G

COMPANIES FORM No. 123

Notice of increase in nominal capital

123

CHWP000

Please do not write in this margin

Pursuant to section 123 of the Companies Act 1985

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies
(Address overleaf)

For official use

Company number 04004496

Name of company

* insert full name of company

* ARC RISK MANAGEMENT LIMITED

gives notice in accordance with section 123 of the above Act that by resolution of the company dated 8th DECEMBER 2003 the nominal capital of the company has been increased by £ 850,000 beyond the registered capital of £ 10,000.

† the copy must be printed or in some other form approved by the registrar

A copy of the resolution authorising the increase is attached. †

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new shares have been or are to be issued are as follows :

(A) The 5 per cent convertible redeemable cumulative preference shares (hereinafter referred to as "the preference shares") shall confer the right to a fixed cumulative preferential dividend at the rate of 5 per cent per annum on the amounts for the time being paid thereon. The said dividend shall rank for payment of a dividend on any other shares of the company and shall be payable (if and so far as, in the opinion of the directors, the profits of the company justify such payment) annually within three months after the accounting reference date of the company in respect of the accounting reference period ending on that date.

(B) The preference shares shall on a winding up or other repayment of capital entitle the holders to

Please tick here if continued overleaf ☑

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

Signed Ellen Phelps Designation ‡ SECRETARY Date 18th December '03

Presentor's name address and reference (if any) :

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General Section | Post room

A87 COMPANIES HOUSE 0320 22/12/03

have the assets of the company available for distribution among the members applied, in priority to any other class of shares, in paying them pari passu:

(i) the capital paid on such shares;
(ii) a sum equal to any arrears or deficiency of the fixed cumulative dividend on such shares (whether earned or declared or not) calculated down to the date of repayment of capital.

(C) The preference shares shall not confer the right to any further or other participation in the profits or assets of the company.

(D) The preference shares shall not entitle the holders to receive notice of or attend or vote at any general meeting unless either;

(i) at the date of the notice convening the meeting the dividend on the preference shares is more than six months in arrears in which case they shall be entitled to receive notice of and to attend and vote at all general meetings held before the payment of such arrears; or

(ii) the business of the meeting includes the consideration of a resolution for:

(i) winding up the company or reducing its share capital; or
(ii) the sale of the undertaking of the company; or
(iii) altering the objects of the company; or
(iv) varying or abrogating any of the special rights or privileges attached to the preference shares;

in which case they shall be entitled to vote on any such resolution, but on no other resolution proposed at the meeting.

E (i) The company may subject to the provisions of the Companies Act 1985, at any time redeem the whole or any part of the preference shares upon giving to the shareholders whose shares are to be redeemed not less that three months' notice in writing expiring at any time between 1st October 2004 and 30th September 2009. The company shall not be entitled to redeem any preference share unless it is a fully paid share.

E (ii) In the case of a partial redemption the preference shares to be redeemed shall be selected by drawings to be made at such place and in such manner as the directors in the absolute discretion shall determine.

E (iii) the company shall redeem the whole of the preference shares then outstanding on 1st October 2009, or as soon thereafter as the company shall be able to comply with the statutory provisions for the time being affecting such redemption. Not less that three months' previous notice in writing shall be given to the holders of such shares specifying the date upon with the same will be redeemed.

E (iv) Any notice of redemption shall specify the particular shares to be redeemed, the date fixed for redemption and the place at which the certificates for such shares are to be presented for redemption. At the time and place so fixed, each holder thereof shall be bound to surrender to be redeemed. Upon such surrender the company shall pay to him the amount due upon redemption. If any certificate so surrendered to the company shall include any preference shares not then to be redeemed, a fresh certificate for those shares shall be issued without charge.

E (v) There shall be paid on each preference share redeemed:

(i) the amount paid up thereon; and
(ii) a sum equal to any arrears or deficiency of the fixed cumulative dividend on such shares (whether earned or declared or not) calculated down to the date of repayment of capital.

E (vi) As from the date fixed for redemption of any preference shares dividends shall cease to accrue on the shares except on any such share in respect of which, upon due presentation of the certificate relating hereto, payment of the money due at such redemption shall be refused.

F (i) The holder for the time being of the preference shares may apply at any time after 1st October 2006, for the preference shares to be converted in whole or in part to ordinary shares of the company in the ratio of 2 preference shares to be converted to 1 ordinary share of £1 each provided that the holder has not received a notice of redemption under (E) (ii) as above.

Notes

The address for companies registered in England and Wales or Wales is :-

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

or, for companies registered in Scotland :-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB