

SECOND AMENDED AND RESTATED

BYE-LAWS

OF

THE NORTH OF ENGLAND MUTUAL INSURANCE ASSOCIATION (BERMUDA) LIMITED

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INTERPRETATION

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

Account Owner	The <u>the</u> owner of a Segregated Account;
Act	the Companies Act 1981;
Alternate Director <u>Act</u>	an alternate director appointed in accordance with these Bye-laws; <u>the Companies Act 1981;</u>
Auditor	includes an <u>the auditor of the Company for the time being and may include any</u> individual, company or partnership;
Board	the board of directors <u>Directors</u> (including, for the avoidance of doubt, a sole director <u>Director</u>) appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors <u>Directors</u> present at a meeting of directors <u>Directors</u> at which there is a quorum;
<u>Fixed Premium Member</u>	<u>a Member, who in respect of their Primary Insurance is not liable to pay additional or supplementary calls to North or North EU;</u>
Company	<u>NEMIA, being</u> the company for which these Bye-laws are approved and confirmed;
<u>Director</u>	<u>a director of the Company;</u>
<u>Governing Instrument</u>	<u>the document or instrument setting out the rights, obligations and interest of Account Owners in respect of any Segregated Account established and operated by the Company;</u>
Director	a director of the Company and shall include an Alternate Director;
Governing Instrument	the document or instrument setting out the rights, obligations and interest of Account Owners in respect of any Segregated Account established and operated by the Company;
Insurance Classes	the Protecting and Indemnity Insurance Class of North and <u>North EU and</u> the Freight, Demurrage and Defence Insurance Class of North <u>and North EU, each as defined and circumscribed by the applicable Rules and "Insurance Class" shall be construed accordingly;</u>

The North of England Mutual Insurance Association (Bermuda) Limited

<u>Joint Member</u>	<u>has the meaning given in Bye-law 14;</u>
Member	any person who is a member of NEMIA <u>the Company</u> pursuant to Bye- Laws 8 or law 9;
NEMIA	The North of England Mutual Insurance Association (Bermuda) Limited, a company limited by guarantee and incorporated in Bermuda on the 9 th day of December, 1996;
North	The North of England Protecting and Indemnity Association Limited, a company limited by guarantee incorporated in England <u>and Wales</u> with registration number 505456;
<u>North EU</u>	<u>North of England P&I Designated Activity Company, a company limited by shares incorporated in Ireland with registration number 628183;</u>
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;
Policy Year	a year from Noon GMT on any 20th February to Noon GMT on the next following 20th February;
Primary Insurance	insurance or reinsurance afforded by <u>North or North EU on the Company to its Members;</u> basis that the insured becomes a member of one or both of the Insurance Classes;
Register of Directors and Officers	the register of directors <u>Directors</u> and officers <u>Officers</u> referred to in these Bye-laws;
Register of Members	the register of members <u>Members</u> referred to in these Bye-laws;
<u>Reinsurance Contracts</u>	<u>contracts of reinsurance entered into or to be entered into between the Company and the Reinsureds;</u>
<u>Reinsured</u>	<u>the reinsured party of a reinsurance agreement written by the Company;</u>
Reinsured Entry	an entry by any person (as a member of North) of a Ship for Primary Insurance in respect of which NEMIA <u>the Company</u> affords Reinsurance <u>reinsurance</u> to North and any reference in these Bye-Laws to a Member in respect of whom there is a Reinsured Entry

	(however expressed) shall be understood to be a reference to the person who as a member of North has Primary Insurance in North for such Ship or North EU;
<u>Rules</u>	<u>the rules of the Insurance Classes as amended from time to time;</u>
<u>SAC Act</u>	<u>the Segregated Accounts Companies Act 2000 as amended from time to time;</u>
Reinsurance Classes <u>Segregated Accounts Representative</u>	the Protecting and Indemnity Reinsurance Class of North and the Freight, Demurrage and Defence Reinsurance Class of North; <u>the person approved by the Minister and appointed by the Company to act as its segregated accounts representative, the particulars of whom are to be included in the Register of Directors and Officers of the Company maintained pursuant to section 92A of the Companies Act; and</u>
Reinsured	the reinsured party of a reinsurance agreement written by the Company;
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
SAC Act	the Segregated Accounts Companies Act 2000 as amended from time to time;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary; and
Segregated Account	a separate and distinct account of the Company established pursuant to the Segregated Accounts Companies Act 2000 as amended from time to time; and
Segregated Accounts Representative <u>Ship</u>	the person approved by the Minister and appointed by the Company to act as its segregated accounts representative, the particulars of whom are to be included in the register of directors and officers of the Company maintained pursuant to section 92A of

the Companies Act, in the context of an entry or proposed entry in any Insurance Class, a ship, boat, hovercraft, or other description of vessel or structure (including any ship, boat, hovercraft or other vessel or structure under construction) used or intended to be used for any purposes whatsoever in navigation or otherwise on, under, over or in water, or any part of such ship, or any proportion of the tonnage thereof, or any share therein, including those in the course of building or contracted to be built, or any other craft, construction, erection, equipment or offshore structures used in a marine environment.

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;
- (e) a reference to a statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (f) the word "corporation" means a corporation whether or not a company within the meaning of the Act; and
- (g) unless otherwise provided herein, words or expressions defined in the Act and/or the SAC Act, as the case may be, 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.

BUSINESS

2. Any class of business (including reinsurance of any business written by a subsidiary of North or North EU, or which is in any way related to North or North EU, which is not otherwise a reinsurance of a ~~Protecting and Indemnity Primary Insurance or Reinsurance Class of North or a Freight, Demurrage and Defence Insurance or Reinsurance Class of North~~) which, by the Memorandum of Association of ~~NEMIA~~the Company or these ~~bye-Laws~~Bye-laws, is either expressly or by implication authorised to be undertaken by the ~~NEMIA~~Company, may be undertaken by the Directors at such time or times as they shall think fit, and further may be held in abeyance whether or not such ~~Class~~class of business may have been actually commenced for as long as the Directors may deem it expedient not to commence or proceed with such ~~Class~~class of business.

SEGREGATED ACCOUNTS PROVISIONS

3. In accordance with section 11 of the SAC Act, these Bye-laws shall constitute the Governing Instrument with respect to any Segregated Account established and operated by the Company and the rights, interests and obligations of the Company, as Account Owner, shall comprise those matters referred to herein and, save where specifically excluded by these Bye-laws, shall include those matters contained in the SAC Act.
4. All ~~insurance and~~ reinsurance business underwritten by the Company in respect of ~~the Protecting and Indemnity Primary Insurance or Reinsurance Class of North or the Freight, Demurrage and Defence Insurance or Reinsurance Class of North~~ shall be underwritten on a segregated accounts basis and in respect thereof, the Company shall establish a Segregated Account to be named the "North Cell" and all assets and liabilities pertaining thereto shall be linked to such North Cell ~~in the accounts of the Company.~~
5. To the extent the Company underwrites business written by North or North EU or a subsidiary of North or North EU, or which is in any way related to North or North EU, which is not otherwise a reinsurance of a ~~Protecting and Indemnity Primary Insurance or Reinsurance Class of North or a Freight, Demurrage and Defence Insurance or Reinsurance Class of North~~, such reinsurance shall be written on a segregated accounts basis and in respect thereof, the assets and liabilities pertaining thereto may be linked to the North Cell in the accounts of the Company ~~shall or the Company may~~ establish one or more Segregated Accounts and all assets and liabilities pertaining thereto shall be linked to the respective Segregated Account in the accounts of the Company, as may be determined by the Board from time to time as they see fit.
6. The Board shall exercise the following powers with respect to the Segregated Accounts established from time to time by the Company:-
 - (a) ~~Determining~~determining the coverage to be provided to Reinsureds by ~~NEMIA~~the Company for and on behalf of the Segregated Accounts (~~"Reinsurance Contracts"~~) or otherwise, and deciding the exposure to be reinsured by ~~NEMIA~~the Company for and on behalf of the

- Segregated Accounts and approving the terms and conditions of ~~relevant contracts~~Reinsurance Contracts and determining necessary changes to the Reinsurance ~~contracts~~Contracts;
- (b) ~~Setting~~setting the premium to be charged to each Segregated Account in respect of Reinsurance Contracts linked to that Segregated Account and determining any other provisions of the Reinsurance Contracts;
 - (c) ~~Determining~~determining the investment rules or guidelines for Segregated Accounts;
 - (d) ~~Approving~~approving investments made by Segregated Accounts;
 - (e) ~~Appointing~~appointing and setting the remuneration of the ~~Loss Reserve Specialist~~loss reserve specialist;
 - (f) ~~Appointing~~appointing and setting the remuneration of other service providers to be engaged on behalf of the Company;
 - (g) ~~Approving~~approving the annual audited financial statements of the Company including its Segregated Accounts prepared under the Insurance Act for presentation to the ~~Shareholders~~Members and for information to the Account Owners as owners of the Segregated Accounts;
 - (h) ~~Approving~~approving the winding up of any Segregated Account;
 - (i) ~~Approving~~approving banks engaged by the Company for the Segregated Accounts;
 - (j) ~~Approving~~approving the identity of custodians, investment managers and the custodian and investment management arrangements of Segregated Accounts; and
 - (k) ~~Generally~~generally to manage the affairs of the Company and its Segregated Accounts consistent with the objects and powers of the Company as set forth in the Company's Memorandum of Association and in accordance with the terms of the Act, the SAC Act, the Reinsurance Contracts and these Bye-laws.

REGISTERED OFFICE

7. The Company's Registered Office shall be at such place in Bermuda as ~~NEMIA~~the Company in general meeting shall from time to time appoint.

MEMBERSHIP

8. ~~NEMIA~~The Company shall consist of an unlimited number of Members.

9. Every person who has a Reinsured Entry, if not already a Member, shall be or become a Member of ~~NEMIA and at the same time a Member of the relevant Reinsurance Class~~Company as from the date on which such Reinsured Entry commences.
10. Persons ~~reinsured by the Company~~ who do not have a Reinsured Entry ~~or who are not members of the Protecting and Indemnity Insurance or Reinsurance Class of North or the Freight, Demurrage and Defence Insurance or Reinsurance Class of North~~ are not eligible to become Members of ~~NEMIA~~the Company.
11. The Secretary shall enter the names and addresses of all persons who are Members of ~~NEMIA~~the Company in the Register of Members in accordance with the Companies Act and these Bye-Lawslaws.
12. Membership shall not be transferable or transmissible.
13. A Member shall ~~be entitled to the advantages and subject to the liabilities of Members of a Reinsurance Class as from Noon GMT on the 20th day of February, or as from Noon GMT of the day on which his membership commences, until his membership is terminated.~~
14. ~~A Member shall~~ cease to be a Member *ipso facto*:
 - (A) ~~Where immediately upon~~ such Member ~~who is a Member only by reason of having a Reinsured Entry:~~
 - ~~(i) ceases~~ceasing to be a corporate member of North; ~~or,~~
 - ~~(ii) when sub-clause (C) of this Bye-Law 14 applies in respect of such Member; or~~
 - ~~(iii) when a Member ceases to have any Reinsured Entries save that if such cessation is caused by the termination in whole or in part of any reinsurance agreement between NEMIA and North, such Member shall continue as a Member of NEMIA until released from Membership by NEMIA in accordance with the Rules of the Reinsurance Class or Reinsurance Classes of which he was a Member as at the date of such cessation.~~
 - (B) ~~Where such Member is a Member only by reason of being a member of an Insurance Class:-~~
 - ~~(i) when such Member ceases to have any Ship entered for Insurance in North;~~
 - ~~(ii) where the Member is an individual, upon his death or if a receiving order shall be made against him or if he shall become bankrupt or make any composition or arrangement with his creditors generally or if he shall become incapable by reason of mental disorder of managing and administering his property and affairs;~~
 - ~~(iii) where the Member is a body corporate, upon the passing of any resolution for the voluntary winding up of the body corporate (other than voluntary winding up for the purposes of company or group reorganisation) or upon an order being made for~~

~~compulsory winding up or upon dissolution or upon a receiver or manager of all or part of the body corporate's business or undertaking being appointed or upon possession being taken by or on behalf of the holder of any debentures secured by a floating charge or any property comprised in or subject to the charge or upon the institution of any similar process or proceeding under the laws of any relevant jurisdiction.~~

- (C) ~~———— If having failed to pay when due and demanded by the Directors or Managers on behalf NEMIA any sum due from him to NEMIA, he is served with a notice by or on behalf of NEMIA requiring him to pay such sum on or before any date which may be specified in such notice and he fails to pay such sum in full on or before the date so specified;~~
- (D) ~~———— When such Member has ceased to be a member of any Insurance Class and following such cessation is not a member of any other Class;~~

~~PROVIDED THAT a person who has thus ceased pursuant to this Bye Law 14 to be a Member or (as the case may require) his estate, personal representatives, trustee in bankruptcy, committee, curator bonis, receiver, liquidator or similar official or agent shall (in addition to his liability under Clause 2 of the Memorandum of Association) be and remain liable to pay to NEMIA all such contributions and moneys which under these Bye Laws or the Rules such Member would, had he not ceased to be a Member, have been liable to pay NEMIA in respect of the period ending 20th February next after the date of cesser of membership.~~

- ~~15. — Where an entry is made in any Insurance Class in respect of any Ship, all persons where entered for Insurance in respect of such entry for that Ship shall be Joint Members.~~

~~If:-~~

14. If:-

- (i) Primary Insurance is afforded by North or North EU to two or more persons; and
- (ii) such ~~person(s)~~persons are entered as ~~Joint Members of any Class~~joint corporate members of North-; and
- (iii) reinsurance is afforded by the Company to North or North EU in respect of such Primary Insurance, ~~and~~
- ~~(iii) — Reinsurance is afforded by NEMIA to North in respect of such Primary Insurance;~~ such persons (whether jointly or separately interested in the relevant Reinsured Entry) shall be joint members of the Company ("Joint Members of NEMIA-").

~~1615.~~ Joint Members shall, for the purposes of the guarantee under the Memorandum of Association ~~and of any contribution falling due pursuant to these Bye-Laws or the Rules~~, be treated as one Member but shall be jointly and severally liable in respect thereof.

~~17.~~ ~~NEMIA16.~~ The Company may transact ~~Insurance~~ insurance business with any person on terms and conditions which may exclude membership in ~~NEMIA~~ the Company or which may limit or restrict the ~~Membership~~ membership rights or obligations of any person.

CLASSES AND RULES

~~18.~~ The Members shall be divided into Classes, according to:-

~~(A)~~ the risks against which NEMIA provides Reinsurance to North in respect of such Member's Reinsured Entry; and

~~(B)~~ in respect of other risks against which NEMIA may provide Insurance to its Members and any Member may belong to one or more Classes at the same time.

~~PROVIDED ALWAYS that notwithstanding any other provision of these Bye-Laws or any Rules, no person may be admitted as a member of a Reinsurance Class of NEMIA without such person satisfying the express criteria for admission to membership of such Class, as set out in the Bye-Laws and any relevant Rules.~~

~~19.~~ The following classes exist as at the date of commencement of these Bye-Laws:

~~(i)~~ The Protecting and Indemnity Reinsurance Class of North; and

~~(ii)~~ The Freight, Demurrage and Defence Reinsurance Class of North.

~~20.~~ All Members of the Reinsurance Classes who have entered one or more Ships for Primary Insurance in North in any Policy Year shall contribute mutually by way of a Call or Calls to be levied from such Members any funds which in the sole discretion of the Directors are required (i) to meet any Deficiency of this Class for that Policy Year (provided always that the foregoing shall not apply in respect of any entry in North which is for a fixed premium), and (ii) to meet any Deficiency in any Policy Year arising with respect to any reinsurance business written by the Company pertaining to business written by a subsidiary of North, or which is in any way related to North, which is not otherwise a reinsurance of a Protecting and Indemnity Insurance or Reinsurance Class of North or a Freight, Demurrage and Defence Insurance or Reinsurance Class of North.

~~21.~~ Any Call shall be stated as a uniform percentage of any North Premiums for the Policy Year in respect of which the Call is levied by NEMIA.

~~22.~~ The Directors shall with effect from such date after the end of each Policy Year as they think fit, but no sooner than the earlier of 36 months from its commencement, declare that such Policy Year shall be closed.

MEETINGS OF MEMBERS

2317. Annual General Meetings

Subject to an election made by the Company in accordance with the Act to dispense with the holding of annual general meetings, an annual general meeting shall be held in each year (other than the year of incorporation) at such time and place as the president or the chairman of the Company (if any) or any two Directors or any Director and the Secretary or the Board shall appoint.

2418. Special General Meetings

The president or the chairman of the Company (if any) or any two Directors or any Director and the Secretary or the Board may convene a special general meeting whenever in their judgment such a meeting is necessary.

2519. Requisitioned General Meetings

The Board shall, on the requisition of those Members representing at the date of the deposit of the requisition of not less than one-tenth of the total voting rights of all the Members having at that time the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Act shall apply.

2620. Notice

2620.1 At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

2620.2 At least five days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.

2620.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

2620.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, representing not less than 95% of the total voting rights at the meeting of all the Members, in the case of a special general meeting.

2620.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

2721. Giving Notice and Access

2721.1 A notice may be given by the Company to a Member:

- (a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or
- (b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served seven days after the date on which it is deposited, with postage prepaid, in the mail; or
- (c) by sending it by courier to such Member's address in the Register of ~~members~~Members, in which case the notice shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service; or
- (d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or
- (e) by delivering it in accordance with the provisions of the Act pertaining to delivery of electronic records by publication on a website, in which case the notice shall be deemed to have been served at the time when the requirements of the Act in that regard have been met.

2721.2 In proving service under paragraphs ~~(b)~~(b), (c) and (d), it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted or sent by courier, and the time when it was posted, deposited with the courier, or transmitted by electronic means.

2822. Postponement of General Meeting

The Secretary may postpone any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement is given to the Members before the time for such meeting. ~~–~~Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Bye-laws.

2923. Electronic Participation in Meetings

Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

3024. Quorum at General Meetings

~~3024~~.1 At any general meeting ~~at least two or more persons~~ Members (excluding Fixed Premium Members) present in person ~~and representing in person~~ or by proxy ~~in excess of 50% of the total voting rights in the Company throughout the meeting~~ shall form a quorum for the transaction of business, provided that if the Company shall at any time have only one Member, one Member (excluding a Fixed Premium Member) present in person or by proxy shall form a quorum for the transaction of business at any general meeting held during such time.

~~3024~~.2 If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

~~3125~~. Chairman to Preside at General Meetings

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the chairman or the president of the Company, if there be one, shall act as chairman of the meeting at all general meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

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~~26~~. Voting on Resolutions

~~3226~~.1 Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

~~3226~~.2 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to these Bye-laws, every Member (other than Fixed Premium Members) present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand. Joint Members shall only be entitled to one vote together on a show of hands and the provisions of Bye-law 27.2(b) shall apply.

~~3226~~.3 In the event that a Member participates in a general meeting by telephone, electronic or other communication facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

~~3226~~.4 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

~~3226~~.5 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

~~327~~. Power to Demand a Vote on a Poll

~~327~~.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

- (a) the chairman of such meeting; or
- (b) at least five Members (excluding Fixed Premium Members) present in person or represented by proxy; or
- (c) any Member or Members (excluding Fixed Premium Members) present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting.

~~327~~.2 Where a poll is demanded, ~~every person any Member or Members (excluding Fixed Premium Members) present in person or represented by proxy at such meeting shall have one vote for every entry (whether a Reinsured Entry or otherwise) of a Ship for Primary Insurance in respect of which NEMIA provides reinsurance to North~~; PROVIDED THAT no Member shall on a poll be entitled to more than 30 votes and in the case of Joint Members-:

(a) Joint Members shall only be entitled to one vote together on a poll for every Reinsured Entry; and

(b) the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other jointJoint Members, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the Joint Membership.

All the votes cast- shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

~~327~~.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such

time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

~~33~~27.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman of the meeting shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose and the result of the poll shall be declared by the chairman of the meeting.

~~34.~~ **Class Meetings**

~~The Directors may at any time call a separate meeting of the Members of any Class. A separate meeting of the Members of a Class shall also be convened on the requisition in writing of not less than ten Members of such Class and all the provisions of the Companies Acts shall *mutatis mutandis* apply to any such requisition as if such requisition were in respect of a Special General Meeting of the Association. To every such separate meeting all of the provisions of these Bye-Laws relating to general meetings of the Association or to the proceedings thereat shall *mutatis mutandis* apply, except that not more than fourteen days' notice of any such meeting shall be required, and so that if at any adjourned special meeting a quorum is not present those Members of the Class who are present in person or by proxy shall be a quorum.~~

~~35~~27.5 For the avoidance of doubt, a Fixed Premium Member shall be entitled to receive notice of, attend and speak at any general meeting of the Company but shall not, in their capacity as such, have any right to vote at any general meeting of the Company or on any resolution of the Company.

28. Instrument of Proxy

~~35~~28.1 An instrument appointing a proxy shall be in writing in substantially the following form or such other form as the chairman of the meeting shall accept:

The North of England Mutual Insurance Association (Bermuda) Limited

Proxy

The North of England Mutual Insurance Association (Bermuda) Limited (the "Company")

I/We, [insert names here], being a Member of the Company, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on [date] and at any adjournment thereof. [Any restrictions on voting to be inserted here.]

Signed this [date]

Member(s)

3528.2 The instrument appointing a proxy must be received by the Company at the ~~registered office~~**Registered Office** or at such other place or in such manner 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 at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.

3528.3 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

3629. Representation of Corporate Member

3629.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

3629.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

3730. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the

meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

3830. Written Resolutions

3830.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting ~~or by resolution of a meeting of any class of the Members~~ may be done without a meeting by written resolution in accordance with this Bye-law.

3830.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

3830.3 A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

3830.4 A resolution in writing may be signed in any number of counterparts.

3830.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

3830.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.

3830.7 This Bye-law shall not apply to:

- (a) resolution passed to remove an Auditor from office before the expiration of his term of office;
or
- (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

3830.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by (or in the case of a Member that is a corporation, on behalf of) the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

3931. Directors Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

~~4032.~~ Election of Directors

~~4032.1~~ The Board shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose.

~~4032.2~~ At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

~~4133.~~ Number of Directors

The Board shall consist of not less than four ~~(4)~~ nor more than ~~sixty (60)~~ ten Directors or such number in excess thereof as the Members may determine.

~~4234.~~ Term of Office of Directors

~~4234.1~~ Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

~~4234.2~~ ~~NEMIA~~ The Company, at each ~~Annual General Meeting~~ annual general meeting shall fill the Board by electing a person thereto, and in default, each of the retiring Directors shall, if offering himself for re-election, ~~by~~ be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

PROVIDED THAT no person other than a Director shall, unless recommended by the Directors be eligible for election of the office of Director at any general meeting unless not less than three nor more than twenty one ~~day~~ days before the date appointed for the meeting there shall have been deposited at the Registered Office notice in writing, signed by a Member duly qualified to attend and vote at the meeting for which such notice has been given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

~~43.—— Alternate Directors~~

~~43.1—— At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.~~

~~43.2—— Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary.~~

~~43.3 — Any person elected or appointed pursuant to this Bye-law shall have all the rights and powers of the Director or Directors for whom such person is elected or appointed in the alternative, provided that such person shall not be counted more than once in determining whether or not a quorum is present.~~

~~43.4 — An Alternate Director shall be entitled to receive notice of all Board meetings and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.~~

~~43.5 — An Alternate Director's office shall terminate—~~

~~(a) — in the case of an alternate elected by the Members:~~

~~(i) — on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Director for whom he was elected to act, would result in the termination of that Director; or~~

~~(ii) — if the Director for whom he was elected in the alternative ceases for any reason to be a Director, provided that the alternate removed in these circumstances may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy; and~~

~~(b) — in the case of an alternate appointed by a Director:~~

~~(i) — on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's directorship; or~~

~~(ii) — when the Alternate Director's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate; or~~

~~(iii) — if the Alternate Director's appointor ceases for any reason to be a Director.~~

4435. Removal of Directors

4435.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than ~~14~~fourteen days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

4435.2 If a Director is removed from the Board under this Bye-law the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

4536. Vacancy in the Office of Director

4536.1 The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
- (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (c) is or becomes of unsound mind or dies; or
- (d) resigns his office by notice to the Company.

4536.2 The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director ~~and to appoint an Alternate Director to any Director so appointed.~~

4637. Remuneration of Directors

The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them (or in the case of a ~~director~~ Director that is a corporation, by its representative or representatives) in attending and returning from the Board meetings, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

4738. Defect in Appointment

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

4839. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

4940. Powers of the Board of Directors

4940.1 In addition to the powers pertaining to the operation of Segregated Accounts, the Board may:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company; and

- (j) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

5041. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the ~~registered office~~Registered Office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

5142. Appointment of Officers

The Board may appoint such Officers (who may or may not be Directors) as the Board may determine for such terms as the Board deems fit.

5243. Appointment of Secretary

The Secretary shall be appointed by the Board from time to time for such term as the Board deems fit.

5344. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

5445. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

5546. Conflicts of Interest

5546.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company on such terms, including with respect to remuneration, as may be agreed between the parties. Nothing herein contained shall authorise a Director or a Director's firm, partner or company to act as Auditor to the Company.

5546.2 A Director who is directly or indirectly interested in a contract or proposed contract with the Company (an "Interested Director") shall declare the nature of such interest as required by the Act.

5546.3 An Interested Director shall:

- (a) not vote in respect of such contract or proposed contract and if he does, his vote shall not be counted;
- (b) nor shall he be counted in the quorum for the meeting at which the contract or proposed contract is to be voted on,

PROVIDED however that neither of these prohibitions shall apply to:

- (i) any arrangement for giving any Director any security or indemnity in respect of any money lent by him to or obligations undertaken by him for the benefit of NEMIAthe Company;
- (ii) any arrangement for the giving by NEMIAthe Company of any security to a third party in respect of a debt or obligation of the Association for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
- (iii) any contract or arrangement with any other company in which he is interested only as a holder of shares or other securities.

EXCEPT that the above prohibitions may at any time be suspended or relaxed to any extent, either generally or in respect of any particular contract, arrangement or transaction, by NEMIAthe Company in general meeting.

5647. Indemnification and Exculpation of Directors and Officers

5647.1 The Directors, ~~Resident Representative~~, Secretary and other Officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an “indemnified party”), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.

5647.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

5647.3 The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty in relation to the Company is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

5748. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a Board meeting shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

5849. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

5950. Electronic Participation in Meetings

Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

~~60. Representation of Corporate Director~~

~~60.1 — A Director which is a corporation may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Director, and that Director shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.~~

~~60.2 — Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at Board meetings on behalf of a corporation which is a Director.~~

6151. Quorum at Board Meetings

The quorum necessary for the transaction of business at a Board meeting shall be four ~~(4)~~ Directors.

6252. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at Board meetings, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

6353. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the chairman or the president of the Company, if there be one, shall act as chairman of the meeting at all Board meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by the Directors present at the meeting.

6454. Written Resolutions

A resolution signed by (or in the case of a Director that is a corporation, on behalf of) all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a Board meeting duly called and constituted, such resolution to be effective on the date on which the resolution is signed by (or in the case of a Director that is a corporation, on behalf of) the last Director. ~~For the purposes of this Bye-law only, "the Directors" shall not include an Alternate Director.~~

6555. Validity of Prior Acts of the Board

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

6656. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each Board meeting and of any committee appointed by the Board; and

- (c) of all resolutions and proceedings of general meetings of the Members, Board meetings, meetings of managers and meetings of committees appointed by the Board.

6757. Place Where Corporate Records Kept

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the ~~registered office~~ Registered Office of the Company.

6858. Form and Use of Seal

6858.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

6858.2 A seal may, but need not, be affixed to any deed, instrument or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

6858.3 A ~~Resident Representative~~ resident representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

6959. Records of Account

6959.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

6959.2 Such records of account shall be kept at the ~~registered office~~ Registered Office of the Company or, subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

6959.3 Such records of account shall be retained for a minimum period of five years from the date on which they are prepared.

7060. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 20th February in each year.

AUDITS

~~71~~61. Annual Audit

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

~~72~~62. Appointment of Auditor

~~72.1~~ Subject to the Act, the Members shall appoint an auditor to the Company to hold office for such term as the Members deem fit or until a successor is appointed.

~~72.2~~ ~~The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.~~

~~73~~63. Remuneration of Auditor

~~73~~63.1 The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting or in such manner as the Members may determine.

~~73~~63.2 The remuneration of an Auditor appointed by the Board to fill a casual vacancy in accordance with these Bye-laws shall be fixed by the Board.

~~74~~64. Duties of Auditor

~~74~~64.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

~~74~~64.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

~~75~~65. Access to Records

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers for any information in their possession relating to the books or affairs of the Company.

~~76~~66. Financial Statements and the Auditor's Report

~~76~~66.1 Subject to the following ~~bye~~Bye-law, the financial statements and/or the auditor's report as required by the Act shall:

- (a) be laid before the Members at the annual general meeting; or

- (b) be received, accepted, adopted, approved or otherwise acknowledged by the Members by written resolution passed in accordance with these Bye-laws; or
- (c) in circumstances where the Company has elected to dispense with the holding of an annual general meeting, be made available to the Members in accordance with the Act in such manner as the Board shall determine.

7666.2 If all Members and Directors shall agree, either in writing or at a meeting, that in respect of a particular interval no financial statements and/or auditor's report thereon need be made available to the Members, and/or that no auditor shall be appointed then there shall be no obligation on the Company to do so.

~~7767~~. Vacancy in the Office of Auditor

The Board may fill any casual vacancy in the office of the auditor.

VOLUNTARY WINDING-UP AND DISSOLUTION

~~7868~~. Winding-Up

The Company shall be wound up in accordance with the Act and the Company shall distribute its surplus only in accordance with the Company's memorandum of association.

CHANGES TO CONSTITUTION

~~7969~~. Changes to Bye-laws

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Act and until the same has been approved by a resolution of the Board and by a resolution of the Members.

~~8070~~. Changes to the Memorandum of Association

No alteration or amendment to the Memorandum of Association may be made save in accordance with the Act and until same has been approved by a resolution of the Board and by a resolution of the Members.

~~8171~~. Discontinuance

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

SCHEDULE

FORM "A"

Membership Application Form

The North of England Mutual Insurance Association (Bermuda) Limited
(the "Company")

I/We of,

hereby apply to become a Member of the Company and on being entered into the Register of Members agree to be bound by the terms of the Memorandum of Association and the Bye-laws of the Company.

Dated: _____

Applicant

In the presence of:

Witness

Witness