

**PCA and PIPE
Conversion to Stock Form**

**Annex VII
To
Conversion Application Filed with the
Pennsylvania Insurance Department:**

***Articles and Bylaws of Professional Casualty
Holdings, Inc.***

See Attached

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
PROFESSIONAL CASUALTY HOLDINGS, INC.**

FIRST. The name of the Corporation is Professional Casualty Holdings, Inc. (the “Corporation”)

SECOND. The location and post office address of the Corporation’s registered office in this Commonwealth is 1012 West Ninth Avenue, 2nd Floor, King of Prussia, PA 19406.

THIRD. The Corporation is incorporated under the Business Corporation Law of 1988, as amended (the “Pennsylvania Business Corporation Law”). The purpose of the Corporation is, and it shall have unlimited power to engage in and to do, any lawful act concerning any or all lawful business for which corporations may be incorporated under provisions of the Pennsylvania Business Corporation Law.

FOURTH. The term of the Corporation’s existence is perpetual.

FIFTH. The aggregate number of shares of capital stock that the Corporation shall have authority to issue is twenty-five million (25,000,000) shares, divided into two classes consisting of twenty million (20,000,000) shares of common stock without par value (“Common Stock”) and five million (5,000,000) shares of preferred stock without par value (“Preferred Stock”). Any or all classes of shares of the Corporation, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except that shares represented by a certificate that is issued and outstanding shall be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner of such shares a written notice required by Section 1528(f) of the Pennsylvania Business Corporation Law.

SIXTH. The Preferred Stock may be issued from time to time as a class without series or, if so determined by the board of directors of the Corporation, either in whole or in part, in one or more series. There is hereby expressly granted to and vested in the board of directors of the Corporation authority to fix and determine (except as fixed and determined herein), by resolution, the par value, voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions thereof, if any, including specifically, but not limited to, the dividend rights, conversion rights, redemption rights and liquidation preferences, if any, of any wholly unissued series of Preferred Stock (or the entire class of Preferred Stock if none of such shares have been issued), the number of shares constituting any such series and the terms and conditions of the issue thereof. Prior to the issuance of any shares of Preferred Stock, a statement setting forth a copy of each such resolution or resolutions and the number of shares of Preferred Stock of each such class or series shall be executed and filed in accordance with the Pennsylvania Business Corporation Law. Unless otherwise provided in any such resolution or resolutions, the number of shares of capital stock of any such class or series so set forth in such resolution or resolutions may thereafter be increased or decreased (but not below the number of shares then outstanding), by a statement likewise executed and filed setting forth a statement that a specified increase or decrease therein had been authorized and directed by a resolution or resolutions likewise adopted by the board of directors of the Corporation. In case the number of such shares shall be decreased, the number of shares so specified in the statement shall resume the status they had prior to the adoption of the first resolution or resolutions.

SEVENTH. Each holder of record of Common Stock shall have the right to one vote for each share of Common Stock standing in such holder's name on the books of the Corporation. No shareholder shall be entitled to cumulate any votes for the election of directors.

EIGHTH. The management, control and government of the Corporation shall be vested in a board of directors consisting of not less than three (3) nor more than fifteen (15) members in number, as fixed by the board of directors of the Corporation from time to time. The directors of the Corporation shall be divided into three classes: Class I, Class II and Class III. Each Class shall be as nearly equal in number as possible. If the number of Class I, Class II or Class III directors is fixed for any term of office, it shall not be increased during that term, except by a majority vote of the board of directors. The term of office of the initial Class I directors shall expire at the annual election of directors by the shareholders of the Corporation in 2016; the term of office of the initial Class II directors shall expire at the annual election of directors by the shareholders of the Corporation in 2017; and the term of office of the initial Class III directors shall expire at the annual election of directors by the shareholders of the Corporation in 2018. After the initial term of each Class, the term of office of each Class shall be three (3) years, so that the term of office of one class of directors shall expire each year when their respective successors have been duly elected by the shareholders and qualified. At each annual election by the shareholders of the Corporation, the directors chosen to succeed those whose terms then expire shall be identified as being of the same class as the directors they succeed. If, for any reason, a vacancy occurs on the board of directors of the Corporation, a majority of the remaining directors shall have the exclusive power to fill the vacancy by electing a director to hold office for the unexpired term in respect of which the vacancy occurred. No director of the Corporation shall be removed from office, as a director, by the vote of shareholders, unless the votes of shareholders cast in favor of the resolution for the removal of such director constitute at least a majority of the votes which all shareholders would be entitled to cast at an annual election of directors.

NINTH. No holder of any class of capital stock of the Corporation shall have preemptive rights, and the Corporation shall have the right to issue and to sell to any person or persons any shares of its capital stock or any option, warrant or right to acquire capital stock, or any securities having conversion or option rights, without first offering such shares, rights or securities to any holder of any class of capital stock of the Corporation.

TENTH. Except as set forth below, the affirmative vote of shareholders entitled to cast at least eighty percent (80%) of the votes which all shareholders of the Corporation are entitled to cast, and if any class of shares is entitled to vote as a separate class, the affirmative vote of shareholders entitled to cast at least a majority of the votes entitled to be cast by the outstanding shares of such class (or such greater amount as required by the provisions of these Articles of Incorporation establishing such class) shall be required to approve any of the following:

- (a) any merger or consolidation of the Corporation with or into any other corporation;
- (b) any share exchange in which a corporation, person or entity acquires the issued or outstanding shares of capital stock of the Corporation pursuant to a vote of shareholders;
- (c) any sale, lease, exchange or other transfer of all, or substantially all, of the assets of the Corporation to any other corporation, person or entity; or
- (d) any transaction similar to, or having similar effect as, any of the foregoing transactions.

An affirmative vote as provided in the foregoing provisions shall be, to the extent permitted by law, in lieu of the vote of the shareholders otherwise required by law.

The board of directors of the Corporation shall have the power and duty to determine, for purposes of this Article TENTH, on the basis of information known to the board, if any transaction is similar to, or has an effect similar to, any of the transactions identified above in this Article TENTH. Any such determination shall be conclusive and binding for all purposes of this Article TENTH.

The Corporation may voluntarily completely liquidate and/or dissolve only in accordance with all applicable laws and only if the proposed liquidation and/or dissolution is approved by the affirmative vote of shareholders entitled to cast at least eighty percent (80%) of the votes which all shareholders are entitled to cast.

The provisions of this Article TENTH shall not apply to any transaction which is approved in advance by two-thirds of the members of the board of directors of the Corporation, at a meeting duly called and held.

ELEVENTH.

Subsection 1. No Person or Group Acting in Concert shall Acquire Voting Control of the Corporation, at any time, except in accordance with the provisions of this Article ELEVENTH. The terms “Acquire,” “Voting Control,” “Group Acting in Concert,” and “Person” as used in this Article ELEVENTH are defined in Subsection 4 hereof.

Subsection 2. If Voting Control of the Corporation is acquired in violation of this Article ELEVENTH, all shares with respect to which any Person or Group Acting in Concert has acquired Voting Control in excess of the number of shares the beneficial ownership of which is deemed under Subsection 4 hereof to confer Voting Control of the Corporation (as determined without regard to this Subsection 2) shall be considered from and after the date of acquisition by such Person or Group Acting in Concert to be “excess shares” for purposes of this Article ELEVENTH. All shares deemed to be excess shares shall thereafter no longer be entitled to vote on any matter or to take other shareholder action. If, after giving effect to the first two sentences of this Subsection 2, any Person or Group Acting in Concert still shall be deemed to be in Voting Control of the Corporation based on the number of votes then entitled to be cast (rather than the number of issued and outstanding shares of common stock of the Corporation), then shares held in excess of the number of shares deemed to confer Voting Control upon such Person or Group Acting in Concert also shall not be entitled to vote on any matter or take any other shareholder action, but this subsequent reduction in voting rights shall be effected only once. The provisions of this Subsection 2 deeming shares to be excess shares shall only apply for so long as such shares shall be beneficially owned by such Person or Group Acting in Concert who has acquired Voting Control. Notwithstanding the foregoing, shares held in excess of the number of shares the beneficial ownership of which would otherwise be deemed under Subsection 4 to confer Voting Control of the Corporation shall not be deemed to be excess shares if such shares are held by a Qualified Stock Plan.

Subsection 3. The provisions of this Article ELEVENTH shall be of no further force and effect after the consummation of a transaction in which another Person Acquires shares of capital stock of the Corporation entitled to cast eighty percent (80%) or more of the votes which all shareholders are entitled to cast (as determined without regard to the application of this Article ELEVENTH) and such transaction was approved in advance by two-thirds of the members of the board of directors of the Corporation.

Subsection 4. For purposes of this Article ELEVENTH:

(a) The term “Acquire” includes every type of acquisition, whether effected by purchase, exchange, operation of law or otherwise.

(b) “Voting Control” means the sole or shared power to vote or to direct the voting of, or to dispose or to direct the disposition of, more than ten percent (10%) of the issued and outstanding shares of common stock of the Corporation; provided that (i) the solicitation, holding and voting of proxies obtained by the board of directors of the Corporation pursuant to a solicitation under Regulation 14A of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) shall not constitute Voting Control, (ii) a Qualified Stock Plan that holds more than ten percent (10%) of the voting shares of the Corporation shall not be deemed to have Voting Control of the Corporation, and (iii) any trustee, member of any administrative committee or employee beneficiary of a Qualified Stock Plan shall not be deemed to have Voting Control of the Corporation either (A) as a result of their control of a Qualified Stock Plan, and/or their beneficial interest in voting shares held by a Qualified Stock Plan, or (B) as a result of the aggregation of both their beneficial interest in voting shares held by a Qualified Stock Plan and voting shares held by such trustee, administrative committee member or employee beneficiary independent of a Qualified Stock Plan.

(c) “Group Acting in Concert” includes Persons (i) knowingly participating in a joint activity or interdependent conscious parallel action toward a common goal whether or not pursuant to an express agreement; or (ii) seeking to combine or pool their voting or other interests in the voting shares for a common purpose, pursuant to any contract, understanding, relationship, agreement or other arrangement, whether written or otherwise, provided, that a “Group Acting in Concert” shall not include (i) the members of the board of directors of the Corporation solely as a result of their board membership, (ii) the members of the board of directors of the Corporation as a result of their solicitation, holding and voting of proxies obtained by them pursuant to a solicitation subject to rules and regulations promulgated under the Exchange Act or any successor statute or (iii) any member or all the members of the board of directors of the Corporation, and (iv) any Qualified Stock Plan and the trustees, administrative committee members and employee beneficiaries thereof.

(d) The term “Person” includes an individual, a Group Acting in Concert, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, an unincorporated organization, or any similar entity, syndicate or any other group formed for the purpose of acquiring, holding or disposing of the equity securities of the Corporation.

(e) The term “Qualified Stock Plan” means any defined benefit plan or defined contribution plan of the Corporation, such as an employee stock ownership plan, stock bonus plan, profit sharing plan or other plan that, with its related trust, meets the requirements to be “qualified” under Section 401 of the Internal Revenue Code of 1986, as amended.

Subsection 5. This Article ELEVENTH shall not apply to the purchase of securities of the Corporation by underwriters in connection with a public offering of such securities by the Corporation or by a holder of shares of capital stock of the Corporation with written consent of two-thirds of the members of the board of directors of the Corporation; provided, however, that purchasers of securities of the Corporation from any underwriter shall be subject to the provisions of this Article ELEVENTH.

Subsection 6. The board of directors of the Corporation shall have the power and duty to determine, for purposes of this Article ELEVENTH, on the basis of information known to the

Board, if and when such other Person has acquired Voting Control of the Corporation, and/or if any transaction is similar to, or has a similar effect as, any of the transactions identified in this Article ELEVENTH. Any such determination shall be conclusive and binding for all purposes of this Article ELEVENTH.

TWELFTH. No action required to be taken or which may be taken at any annual or special meeting of shareholders of the Corporation may be taken without a meeting, and the power of the shareholders of the Corporation to consent in writing to action without a meeting is specifically denied. The presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast shall constitute a quorum of shareholders at any annual or special meeting of shareholders of the Corporation.

THIRTEENTH. Except as required by applicable law, the authority to make, amend, alter, change or repeal the Bylaws of the Corporation is hereby expressly and solely granted to and vested in the board of directors of the Corporation, subject always to the power of the shareholders to change such action by the affirmative vote of shareholders of the Corporation entitled to cast at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the votes which all shareholders are entitled to cast, except that provisions of the Bylaws of the Corporation relating to limitations on directors' liabilities and indemnification of directors, officers and others may not be amended to increase the exposure to liability for directors or to decrease the indemnification of directors, officers and others except by the affirmative vote of sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the entire board of directors or by the affirmative vote of shareholders of the Corporation entitled to cast at least eighty percent (80%) of the votes which all shareholders are entitled to cast.

FOURTEENTH. The board of directors of the Corporation, when evaluating any offer of another party to (a) make a tender or exchange offer for any equity security of the Corporation, (b) merge or consolidate the Corporation with another corporation, (c) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation, or (d) engage in any transaction similar to, or having similar effects as, any of the foregoing transactions, may, in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its shareholders, give due consideration to all relevant factors, including without limitation (i) the social and economic effects of the proposed transaction on the policyholders, employees, suppliers and other constituents of the Corporation and its subsidiaries and on the communities in which the Corporation and its subsidiaries operate or are located, (ii) the business reputation of the other party, and (iii) the board of directors' evaluation of the then value of the Corporation in a freely negotiated sale and of the future prospects of the Corporation as an independent entity.

FIFTEENTH. If any corporation, person, entity, or group becomes the beneficial owner, directly or indirectly, of shares of capital stock of the Corporation having the right to cast in the aggregate thirty-five percent (35%) or more of all votes entitled to be cast by all issued and outstanding shares of capital stock of the Corporation entitled to vote, such corporation, person, entity or group shall within thirty (30) days thereafter offer to purchase all shares of capital stock of the Corporation issued, outstanding and entitled to vote. Such offer to purchase shall be at a price per share equal to the highest price paid for shares of the respective class or series of capital stock of the Corporation purchased by such corporation, person, entity or group within the preceding twelve (12) months. If such corporation, person, entity or group did not purchase any shares of a particular class or series of capital stock of the Corporation within the preceding twelve (12) months, such offer to purchase shall be at a price per share equal to the fair market value of such class or series of capital stock on the date on which such corporation, person, entity or group becomes the beneficial owner, directly or indirectly, of shares of capital stock of the Corporation having the right to cast in the aggregate twenty-five percent (25%) or

more of all votes entitled to be cast by all issued and outstanding shares of capital stock of the Corporation. Such offer shall provide that the purchase price for such shares shall be payable in cash.

The provisions of this Article FIFTEENTH shall not apply if two-thirds of the members of the board of directors of the Corporation approve in advance the acquisition of beneficial ownership by such corporation, person, entity or group, of shares of capital stock of the Corporation having the right to cast in the aggregate thirty-five percent (35%) or more of all votes entitled to be cast by all issued and outstanding shares of capital stock of the Corporation.

SIXTEENTH. The Corporation reserves the right to amend, alter, change or repeal any provision contained in its Articles of Incorporation in the manner now or hereafter prescribed by statute and all rights conferred upon shareholders and directors herein are hereby granted subject to this reservation; provided, however, that the provisions set forth in Articles SEVENTH through SIXTEENTH, inclusive, and Article EIGHTEENTH of these Articles of Incorporation may not be repealed, altered or amended, in any respect whatsoever, unless such repeal, alteration or amendment is approved by either (a) the affirmative vote of shareholders of the Corporation entitled to cast at least eighty percent (80%) of the votes which all shareholders of the Corporation are then entitled to cast, or (b) the affirmative vote of two-thirds of the members of the board of directors of the Corporation and the affirmative vote of shareholders of the Corporation entitled to cast at least a majority of the votes which all shareholders of the Corporation are then entitled to cast.

SEVENTEENTH. Subchapters E, F, G and H of Chapter 25 of the Pennsylvania Business Corporation Law shall not be applicable to the Corporation or any transfer or acquisition of the stock or other securities of the Corporation or to any business combination involving the Corporation or the stock or other securities of the Corporation. Nothing in this Article SEVENTEENTH shall be deemed a waiver of or a limitation on any Article herein.

EIGHTEENTH. A special meeting of the shareholders of the Corporation may be called only by: (i) the Chief Executive Officer, (ii) the Executive Committee of the Board of Directors, or (iii) two-thirds of the members of the board of directors of the Corporation.

IN TESTIMONY WHEREOF, the undersigned has signed these Amended and Restated Articles of Incorporation this ____ day of _____, 2015.

Alan A. Waring
President

AMENDED AND RESTATED BYLAWS
OF
PROFESSIONAL CASUALTY HOLDINGS, INC.

Article I

Meetings of Shareholders

Section 1.1. Annual Meetings. The regular annual meeting of the shareholders for the election of directors and the transaction of whatever other business may properly come before the meeting, shall be held at the main office of the Corporation, 1012 West Ninth Avenue, King of Prussia, Pennsylvania, at 10:00 a.m., on the 4th Tuesday of May of each year, or at such other place on such date and at such time as the board of directors may in their discretion determine. The Chairperson of the Board shall preside at the annual meeting. Written notice stating the place, day, and hour of the meeting and, in case of a special meeting, the general nature of the business to be transacted, shall be delivered not less than five (5) nor more than sixty (60) days before the date of the meeting, or in case of a merger or consolidation not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Chief Executive Officer, or the Secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the books of the Corporation or as supplied by him to the Corporation for the purpose of notice, with postage thereon prepaid.

Section 1.2. Special Meetings. Special meetings of the shareholders may be called only in accordance with the Articles of Incorporation of the Corporation. Upon written request to the Chief Executive Officer or the Secretary, sent by registered mail or delivered to such officer in person, of any person or persons entitled to call a special meeting of the shareholders, it shall be the duty of the Secretary to fix the time of the meeting, which shall be held not more than sixty (60) days after the receipt of the request, and shall give due notice thereof.

Section 1.3. Nominations for Directors. Nominations for election to the board of directors may be made by the board of directors or by any shareholder of any outstanding class of capital stock of the Corporation entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the board of directors of the Corporation, or an appropriate committee thereof, shall be made in writing and shall be delivered or mailed by first class United States mail, postage prepaid, to the Chairperson of the Board not less than 90 days nor more than 120 days prior to any meeting of shareholders called for the election of directors. Each notice of nomination made by a shareholder shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of each such nominee, and (iii) the number of shares of capital stock of the Corporation that are beneficially owned by each such nominee. The Chairperson of the meeting may, if the facts warrant, determine and declare that a nomination

was not made in accordance with the foregoing procedure, and such nomination shall be disregarded.

Section 1.4. Agenda for Shareholder Meetings. Matters to be placed on the agenda for consideration at annual meetings of shareholders may be proposed by the board of directors or by any shareholder entitled to vote for the election of directors. Matters to be placed on the agenda for consideration at special meetings of shareholders may be proposed only by the board of directors. Matters proposed for the annual meeting agenda by shareholders entitled to vote for the election of directors shall be made by notice in writing, delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation not less than ninety (90) days nor more than one hundred and fifty (150) days prior to any annual meeting of shareholders; *provided, however*, that if less than twenty-one (21) days' notice of the meeting is given to shareholders, a shareholder's written notice of a proposed matter shall be delivered or mailed, as prescribed, to the Secretary of the Corporation not later than the close of the seventh day following the day on which notice of the meeting was mailed to shareholders. Notice of matters which are proposed by the board of directors shall be given by the Chairperson of the Board or any other appropriate officer. Each notice given by a shareholder shall set forth a brief description of the business desired to be brought before the annual meeting. The Chairperson of the meeting of shareholders may, if the facts warrant, determine and declare to the meeting that a matter proposed for the agenda was not made in accordance with the foregoing procedure, and if the Chairperson should so determine, he or she shall so declare to the meeting and the matter shall be disregarded.

Section 1.5. Election. Except as otherwise provided in the Articles of Incorporation or these Bylaws, directors of the Corporation shall be elected by the shareholders. In elections for directors, voting need not be by ballot unless required by vote of the shareholders before the voting for election of directors begins. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 1.6. Proxies. Shareholders may vote at any meeting of the shareholders in person, or by proxy. Every proxy shall be executed in writing, or authenticated by the shareholder, or by their duly authorized attorney-in-fact and filed with or transmitted to the Secretary of the Corporation or its designated agent. A shareholder or their duly authorized attorney-in-fact may execute or authenticate a writing or transmit an electronic message authorizing another person to act for the shareholder by proxy. A telegram, telex, cablegram, datagram, e-mail, Internet communication or similar other means of electronic transmission from a shareholder or attorney-in-fact, or a photographic, facsimile or similar reproduction of a writing executed by a shareholder or attorney-in-fact may be treated as properly executed or authenticated. If the Corporation conducts voting by e-mail or other similar electronic transmission, the Corporation shall furnish to those shareholders voting by e-mail or other similar electronic transmission, a confidential and unique identification number or other type of mark to be used by the shareholder to vote at a particular meeting or transaction. Proxies, unless otherwise provided, shall be valid for only the meeting specified therein, and any adjournments of such meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Proxies shall be dated and shall be filed with the records of the meeting.

Section 1.7. Quorum. A majority of the outstanding shares of capital stock entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law; but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting at which a quorum is present, unless otherwise provided by law or by the Articles of Incorporation.

Section 1.8. Voting. Only persons in whose names shares appear on the share transfer books of the Corporation on the date on which notice of the meeting is mailed shall be entitled to vote at such meeting, unless some other date is fixed by the board of directors for the determination of shareholders of record, but such date shall not be less than thirty (30) nor more than ninety (90) days before the date of the meeting. Unless otherwise provided in the Articles of Incorporation, every shareholder of the Corporation shall be entitled to one vote for each share outstanding.

Article II

Directors

Section 2.1. Board of Directors. The board of directors shall have the power to manage and administer the business and affairs of the Corporation. Except as expressly limited by law or required or directed by these Bylaws or by the Articles of Incorporation to be exercised by the shareholders, all corporate powers of the Corporation shall be vested in and may be exercised by the board of directors.

Section 2.2. Chairperson of the Board. The Chairperson of the board of directors of the Corporation, if one is elected, shall preside at all meetings of the shareholders and of the directors at which he or she is present, and shall have such authority and perform such other duties as the board of directors may from time to time designate.

Section 2.3. Number, Selection and Term of Office. The board of directors of the Corporation shall consist of at least five (5) and not more than fifteen (15) directors, the exact number to be set from time to time by resolution of the board of directors. Each director shall be a natural person of full age and at least a majority of the directors shall be persons who are: (i) not employees of the Corporation or of any entity controlling, controlled by or under common control with the Corporation, and (ii) otherwise independent within the meaning of any applicable statute or any listing requirement of a stock exchange or over the counter market on which any security of the Corporation is admitted for trading. A director having the attributes set forth in (i) and (ii) shall hereinafter be deemed an Independent Director. Each director shall hold office until the expiration of the term for which he or she was selected and until a successor has been selected and qualified or until his or her earlier death, resignation or removal. A decrease in the number of directors shall not have the effect of shortening the term of any incumbent director.

Section 2.4. Vacancies. Vacancies in the board of directors shall exist in the case of the happening of any of the following events: (i) the death or resignation of any director; (ii) if at any

annual or special meeting of the shareholders at which directors are to be elected, the shareholders fail to elect the full authorized number of directors to be voted for at that meeting; (iii) an increase in the number of directors by resolution of the board of directors; (iv) the removal of a director by the affirmative vote of shareholders of the corporation in accordance with the Articles of Incorporation of the Corporation; or (v) the removal of a director by the board of directors or a court of competent jurisdiction in accordance with these Bylaws or otherwise in accordance with law. Vacancies in the board of directors, including vacancies resulting from an increase in the number of directors, may be filled by a majority vote of the remaining members of the board though less than a quorum, or by a sole remaining director, and each person so selected shall be a director to serve for the balance of the unexpired term and until his or her successor has been selected and qualified or until his or her earlier death, resignation or removal.

Section 2.5. Regular Meetings. The board of directors of the Corporation shall hold an annual meeting for the election of officers and the consideration of other proper business either as soon as practical after, and at the same place as, the annual meeting of shareholders of the Corporation, or at such time and place as may be fixed by the board of directors. No notice of regular meetings need be given.

Section 2.6. Special Meetings. Special meetings of the board of directors may be called by the Chairperson of the Board, the President, the Chief Executive Officer, or at the request of three (3) directors, to be held at the principal place of business of the Corporation or such other place as designated by the person or persons calling such special meeting. Each member of the board of directors shall be given notice stating the time and place, by telephone, email, telegram, facsimile transmission, letter, or in person, of each such special meeting.

Section 2.7. Executive Sessions. Members of the board of directors who are Independent Directors shall meet in executive session at least twice a year. No notice of executive sessions need be given.

Section 2.8. Quorum. A majority of directors shall constitute a quorum at any meeting, except when otherwise provided by law; but a lesser number may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice.

Section 2.9. Remuneration. No stated fee shall be paid to directors for their services, but by resolution of the board of directors a fixed sum and expenses of attendance, if any, may be paid for attendance at each regular or special meeting of the board of directors; *provided*, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore. Members of standing or special committees may be compensated for attending committee meetings.

Section 2.10. Action by Directors Without a Meeting. Any action which may be taken at a meeting of the directors, or of a committee thereof, may be taken without a meeting if consent or consents shall be signed by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

Section 2.11. Action of Directors by Communications Equipment. Any action which may be taken at a meeting of directors, or of a committee thereof, may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

Section 2.12. Minutes. The board of directors and each committee hereinafter provided for shall keep minutes of its meetings. Minutes of the committees shall be submitted at the next regular meeting of the board of directors, and any action taken with respect thereto shall be entered in the minutes of the board of directors.

Article III

Committees of the Board

Section 3.1. Committees. The board of directors may, by resolution adopted by a majority of the directors in office, establish one or more committees. Each committee shall consist of at least two (2) members of the board of directors. The board may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee or for purposes of any written action of the committee.

A committee, to the extent provided in the resolution of the board of directors creating it, shall have and may exercise all of the powers and authority of the board of directors except that a committee shall not have any power or authority regarding: (i) the submission to shareholders of any action requiring the approval of shareholders under the Pennsylvania Business Corporation Law of 1988, as it may be amended, (ii) the creation or filling of vacancies in the board of directors, (iii) the adoption, amendment or repeal of these bylaws, (iv) the amendment, adoption or repeal of any resolution of the board of directors that by its terms is amendable or repealable only by the board of directors, and (v) any action on matters committed by the bylaws or resolution of the board of directors to another committee of the board of directors.

Section 3.2. Audit Committee. There shall be a standing committee of the board of directors to be known as the Audit Committee. The members of the Audit Committee shall consist exclusively of Independent Directors. The Audit Committee shall: (i) engage the independent accountants for the Corporation, (ii) review with the independent accountants the scope of their examination, (iii) receive the reports of the independent accountants and meet with the representatives of such accountants for the purpose of reviewing and considering questions relating to their examination and such reports, (iv) review the internal accounting and auditing procedures of the corporation, and (v) perform such other duties as may be deemed necessary from time to time to fulfill its obligations under applicable law and the listing requirements of any stock exchange or over the counter market on which any security of the Corporation is admitted for trading.

Section 3.3. Nominating and Corporate Governance Committee. There shall be a standing committee of the board of directors to be known as the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall consist

exclusively of Independent Directors. The Nominating and Corporate Governance Committee shall nominate candidates for election as director and shall make recommendations to the board of directors with respect to qualifications of directors.

Section 3.4. Compensation Committee. There shall be a standing committee of the board of directors to be known as the Compensation Committee. The members of the Compensation Committee shall consist exclusively of Independent Directors. The Compensation Committee shall make recommendations to the board of directors with respect to the compensation of the executive officers of the Corporation.

Article IV

Officers and Employees

Section 4.1. Designations. The officers of the Corporation shall be the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, and the Secretary, who shall be elected for one year by the board of directors at their first meeting after the annual meeting of shareholders and who shall hold office until their successors are elected and qualify. Any two or more offices may be held by the same person, except the offices of President and Chief Financial Officer.

Section 4.2. The Chief Executive Officer. The Chief Executive Officer shall have general supervision of all departments and business of the Corporation, and shall prescribe the duties of other officers and see to the performance thereof. The Chief Executive Officer shall also have and may exercise such further powers and duties as from time to time may be conferred upon or assigned to him or her by the board of directors. In the absence of the Chairperson of the Board, the Chief Executive Officer shall preside at all meetings of the board of directors. The Chief Executive Officer shall report directly to the board of directors of the Corporation.

Section 4.3. President. The President shall have and may exercise any and all powers and duties pertaining by law, regulation, or practice to the office of President or imposed by these Bylaws. The President shall also have and may exercise such further powers and duties as from time to time may be conferred upon or assigned to him or her by the board of directors. In the absence of the Chairperson of the Board and the Chief Executive Officer, the President shall preside at all meetings of the board of directors. The President shall report directly to the Chief Executive Officer.

Section 4.4. Chief Operating Officer. The Chief Operating Officer shall have and may exercise any and all powers and duties imposed by these Bylaws. The Chief Operating Officer shall also have and may exercise such further powers and duties as from time to time may be conferred upon or assigned to him or her by the board of directors or the President.

Section 4.5. Chief Financial Officer. The Chief Financial Officer shall have general supervision of the fiscal affairs of the Corporation. The Chief Financial Officer shall, with the assistance of the President and the Chief Operating Officer, and the managerial staff of the Corporation: (a) see that a full and accurate accounting of all financial transactions is made;

(b) invest and reinvest the capital funds of the Corporation in such manner as may be directed by the board of directors, unless that function shall have been delegated to a nominee or agent; (c) prepare any financial reports that may be requested from time to time by the board of directors; (d) cooperate in the conduct of any annual audit of the Corporation's financial records by certified public accountants duly appointed by the Audit Committee; and (e) in general perform all the usual duties incident to the office of Treasurer and such other duties as may be assigned to him or her by the board of directors or the President and Chief Operating Officer.

Section 4.6. Secretary. The board of directors shall appoint a secretary, who shall be the Secretary of the board of directors and of the Corporation, and shall keep accurate minutes of meetings. The Secretary shall attend to the giving of all notices required by these Bylaws to be given. The Secretary shall be the custodian of the corporate seal (if any), records, documents and papers of the Corporation. The Secretary shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice to the office of Secretary or imposed by these Bylaws. The Secretary shall perform such other duties as may be assigned to him or her from time to time by the board of directors.

Section 4.7. Other Officers. The board of directors may appoint one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Vice Presidents, one or more Assistant Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, a Chief Auditor, and such other officers found necessary for the orderly transaction of business. Such officers shall respectively exercise such powers and perform such duties as pertain to the respective officers or as may be conferred upon or assigned to them by the board of directors, the Chief Executive Officer or the President.

Section 4.8. Clerks and Agents. The board of directors may appoint, from time to time, such agents or employees as it may deem advisable for the prompt and orderly transaction of the business of the Corporation. The board of directors may also define their duties, fix their salaries and dismiss them. Subject to the authority of the board of directors, the Chief Executive Officer, the President or any other officer of the Corporation may appoint and dismiss all or any agents or employees, prescribe their duties and the conditions of their employment, and from time to time, fix their compensation.

Section 4.9. Tenure of Offices. All officers shall hold office for the current year for which the board of directors was elected, unless they shall resign, become disqualified, or be removed; and any vacancy occurring in the office of the Chief Executive Officer shall be filled by the board of directors. In the event that the Chief Executive Officer is unable to act, the board of directors shall meet forthwith upon the call of the Chairperson of the Board or any three directors to appoint a successor or replacement.

Section 4.10. Termination of Officers. Any officer of the Corporation may be terminated by the board of directors with or without cause, but such termination shall be without prejudice to the contract rights, if any, of the person so terminated. Election or appointment of an officer shall not of itself create contract rights.

Article V

Authority of Officers

Section 5.1. Corporate Seal. If the Corporation adopts a corporate seal, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, any Vice President, and the Secretary shall each have authority to affix and attest the corporate seal of the Corporation.

Section 5.2. Other Powers. The Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, or any Vice President is authorized to perform such corporate and official acts as are necessary to carry on the business of the Corporation, subject to the directions of the board of directors.

The above-named officers are fully empowered, subject to policies and established board and/or committee approvals:

(a) To sell, assign and transfer any and all shares of stock, bonds or other personal property standing in the name of the Corporation or held by the Corporation either in its own name or as agent;

(b) To assign and transfer any and all registered bonds and to execute requests for payment or reissue of any such bonds that may be issued now or hereafter and held by the Corporation in its own right or as agent;

(c) To sell at public or private sale, lease, mortgage or otherwise dispose of any real estate or interest therein held or acquired by the Corporation in its own right or as agent, and to execute and deliver any instrument necessary to completion of the transaction;

(d) To receive and receipt for any sums of money or property due or owing to the Corporation in its own right or as agent and to execute any instrument of satisfaction therefore for any lien of record; and

(e) To execute and deliver any deeds, contracts, agreements, leases, conveyances, bills of sale, petitions, writings, instruments, releases, acquittance and obligations necessary in the exercise of the corporate powers of the Corporation.

Section 5.3. Checks and Drafts. Each of the Chief Executive Officer, the President, the Chief Operating Officer or the Chief Financial Officer, and other employees, as may from time to time be designated by the board of directors, shall have the authority to sign checks, drafts, letters of credit, orders, receipts, and to endorse checks, bills of exchange, orders, drafts, and vouchers made payable or endorsed to the Corporation subject to the policies of the board of directors.

Section 5.4. Loans. Each of the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, any Vice President designated by the board of directors or the Secretary, acting in conjunction with any other of these designated officers may effect loans on behalf of the Corporation from any banking institution or other lender, executing

notes or obligations and pledging assets of the Corporation therefor, subject to the policies of the board of directors.

Article VI

Section 6.1. Limitation of Liability. To the fullest extent permitted by Section 1713 of the Pennsylvania Business Corporation Law of 1988, as amended (the “BCL”), a director of the Corporation shall not be personally liable to the Corporation or others for monetary damages for any action taken or any failure to take any action, unless the director has breached or failed to perform the duties of his or her office and such breach or failure constitutes self-dealing, willful misconduct or recklessness. The provisions of this Section 6.1 shall not apply with respect to the responsibility or liability of a director under any criminal statute or the liability of a director for the payment of taxes pursuant to local, state or federal law.

Section 6.2. Indemnification.

(a) The Corporation shall defend and shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving, at the request of the Corporation, as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), amounts paid in settlement, judgments, and fines actually and reasonably incurred by such person in connection with such claim, action, suit or proceeding; *provided, however*, that no indemnification shall be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

(b) Advance of Expenses. Expenses (including attorneys’ fees) incurred in defending a civil claim or a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such claim, action, suit, or proceeding, upon receipt of a written statement by or on behalf of the director, officer, employee, or agent to repay such amount if it shall be ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VI.

(c) Indemnification not Exclusive. The indemnification and advancement of expenses provided by this Article VI shall not be deemed exclusive of any other right to which persons seeking indemnification and advancement of expenses may be entitled under any agreement, vote of disinterested directors or otherwise, both as to actions in such persons’ official capacity and as to their actions in another capacity while holding office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

(d) Insurance, Contracts, Security. The Corporation may purchase and maintain insurance on behalf of any person, may enter into contracts of indemnification with any person, and may create a fund of any nature which may, but need not be, under the control of a trustee

for the benefit of any person, and may otherwise secure in any manner its obligations with respect to indemnification and advancement of expenses, whether arising under this Article VI or otherwise, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VI.

Section 6.3. Effect of Amendment. Any repeal or modification of this Article VI shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation or any right of any person to indemnification from the Corporation with respect to any action or failure to take any action occurring prior to the time of such repeal or modification.

Section 6.4. Severability. If, for any reason, any provision of this Article VI shall be held invalid, such invalidity shall not affect any other provision not held so invalid, and each such other provision shall, to the full extent consistent with law, continue in full force and effect. If any provision of this Article VI shall be held invalid in part, such invalidity shall in no way affect the remainder of such provision, and the remainder of such provision, together with all other provisions of this Article VI, shall, to the full extent consistent with law, continue in full force and effect.

Article VII

Stock and Stock Certificates

Section 7.1. Transfers. Transfer of shares of stock of each class of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by such holder's attorney thereunto authorized by a power of attorney duly executed and filed with the Secretary or transfer agent for such stock, if any, and if such shares are represented by a certificate, upon surrender of the certificates therefor, endorsed by the person named in the certificate or by his attorney, lawfully constituted in writing. No transfer shall be made which is inconsistent with law.

Section 7.2. Shares. The shares of the Corporation shall be represented by certificates, or shall be uncertificated shares that may be evidenced by a book entry system maintained by the registrar of such stock, or a combination of both. To the extent that shares are represented by certificates, such certificates shall be in such form as shall be approved by the board of directors and shall state: (i) that the Corporation is incorporated under the laws of the Commonwealth of Pennsylvania, (ii) the name of the person to whom issued, and (iii) the number and class of shares and the designation of the series, if any, that the share certificate represents. The share register or transfer books and blank share certificates shall be kept by the Secretary or by any transfer agent or registrar designated by the board of directors for that purpose.

Section 7.3. Share Certificates. To the extent that shares are represented by certificates, such certificates shall be signed by the Chief Executive Officer or President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, or by any one of their facsimile signatures, or in their absence by board-designated Officers and shall be signed by a transfer agent. The corporate seal shall appear on each share certificate and may be a facsimile, engraved or printed. In case any officer who has signed, or whose facsimile signature has been

placed upon, any share certificate shall have ceased to be such officer because of death, resignation or otherwise, before the certificate is issued, it may be issued with the same effect as if the officer had not ceased to be such at the date of its issue. The provisions of this section shall be subject to any inconsistent or contrary agreement at the time between the Corporation and any transfer agent or registrar.

Section 7.4. Shares of Another Corporation. Shares owned by the Corporation in another corporation, domestic or foreign, shall be voted by the Chief Executive Officer, President or such other officer, agent or proxy as the board of directors may determine.

Article VIII

Miscellaneous Provisions

Section 8.1. Fiscal Year. The Fiscal Year of the Corporation shall be the calendar year. The Corporation shall be subject to an annual audit as of the end of its fiscal year by independent public accountants appointed by and responsible to the Audit Committee.

Section 8.2. Records. The Articles of Incorporation, the Bylaws and the proceedings of all meetings of shareholders, the board of directors, and standing committees of the board of directors, shall be recorded in appropriate minute books provided for the purpose. The minutes of each meeting shall be signed by the Secretary or other officer appointed to act as secretary of the meeting.

Section 8.3. Gender and Number. Where the context permits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

Section 8.4. Exclusive Jurisdiction for Derivative Claims. Unless the corporation consents in writing to the selection of an alternative forum, the Court of Common Pleas of Montgomery County, Pennsylvania shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Pennsylvania Business Corporation Law, the articles of incorporation or the Bylaws of the Corporation or (iv) any action asserting a claim governed by the internal affairs doctrine, in each case subject to such Court of Common Pleas having personal jurisdiction over the indispensable parties named as defendants therein.

Article IX

Bylaws

Section 9.1. Inspection. A copy of the Bylaws, with all amendments thereto, shall at all times be kept in a convenient place at the main office of the Corporation, and shall be open for inspection to all shareholders during normal business hours.

Section 9.2. Amendments. The authority to make, amend, alter, change or repeal these Bylaws of the Corporation is solely granted to and vested in the board of directors of the Corporation, subject to the power of the shareholders to change any such action by the affirmative vote of shareholders of the Corporation entitled to cast at least sixty-six and two thirds percent (66 2/3%) of the votes which all shareholders are entitled to cast, except that Article Sixth of the Bylaws of the Corporation relating to limitations on directors' liabilities and indemnification of directors and officers may not be amended to increase the exposure to liability for directors or to decrease the indemnification of directors and officers except by the affirmative vote of sixty-six and two thirds percent (66 2/3%) of the entire board of directors or by the affirmative vote of shareholders of the Corporation entitled to cast at least eighty percent (80%) of the votes which all shareholders are entitled to cast.