that director's powers and carry out that director's responsibilities in relation to taking decisions by directors in the absence of that director.



- 13.2. The Parent Company shall be entitled to appoint any person (including any other director) to be an alternate director for any of the directors (who in relation to the alternate for these purposes shall be "the appointor") and may remove from office an alternate director so appointed by it.
- 13.3. Any appointment or removal of an alternate shall be by notice in writing to the Company signed by the director or the Parent Company as the case may be, or in any other manner approved by the Parent Company. The notice must:
- 13.3.1. identify the proposed alternate, and
  - 13.3.2. in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate director of the appointor.
- 13.4. Except as the Articles specify otherwise, an alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model Article 8, as the alternate's appointor.
- 13.5. Except as the Articles specify otherwise, alternate directors:
- 13.5.1. are deemed for all purposes to be directors;
  - 13.5.2. are liable for their own acts or omissions;
  - 13.5.3. are subject to the same restrictions as their appointors;
  - 13.5.4. are not deemed to be agents of or for their appointors.
- 13.6. Subject to 13.7 below, a person who is an alternate director:
- 13.6.1. may be counted for the purposes of determining whether a quorum is present at a directors' meeting (but only if that person's appointor is not present);
  - 13.6.2. may participate in a decision taken by the directors under Model Article 8 (but only if that person's appointor is not participating);
- 13.7. If two or more appointors appoint the same person as an alternate director or, alternatively, a person who is director is also appointed as an alternate director, that person does not count as more than one director for the purposes set out in 13.6.1 and 13.6.2 above.
- 13.8. A director who is also an alternate director has one vote at a directors' meeting for each of his appointors who is absent from the meeting in addition to his own vote.
- 13.9. An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's appointor as the appointor may direct by notice in writing made to the Company.
- 13.10. An alternate director's appointment as an alternate terminates:

- 13.10.1. when his appointor (or the Parent Company as the case may be) revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 13.10.2. on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor would result in the termination of the appointor's office as director;
- 13.10.3. on the death of his appointor; or
- 13.10.4. when his appointor's appointment as director terminates.

#### 14. DIVIDENDS

- 14.1. Model Article 30(1) is amended by replacing "and the directors may decide to pay interim dividends" with "and with the approval of the Parent Company (if there is one), the directors may pay interim dividends".
- 14.2. Model 31 shall be amended such that the wording "or as the directors may otherwise decide" is removed from each of Model Articles 31(1) (a), (b), (c) and (d).

#### 15. ACCOUNTS

Model Article 50 is amended by replacing "no person is entitled to inspect any of the company's accounting or other records or documents" with "no person, other than the Parent Company (if there is one), is entitled to inspect any of the company's accounting or other records or documents"

#### 16. NOTICES

- 16.1. The Company can deliver a notice or other document pursuant to these Articles to a shareholder or any other person (other than a notice calling a meeting of the directors):
  - 16.1.1. by delivering it by hand to the address recorded for the shareholder on the register;
  - 16.1.2. by sending it by post or other delivery service in an envelope (with postage or delivery paid) to the address recorded for the shareholder on the register;
  - 16.1.3. by fax (except for share certificates) to a fax number notified by the shareholder in writing;
  - 16.1.4. by electronic mail (except a share certificate) to an address notified by the shareholder in writing; or

- 16.1.5. by a website (except a share certificate) the address of which shall be notified to the shareholder in writing;
- 16.2. This Article does not affect any provision in any relevant legislation or the Articles requiring notices or documents to be delivered in a particular way.
- 16.3. If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the shareholder. If a notice or document is sent by post or other delivery service not referred to below, it is treated as being delivered:
  - 16.3.1. 24 hours after it was posted, if first class post was used; or
  - 16.3.2. 72 hours after it was posted or given to delivery agents, if first class post was not used;provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was:
  - 16.3.3. properly addressed; and
  - 16.3.4. put into the post system or given to delivery agents with postage or delivery paid.
- 16.4. If a notice or document (other than a share certificate) is sent by fax or by electronic mail, it is treated as being delivered at the time it was sent. If a notice or document (other than a share certificate) is sent by a website, it is treated as being delivered when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

## 17. LIABILITY

- 17.1. Subject to Article 17.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
  - 17.1.1. each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or

breach of trust in relation to the Company's (or other Group Company's) affairs; and

17.1.2. the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 17.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

17.2. This Article 17 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

17.3. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

17.4. In this Article 17:

17.4.1. "Relevant Loss" means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund of the Company (or other Group Company); and

17.4.2. "Relevant Officer" means any director or other officer of any Group Company, but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

## 18. SECURED INSTITUTIONS

18.1. Notwithstanding anything contained in these Articles, whether expressly or impliedly contradictory to the provisions of this Article 18 (to the effect that any provision contained in this Article 18 shall override any other provision of these Articles):

18.1.1. the directors of the Company shall not decline to register any transfer of shares, nor may they suspend registration of any transfer of shares, where such transfer:

18.1.1.1. is to a bank, institution or other person which has been granted a security interest over or in respect of such shares, or to any nominee of such a bank, institution or other person (or a person acting as agent or security trustee for such person) (a "Secured Institution") and a certificate by any such person or an employee of any

such person that a security interest over or in respect of such shares was so granted and the transfer was so executed shall be conclusive evidence of such facts;

18.1.1.2. is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or

18.1.1.3. is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under such security,

and the directors shall promptly register any such transfer of shares upon receipt;

18.2. the directors of the Company shall not issue any share certificates (whether by way of replacement or otherwise) without the prior written consent of (or on behalf of) all (if any) Secured Institutions (as defined in Article 18.1.1.1 above);

18.3. any lien set out in these Articles shall not apply to shares held by a Secured Institution (as defined in Article 18.1.1.1. above);

18.4. any variation of this Article 18 shall be deemed to be a variation of the rights of each class of share in the capital of the Company; and

18.5. any pre-emption rights contained in these Articles shall not apply in relation to any shares which are subject to a security interest in favour of a Secured Institution from time to time.