



6. Existing provisions, if any, dealing with the preemptive right of shareholders pursuant to § 7-1.1-24 of the General Laws, 1956, as amended:

N/A

7. Existing provisions, if any, for the regulation of the internal affairs of the corporation are:

See Section 2 attached

7. The restated articles of incorporation correctly set forth without change the corresponding provisions of the articles of incorporation, as heretofore amended, and supersede the original articles of incorporation and all amendments thereto.

8. As required by Section 7-1.1-59 of the General Laws, the corporation has paid all fees and franchise taxes.

9. Date when restated articles of incorporation are to become 30 January 2003  
(not prior to, nor more than 30 days after, the filing of restated articles)

Date: 3 January 2003

Affiliated FM Insurance Company  
Print Corporate Name

By [Signature]  
 President or  Vice President (Print both)

By [Signature]  
 Secretary or  Assistant Secretary (Print one)

STATE OF Rhode Island  
COUNTY OF Providence

In Providence, RI, on this 3rd day of January, 2003, personally appeared before me Mr. [Signature] & Mr. [Signature], who, being by me first duly sworn, depose that John [Signature] & John [Signature] are the Vice President & Assistant Sec. of the corporation and that they signed the foregoing documents as such officer of the corporation, and that the statements herein contained are true.

[Signature]  
Notary Public  
My Commission Expires [Date]

**CHARTER  
OF THE  
AFFILIATED FM INSURANCE COMPANY**

as amended and restated

**FILED**

**FEB 05 2013**

By QFA

The act entitled "An Act to incorporate Affiliated FM Insurance Company," passed at the January Session 1949, as hereinafter amended from time to time; are further amended and restated as follows:

**SECTION 1.** Hovey T. Freeman, Marshall B. Dalton, Frederick T. Moses, Edward A. Barrier, Charles E. Rigby, Ernest Kerr, Edward H. Williams, Harold G. Griffin, John L. Wilda, and their associates, successors and assigns, are hereby made a corporation by the name of Affiliated FM Insurance Company, for the purpose of insuring any and all risks

- (1) of loss or damage to property of any kind, real or personal, from any cause whatsoever,
- (2) of loss or damage arising from prevention or suspension of the use and occupancy of property of any kind, real or personal, from any cause whatsoever,
- (3) of liability for any such loss or damage,
- (4) of marine character of every kind and description,
- (5) of injury, disablement or death resulting from travelling or general accident, and against disablement resulting from sickness and every insurance appertaining thereto,
- (6) of loss or damage resulting from accident to or injury or death suffered by an employee or other person and for which the person insured is liable, including the liability of an employer to pay compensation to his or her employees and the compensation of employees under any workmen's compensation law,
- (7) of loss or damage to the person or property of another, including the loss of use of such property, caused by tractors, wagons, airplanes, seaplanes, automobiles, motor or other vehicles whether stationary or in motion, and propelled by steam, gas, gasoline, electric, mechanical or other power or drawn by horses or mules, used in trade or manufacture or otherwise, and for which the insured is liable,
- (8) of loss or damage resulting from negligence in rendering professional and expert services and for which the insured is liable,
- (9) of any other loss or damage to property or interests therein and for which the insured is liable,
- (10) of automobiles and other property against all or any of the hazards of fire, explosion, wind, hail, lightning, theft, collision, and loss by burglary or theft or both, including all or any of the risks of loss, theft, collision, and loss by navigation and transportation,
- (11) of loss or damage to automobiles and airplanes, seaplanes, dirigibles or other aircraft and other property, including loss or damage to property caused thereby, including loss by legal liability for damage to property of others from the maintenance and use of automobiles and airplanes, seaplanes, dirigibles or other aircraft, and other property,
- (12) of guaranteeing and indemnifying merchants, traders, and those engaged in business and other persons, and their damage by reason of giving and extending credit to their customers and other parties, with such, and to pay, own and take an assignment of any and all claims, accounts and demands of merchants, and to collect the same, and to enforce the collection thereof by action at law or in equity, and to do all other things which they could do; also to insure the payment of money for personal services under contract of hire,
- (13) of loss by burglary, theft, larceny, forgery, vandalism or malicious mischief, the payment of money for the concealment of automobiles and other property held under conditional sale contracts or similar contracts, and for other risks, or any one or more of such hazards; also, the business of manufacturing, buying, selling or dealing in, leasing or renting of property, and

jewelry, gold, silver and other precious metals, whether as principals, agents, brokers, factors or otherwise, against any and all risks of loss, damage, injury, deterioration, loss of use or liability arising from or in connection with such business or trade.

- (14) of guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts under this insurance policy; guaranteeing the performance of insurance contracts when a surety bond has been issued by this or another company; executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed; and indemnifying banks, banks, brokers, financial or mercantile institutions, or financial or mercantile corporations, against the loss of any bills of exchange, notes, drafts, and proceeds of drafts, bonds, securities, evidences of debt, drafts, mortgages, documents, currency and money.
- (15) of any and all other risks which any insurance company incorporated under the laws of this state is now or hereafter may be authorized to insure, except life or endowment insurance, and to engage in such other kind or kinds of business to the extent necessary or properly incidental to the kind or kinds of insurance which it may at any time be authorized to transact.
- (16) of reinsurance of the whole or any part of the risks of any other insurance company and effect reinsurances of the whole or any part of the risks assumed by this company, provided that in ceding reinsurance to a foreign company, this company shall not, unless the contract of reinsurance so provides, become thereby a member of the company accepting such reinsurance or be entitled to any dividend or expiration return of premium or be a subject in liability to assessment.
- (17) have all the powers and privileges and be subject to all the duties and liabilities set forth in the general laws, and all acts in amendment thereof or in addition thereto, so far as the same may be applicable to this company.

**SECTION 2.** The management of the business and affairs of the company shall be vested in a board of directors, the number of which shall be fixed from time to time by the by-laws but shall be not less than three.

**SECTION 3.** The board of directors may elect such officers as are provided for by the by-laws of the company and may also elect committees or sub-committees and such other committees as they may see fit from their own number, and may delegate to such committees such powers of the board of directors and such other powers as they may deem expedient.

**SECTION 4.** At each meeting of the stockholders, every stockholder shall be entitled to vote in person or by proxy, appointed by him in writing, subscribed by such stockholder or by his duly authorized attorney, and delivered to the secretary of the company at the meeting; and he shall have one vote for each share of stock standing registered in his name at the time of such meeting.

Such shares shall be transferred in such manner as shall be prescribed by the by-laws or by the board of directors of the company, and no share or shares shall be sold or transferred by any stockholder, his executor, administrator or assignee, unless the same shall be first offered in writing to the company for transfer, reissue or redemption, the price therefore to be determined on the basis of the net value of such shares of issued stock as computed from the most recent annual sworn financial statement of the company filed in the office of the insurance commissioner, with adjustments to the date on which the offer to sell is made, based upon any change in the amount of the company or in their market value, and thirty (30) days shall be allowed to this company to accept or to decline such offer.

**SECTION 5.** Said company may ordain and pass such rules, regulations and by-laws for the government of its affairs and the conduct of its business as may be judged expedient and not repugnant to law.

**SECTION 6.** Unless otherwise ordered by vote of three-fourths of all the members of the board of directors, all policies of insurance which the company may issue may provide that the holders of such policies shall participate in the profits of the operation of the company through the payment of dividends, or bonuses, or the return of any part of the premium paid for insurance, or otherwise, as the board of directors may determine. For the purpose of carrying into effect the provisions hereof, the board of directors may, from time to time, in their discretion make such classifications of policies and of the risks insured thereby and the dividends to be paid thereon as in their judgment may be just and reasonable.

**SECTION 7.** The aggregate number of shares which the corporation shall have authority to issue shall be 300,000 which shall be divided into two classes consisting of

- a) 100,000 shares of common stock with a par value of \$50.00 per share, which shall be designated "common stock" and
- b) 200,000 shares of preferred stock with a par value of \$100.00 per share, which shall be designated "preferred stock".

Except as otherwise required by law all voting power shall be vested in the holders of the common stock and all references to voting shares, stockholders, shares of stock and words of like import in other sections of the Act or any amendment thereof which contain similar language shall be deemed to mean and refer only to common stock and the holders of such common stock.

The holders of the preferred stock shall be entitled to receive dividends thereon at the rate of 7% per annum and no more, payable out of assets or net profits of the corporation, semi-annually on the first business day of October and April, but only as and when declared by the board of directors, before any dividend shall be declared, set apart for, or paid upon the common stock of the corporation. The dividends on the preferred stock shall be cumulative, so that if the corporation fails in any fiscal year to pay such dividends on all of the issued and outstanding preferred stock, such deficiency in the dividends shall be fully paid, but without interest, before any dividends shall be paid on or set apart for the common stock. Subject to the foregoing provisions, the preferred stock shall not be entitled to participate in any other or additional surplus or net profits of the corporation.

In the event of the dissolution or liquidation of the corporation, or a sale of all its assets, whether voluntary or involuntary, or in event of its insolvency or upon any distribution of its assets, there shall be paid to the holders of the preferred stock its par value of \$100 per share plus the amount of all unpaid accrued dividends thereon, without interest, before any sum shall be paid to or any assets distributed among the holders of the common stock. After such payment to the holders of the preferred stock, the remaining assets and funds of the corporation shall be divided among and paid to the holders of the common stock in proportion to their respective holdings of such shares.

The board of directors, in its discretion, may declare and pay dividends on the common stock at any time for any period, provided that all accumulated dividends on the preferred stock for all previous fiscal years and all dividends on the preferred stock for the previous dividend periods for the current fiscal year have been paid in full.

The corporation shall have the right to redeem the preferred stock or any number of shares thereof issued and outstanding at any time by paying to the holders thereof the sum of \$100 per share plus the amount of accrued dividends, if any, which may have accumulated thereon at the date of redemption. The board of directors shall have the full power and discretion to select from the outstanding preferred stock the particular shares to be redeemed.

No holder of any preferred stock shall by reason thereof have any preemptive or preferential right to subscribe to any shares of such preferred stock or any other class of stock of the corporation whether now or hereafter authorized or issued.

The board of directors shall have power to issue shares of common stock from time to time for such consideration, not less than the par value thereof, as the directors shall in their discretion deem advisable. The board of directors shall have power to issue shares of preferred stock from time to time but only for consideration equal to the par value thereof.

**SECTION 8.** The stockholders of said company shall not be liable to any responsibility further than the amount of their respective shares of stock and their interest therein, for or on account of any damage or loss sustained by said company, or for or on account of any debts or other liabilities thereof.

**SECTION 9.** Said company shall have its principal place of business in the state of Rhode Island.

**SECTION 10.** This corporation shall have all the powers, benefits and privileges and be subject to all the duties and liabilities set forth in the general laws, and in all acts in amendment thereof or in addition thereto, so far as the same may be applicable to this corporation, including, without limiting the generality of the foregoing, the powers set forth in subparagraphs (a) to (k), inclusive of sections 7-2-10, sections 7-2-18 to 7-2-20, inclusive, and sections 7-3-21 to 7-3-27, inclusive.

**SECTION 11.** A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of director's duty as a director, except for (i) liability for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) liability for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) liability imposed pursuant to the provisions of Section 7-1-143 of the Rhode Island Business Corporation Act, or (iv) liability for any transaction (other than transactions approved in accordance with Section 7-1-157.1 of the Act) from which the director derived an improper personal benefit. If the Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the extent so permitted. Any repeal or modification of this provision by the corporation shall not adversely affect any right or protection of a director of the corporation existing prior to such repeal or modification.

The board of directors of the corporation may include provisions in the corporation's by-laws for the purpose of indemnifying a director, officer, employee or other agent of the corporation (an "Indemnified Person") in the manner and to the extent permitted by Section 7-1-14.1 of the Act.

In addition to the authority conferred upon the board of directors of the corporation by the foregoing paragraph, the board of directors of the corporation may include provisions in its by-laws for the purpose of indemnifying such Indemnified Person in the manner and to the extent provided herein:

- (i) The by-law provisions authorized hereby may provide that the corporation shall, subject to the provisions of this Article, pay, on behalf of an Indemnified Person any Loss or Expenses arising from any claim or claims which are made against the Indemnified Person (whether individually or jointly with other Indemnified Persons) by reason of any Covered Act of the Indemnified Person.
- (ii) For the purposes of this Article, when used herein:
  - (1) "Loss" means any amount which an Indemnified Person is legally obligated to pay for any claim for Covered Act and shall include, without being limited to, damages, settlements, fines, penalties or, with respect to employee benefit plans, excise taxes;
  - (2) "Expenses" means any expenses incurred in connection with the defense against any claim for Covered Act, including, without being limited to, legal, accounting or investigative fees and expenses, including the expense of bonds necessary to pursue an appeal of an adverse judgment; and
  - (3) "Covered Act" means any act or omission of an Indemnified Person in the Indemnified Person's official capacity with the corporation.
- (iii) The by-law provisions authorized hereby may cover Loss or Expenses arising from any claims made against an Indemnified Person no longer serving in an official capacity, the estate, heirs or legal representative of a deceased Indemnified Person or the legal representative of an incompetent, insolvent or bankrupt Indemnified Person, if such Indemnified Person was an Indemnified Person at the time the Covered Act upon which such claims are based occurred.
- (iv) The by-law provisions authorized hereby may provide for the advancement of Expenses to an Indemnified Person prior to the final disposition of any action, suit or proceeding, or any appeal therefrom, involving such Indemnified Person based on the alleged commission by such Indemnified Person of a Covered Act, subject to an undertaking by or on behalf of such Indemnified Person to repay the same to the corporation if indemnification is not permitted under clauses (v) and (vi) below.
- (v) The by-law provisions authorized hereby may not indemnify an Indemnified Person from and against any claim or claims against the corporation shall not reimburse for any Expenses, in connection with any claim or claims made against the Indemnified Person for: (1) any breach of the Indemnified Person's duty of loyalty to the corporation or its shareholders; (2) any omissions not in good faith or which involve intentional misconduct or knowing violation of any provision of the Act; (3) Section 7-1.1-43 of the Act; or (4) a transaction (other than a transaction approved in accordance with Section 7-1.1-43 of the Act) from which the person seeking indemnification derived an improper personal benefit.
- (vi) The by-law provisions authorized hereby may contain such other terms and conditions as the board of directors, in its sole discretion, determines to be consistent with the provisions of this Article.