

EXHIBIT A

Plan of Conversion

See attached.

Sponsored Conversion

ARI MUTUAL INSURANCE COMPANY
PLAN OF CONVERSION
FROM MUTUAL INSURANCE COMPANY TO STOCK FORM

Adopted by the Board of Directors on March 17, 2015

**ARI MUTUAL INSURANCE COMPANY
PLAN OF CONVERSION
FROM MUTUAL INSURANCE COMPANY TO STOCK FORM**

1. BACKGROUND AND REASONS FOR THE CONVERSION.

Annually the Board of Directors of ARI Mutual Insurance Company (“**ARI**”) undertakes a strategic review of its operations, business plans, enterprise risk management, and market position. In 2014, ARI engaged Griffin Financial Group, LLC (“**Griffin**”) as a financial advisor to assist with this process by performing an independent review of ARI’s strategic alternatives. In consultation with Griffin, the Board of Directors of ARI considered a variety of alternatives including the status quo, reinsurance transactions, mergers or affiliations with other mutual insurance companies, and a subscription rights demutualization, either on a standalone basis, with a standby investor, or by means of a sponsored demutualization. Ultimately the Board of Directors determined that ARI’s future success and its ability to continue to serve its policyholders and other stakeholders will be enhanced if it expands geographically, augments its capital position to support this growth and, over time, achieves an “A-” or better rating from A.M. Best Company, Inc. (“**A.M. Best**”).

After careful study and consideration, ARI has concluded that the subscription rights method of demutualization, in a transaction sponsored by AmTrust Financial Services, Inc., a Delaware corporation (“**AmTrust**”), best suits ARI’s circumstances. ARI considered, among other things, that a sponsored demutualization with AmTrust would:

- provide ARI with access to a significant amount of additional capital;
- permit ARI to avail itself of AmTrust’s stable A.M. Best “A” financial strength rating and AmTrust’s larger A.M. Best financial size category;
- provide Eligible Members with an opportunity to acquire AmTrust stock at a discount to market and realize significant value that will be protected by AmTrust for a 60 day period following the Effective Date;
- permit ARI to operate as a wholly-owned subsidiary of AmTrust or one of its operating insurance subsidiaries and serve as a platform for AmTrust’s specialty commercial auto insurance business;
- permit ARI to continue to serve its specialty commercial auto insurance customers;
- permit ARI to maintain its name, headquarters, culture, values and management team; and
- Provide ARI employees with opportunities for career advancement.

The Board has determined that the Conversion will enhance ARI's capital position in a manner that furthers the interests of ARI and its Members. The Board has determined that the Conversion is in the best interest of ARI.

Accordingly, on March 17, 2015, the Board of Directors of ARI, after careful study, consideration, and deliberation, adopted and approved this ARI Mutual Insurance Company Plan of Conversion from Mutual Insurance Company to Stock Form (as amended from time to time pursuant to the terms hereof, the "**Plan**"). Under this Plan, as of the Effective Date, ARI will convert from a Pennsylvania mutual insurance company to a Pennsylvania stock insurance company pursuant to the Insurance Company Mutual-to-Stock Conversion Act, 40 P.S. Sections 911-A, *et seq.* (the "**Act**"), and will simultaneously issue and sell all of its authorized shares to ARI HoldCo, a Delaware business corporation ("**HoldCo**"), thereby becoming a wholly owned subsidiary of HoldCo. Pursuant to this Plan, which is attached as Exhibit A to the Agreement, in connection with the Conversion, HoldCo will issue and sell to AmTrust all of its authorized shares.

This Plan, if approved by the Commissioner, will be submitted to the Eligible Members of ARI for their approval and adoption at the Special Meeting to be called for the purpose of considering and voting on this Plan. Pursuant to the Act and the terms and conditions of this Plan, this Plan must be approved and adopted by an affirmative vote of at least two-thirds (2/3) of the votes cast by Eligible Members in person or by proxy at the Special Meeting.

In the Offering as contemplated by this Plan, Participants will have Subscription Rights in the Offering to acquire from AmTrust, at the Purchase Price, either authorized but unissued shares of Common Stock or issued but not outstanding shares of Common Stock that are held as treasury stock, in accordance with applicable federal and state laws and regulations and this Plan. All Subscription Rights remaining unexercised at 5:00 p.m. Eastern Time on the last day of the Offering, if any, will expire. If the total dollar amount of subscriptions for shares of Common Stock tendered by Participants in the Offering (the "**Aggregate Subscription Amount**") is less than the Minimum of the Valuation Range, AmTrust shall contribute cash to the Cash Contribution Fund in an amount such that the sum of the Aggregate Subscription Amount *plus* the Cash Contribution Fund shall equal not less than the Minimum of the Valuation Range. AmTrust will use the gross proceeds from the Offering and the amount of the Cash Contribution Fund (if applicable) to purchase all of the authorized shares of HoldCo. The Conversion, the issuance by ARI of its shares to HoldCo, and the issuance of shares of HoldCo to AmTrust in exchange for the Aggregate Subscription Amount and the Cash Contribution Fund are intended to happen simultaneously.

The Conversion is subject to the provisions of the Act and the policies of the Commissioner. This Plan is subject to the prior written approval of the Commissioner (as defined below).

2. DEFINITIONS.

Capitalized terms defined in the Background section of this Plan shall have the meanings given to such terms in the Background section wherever used in this Plan. As used in this Plan, the terms set forth below have the following meanings:

2.1 “Acquired Company Employees” has the meaning given in Section 10(f).

2.2 “Acquisition” means the purchase by AmTrust of all the authorized shares of HoldCo, which will occur simultaneously with the Conversion pursuant to the Agreement and this Plan.

2.3 “Advisory Board” has the meaning given in Section 10(e).

2.4 “Aggregate Discount Value” means and is equal to the product of (i) the AmTrust 10-day VWAP less the Purchase Price, multiplied by (ii) the aggregate number of shares of Common Stock acquired by Participants in the Offering; provided, however, that the amount of the Aggregate Discount Value shall not exceed \$3,750,000.

2.5 “Agreement” means the Stock Purchase Agreement dated as of March 17, 2015 by and between AmTrust and ARI, to which this Plan is an exhibit.

2.6 “Application” means all of the documents to be filed with the Commissioner pursuant to and as required by §913-A(b) of the Act constituting ARI’s application for approval of the Conversion.

2.7 “Associate” when used to indicate a relationship with any Person, means (i) a corporation or organization (other than the Company, HoldCo, AmTrust or a majority-owned subsidiary of either) of which such Person is a director, officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities (as defined in Rule 3a11-1 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)); (ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; (iii) any relative or spouse of such Person, or any relative of such spouse, who has the same home as such Person or who is a Director or Officer of the Company or any of its subsidiaries; and (iv) any Person acting in concert, or otherwise affiliated (as such term is defined in Rule 12b-2 promulgated under the Exchange Act), with such Person or any of the Persons or entities specified in clauses (i) through (iii) above.

2.8 “Calculation Agent” means the Person designated by AmTrust to calculate the Purchase Price as of the date of the Special Meeting.

2.9 “Cash Contribution Fund” means the fund to be established by AmTrust in the event that the Aggregate Subscription Amount is less than the Minimum of the Valuation Range, and into which AmTrust shall contribute cash equal to the difference

between (a) the Minimum of the Valuation Range less (b) the product of (i) the number of shares of Common Stock sold to Participants multiplied by (ii) the Purchase Price.

2.10 “Common Stock” means the common stock, stated value \$0.01 per share, of AmTrust.

2.11 “Commissioner” means the Insurance Commissioner of the Commonwealth of Pennsylvania.

2.12 “Company” means ARI or Converted ARI (as appropriate to the context).

2.13 “Company CEO” means Karen S. Fulton, current President and Chief Executive Officer of ARI.

2.14 “Conversion” means (i) the conversion of ARI into stock form in a subscription rights conversion pursuant to the Act, (ii) the issuance and sale of all of ARI’s authorized capital stock to HoldCo, (iii) the issuance and sale of all of HoldCo’s authorized capital stock to AmTrust, and (iv) the offer and sale of Common Stock by AmTrust in the Offering, all in accordance with the terms of this Plan.

2.15 “Converted ARI” means ARI after its conversion to stock form pursuant to the terms of this Plan.

2.16 “Converted ARI Charter” means the amended and restated articles of incorporation for Converted ARI in the form of Exhibit A hereto.

2.17 “Director” means any Person who is a director of the Company or any of its Subsidiaries.

2.18 “Effective Date” means the date, after this Plan has been approved by the Commissioner and both this Plan and the Converted ARI Charter have been approved and adopted by the Eligible Members of ARI at the Special Meeting, on which the Converted ARI Charter is filed in the office of the Secretary of State of the Commonwealth of Pennsylvania, which date shall be within 30 days after the Eligible Members have approved the Plan.

2.19 “Eligibility Record Date” means the close of business on March 17, 2015, the date of the adoption of this Plan by the Board of Directors of ARI.

2.20 “Eligible Member” means a Member whose ARI insurance policy is in force on the Eligibility Record Date, other than a Person insured under a group policy. A Person whose ARI policy of insurance becomes effective after the Board of Directors of ARI adopts this Plan but before the Effective Date is not an Eligible Member but shall have those rights established under §919-A of the Act.

2.21 “Employee” means any natural person who is a full or part-time employee of the Company or any of its Subsidiaries.

2.22 “Employee Bonus Pool Fund” has the meaning given in Section 10(f).

2.23 “Good Reason” means with respect to any Acquired Company Employee (i) a reduction in such Acquired Company Employee’s annual base salary (other than any reduction applicable to employees of AmTrust generally or any reduction not exceeding 5% during any 12-month period), (ii) a material change in such Acquired Company Employee’s position, duties or responsibilities as an employee of the HoldCo Group without such Acquired Company Employee’s prior consent (excluding any changes consistent with such Acquired Company Employee’s position as of the Effective Date for purposes of transitioning all or a portion of such Acquired Company Employee’s duties and responsibilities to another person, provided that such transition period does not exceed 6 months), or (iii) a change in such Acquired Company Employee’s principal work location in Newtown, Pennsylvania.

2.24 “HoldCo Group” has the meaning given in Section 10(g)(i).

2.25 “Independent Appraiser” means Feldman Financial Advisors, Inc., the qualified expert independent investment banking firm experienced in the valuation of insurance companies that has been retained by the Company to determine the Valuation Range and any update required thereto.

2.26 “Mailing Date” means the date that the notice of the Special Meeting is first mailed or otherwise sent to Eligible Members.

2.27 “Maximum of the Valuation Range” has the meaning given in Section 3(a).

2.28 “Maximum Shares Issuable” has the meaning given in Section 3(c).

2.29 “Maximum Subscription Amount” has the meaning given in Section 6(b).

2.30 “Member” means a Person who is a member of ARI.

2.31 “Minimum of the Valuation Range” has the meaning given in Section 3(a).

2.32 “Minimum Subscription Amount” means the minimum number of shares of Common Stock or minimum dollar amount of shares of Common Stock that a Participant may subscribe to purchase as set forth in Section 6(a).

2.33 “Non-Employee Director” means each Director who is not an Employee listed in Schedule 4.19 of the Company Disclosure Letter delivered pursuant to the Agreement.

2.34 “Offering” means the offering of shares of Common Stock in the Subscription Offering as described in Section 5.

2.35 “Offering Closing Date” means the date upon which the sale of the shares of Common Stock to subscribing Participants in the Offering shall be completed.

2.36 “Officer” means the president, any vice-president, secretary, treasurer or principal financial officer, controller or principal accounting officer of, and any other Person performing similar functions for, the Company or any of its subsidiaries.

2.37 “Order Form” means the form provided to a Participant on behalf of AmTrust, containing such terms and provisions as set forth in Section 7 pursuant to which Common Stock may be subscribed for in the Offering.

2.38 “Participant” means a Person to whom Common Stock is offered under the Offering.

2.39 “Person” means any corporation, partnership, association, limited liability company, joint stock company, trust, unincorporated organization, or any other entity or a natural person.

2.40 “Prospectus” means the final prospectus and prospectus supplement, if any, used by AmTrust in connection with the Offering, including the documents incorporated or deemed to be incorporated by reference therein.

2.41 “Purchase Price” means the price per share at which the Common Stock shall be sold by AmTrust to subscribing Participants in the Offering in accordance with the terms hereof. The Purchase Price shall be determined after the close of trading on the NASDAQ Stock Market on the Business Day prior to the date of the Special Meeting, based on the following formula:

$$\underline{PP} = \text{AmTrust 10-day VWAP multiplied by } (100\% - \text{Stock Discount Percentage})$$

where:

“PP” means the Purchase Price payable per share of Common Stock in the Offering.

“AmTrust 10-day VWAP” means the volume-weighted average trading price for the Common Stock on the NASDAQ Stock Market for the 10 Trading Day period ending on the Business Day prior to the date of the Special Meeting as reported by Bloomberg through its “VWAP” function.

“Stock Discount Percentage” means the percentage discount to the AmTrust 10-day VWAP determined as follows:

- If the gross proceeds raised from the sale of Common Stock in the Offering are equal to or less than 12.5% of the Maximum of the Valuation Range, then the Stock Discount Percentage shall be equal to 20.00%; and
- If the gross proceeds raised from the sale of Common Stock in the Offering are greater than 12.5% of the Maximum of the Valuation Range, then the Stock Discount Percentage shall decrease from 20.00% as the Aggregate Subscription Amount received increases in the manner illustrated in Exhibit B so that the Aggregate Discount Value does not exceed \$3,750,000.

An illustrative example of the Stock Discount Percentage is set forth on Exhibit B attached hereto.

If between the Mailing Date and the Offering Closing Date, the outstanding shares of Common Stock are changed into a different number of shares, by reason of a reclassification, recapitalization, split-up, combination or exchange of shares, or any dividend payable in stock or other securities is declared with regard to the Common Stock with a record date between the Mailing Date and the Offering Closing Date, the Purchase Price will be adjusted to such number as if the reclassification, recapitalization, split-up, combination, exchange or dividend had occurred on the second trading day prior to the Mailing Date.

2.42 “Qualifying Policy” means a policy of insurance issued by ARI and in force as of the close of business on the Eligibility Record Date.

2.43 “Registration Statement” means the registration statement filed or to be filed by AmTrust with the SEC registering the shares of Common Stock to be offered and sold in the Offering under the Securities Act of 1933, as amended.

2.44 “SEC” means the United States Securities and Exchange Commission.

2.45 “Special Meeting” means the special meeting of Eligible Members called by the Board of Directors of ARI, and any adjournments thereof, to be held for the purpose of considering and voting on this Plan and the Converted ARI Charter in accordance with the certificate of incorporation and bylaws of ARI and the Act. The Special Meeting will occur after the expiration of the Subscription Period.

2.46 “Special Meeting Date” means the date upon which the Special Meeting is held.

2.47 “Subscription Agent” means the transfer agent, financial advisor, or other entity retained by AmTrust to serve as agent for processing subscriptions for shares of Common Stock by Participants in the Offering.

2.48 “Subscription Amount” means the aggregate dollar amount of a subscription for shares of Common Stock submitted by a Participant in the Offering on an Order Form.

2.49 “Subscription Period” has the meaning given in Section 7(a).

2.50 “Subscription Rights” means the rights of Participants to subscribe for shares of Common Stock in the Offering pursuant to the terms of this Plan.

2.51 “Subsidiary” means, with respect to any Person, any entity of which securities or other ownership interests (i) having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions or (ii) representing more than fifty percent of such securities or ownership interests are at the time directly or indirectly owned by such Person.

2.52 “Trading Day” means a day on which trading in securities is conducted on the NASDAQ Stock Market.

2.53 “Valuation Range” means the range of pro forma market values from the Minimum of the Valuation Range to the Maximum of the Valuation Range, inclusive, as such range is determined by the independent evaluation of the Independent Appraiser in accordance with Section 3, based on the estimated consolidated pro forma market value of Converted ARI determined in accordance with §914-A(d) of the Act.

3. TOTAL NUMBER OF SHARES AND PURCHASE PRICE OF COMMON STOCK.

The number of shares of Common Stock required to be offered by AmTrust in the Offering will be determined as follows:

(a) Independent Appraiser. The Independent Appraiser has been retained by the Company to undertake an independent evaluation to determine the Valuation Range. The Valuation Range will consist of a midpoint valuation of the range of estimated consolidated pro forma market value of Converted ARI as a going concern determined in accordance with §914-A(d) of the Act, a valuation fifteen percent (15%) above such midpoint valuation of the Company (the “**Maximum of the Valuation Range**”) and a valuation fifteen percent (15%) below such midpoint valuation of the Company (the “**Minimum of the Valuation Range**”). The Valuation Range will be based upon the financial condition and results of operations of the Company, a comparison of the Company with comparable publicly-held insurance companies, the pro forma book value and earnings per share of the Converted ARI and such other factors as the Independent Appraiser may deem to be relevant and not inconsistent with the Act, including (as required by the Act) that value estimated to be necessary to attract a full subscription for the shares of Common Stock in the Offering. The Independent Appraiser will submit to ARI on the Eligibility Record Date the Valuation Range and a related report that describes the data and methodology used to determine the Valuation Range.

(b) Purchase Price. The Purchase Price will be uniform as to all subscribing Participants in the Offering.

(c) Number of Shares of Common Stock to be Offered and Sold. The Aggregate Subscription Amount that will be accepted in the Offering cannot exceed the Maximum of the Valuation Range, and the maximum number of shares of Common Stock to be sold in the Offering shall not exceed the quotient of the Maximum of the Valuation Range *divided by* the Purchase Price (the “**Maximum Shares Issuable**”). At a minimum, the Aggregate Subscription Amount, together with the cash contributed by AmTrust to the Cash Contribution Fund (if applicable), must equal the Minimum of the Valuation Range. There is no minimum number of shares of Common Stock that must be sold in the Offering; *provided* that if the Aggregate Subscription Amount is less than the Minimum of the Valuation Range, AmTrust shall contribute sufficient cash to the Cash Contribution Fund such that the condition in the preceding sentence is satisfied.

(d) Offering Proceeds Within the Valuation Range. If the aggregate value of the Aggregate Subscription Amount together with the Cash Contribution Fund falls within the Valuation Range, the following steps will be taken:

(i) *Offering Meets or Exceeds Maximum.* If the Aggregate Subscription Amount is equal to or greater than the Maximum of the Valuation Range, then AmTrust on the Effective Date shall issue shares of Common Stock to the subscribing Participants; *provided, however,* that the number of shares of Common Stock issued shall not exceed the Maximum Shares Issuable. In the event of an oversubscription in the Offering, shares of Common Stock shall be allocated among the subscribing Participants as provided in Section 5 below; *provided, however,* that no fractional shares of Common Stock shall be issued.

(ii) *Offering Meets or Exceeds Minimum but not the Maximum.* If the Aggregate Subscription Amount is equal to or greater than the Minimum of the Valuation Range, but less than the Maximum of the Valuation Range, then AmTrust on the Effective Date shall issue shares of Common Stock to the subscribing Participants in an amount sufficient to satisfy the subscriptions of such Participants in full.

(iii) *Offering Does Not Meet Minimum.* If the Aggregate Subscription Amount is less than the Minimum of the Valuation Range, then in such event AmTrust shall establish and fund the Cash Contribution Fund. On the Effective Date, AmTrust shall, subject to the terms and conditions of the Agreement: (A) issue shares of Common Stock to subscribing Participants in an amount sufficient to satisfy the subscriptions of such Participants in full, and (B) use the gross proceeds of the Offering and the amount deposited in the Cash Contribution Fund (which total amount shall not be less than the Minimum of the Valuation Range) to purchase the authorized stock of HoldCo in accordance with the Act and consummate the Acquisition.

4. GENERAL PROCEDURE FOR THE OFFERING.

(a) Approval of the Plan by ARI's Board of Directors. This Plan and the Converted ARI Charter have been adopted and approved by at least two-thirds (2/3) of the members of the Board of Directors of ARI. Without limiting the generality of the foregoing, the

Board of Directors of ARI has adopted a resolution setting forth the Converted ARI Charter and declaring its advisability, and has adopted and approved proposed bylaws of Converted ARI.

(b) Regulatory Approvals. ARI shall promptly cause the Application to be prepared and filed with the Commissioner (such filing in any event to be made within 90 days after adoption of this Plan by the Board of Directors of ARI) together with any application fee required by the Commissioner. AmTrust shall promptly cause the Prospectus to be prepared and filed with the SEC.

(c) Notice to Eligible Members. Upon filing of the Application with the Commissioner, ARI shall send to Eligible Members a notice advising Eligible Members of the adoption and filing of this Plan, their ability to provide the Commissioner and ARI with comments on this Plan within 30 days of the date of such notice, and the procedure therefor.

(d) Approval by Eligible Members. Following approval of the Plan by the Commissioner and the filing of the Prospectus with the SEC, this Plan and the transactions contemplated by this Plan, including without limitation the adoption of the Converted ARI Charter and the Acquisition, will be submitted by ARI to Eligible Members for their consideration and approval and adoption at the Special Meeting. ARI shall send, or cause to be sent, to all Eligible Members at their last known address appearing on the records of ARI, a notice of the Special Meeting in accordance with ARI's bylaws and §919-A of the Act, and shall mail or otherwise make available to Eligible Members a Proxy Statement. This Plan and the transactions contemplated by this Plan, including without limitation the approval and adoption of the Converted ARI Charter, will be submitted to a vote of the Eligible Members at the Special Meeting. As further described in Section 7, AmTrust shall distribute or otherwise make available to all Participants a Prospectus and Order Form for the exercise of Subscription Rights to purchase shares of Common Stock in the Offering.

The presence of ten (10) or more Eligible Members, in person or by proxy, at the Special Meeting shall constitute a quorum. Each Eligible Member is entitled to cast one vote at the Special Meeting regardless of the number of Qualifying Policies or other policies owned by such Eligible Member. Approval and adoption by the Eligible Members of both (i) this Plan and the transactions set forth herein, and (ii) the Converted ARI Charter, will require the affirmative vote, cast in person or by proxy, of at least two-thirds (2/3) of the votes cast by Eligible Members at the Special Meeting. Approval and adoption of this Plan by the Eligible Members of ARI will constitute approval and adoption by them of all of the transactions contemplated hereby, including the Converted ARI Charter and the Acquisition pursuant to the terms of the Agreement.

(e) Acquisition of the Authorized Shares of Converted ARI by AmTrust. Concurrently with completion of the sale of the shares of Common Stock in the Offering on the Offering Closing Date, on the Effective Date, ARI will convert from a mutual insurance company to stock form and issue and sell to HoldCo all of its authorized shares under the Converted ARI Charter, and HoldCo will issue and sell to AmTrust all of its authorized shares, all in accordance with the terms of the Agreement.

5. SUBSCRIPTION OFFERING.

Subscription Rights to purchase shares of Common Stock in the Offering at the Purchase Price will be granted by AmTrust only to Eligible Members and Non-Employee Directors in the following priorities and shall be subject to the limitations set forth in Section 6:

(a) Eligible Members (First Priority). Each Eligible Member shall receive, without payment, Subscription Rights to purchase in the Offering up to the Maximum Subscription Amount; *provided, however*, that the maximum dollar amount of subscriptions that will be accepted shall be equal to the Maximum of the Valuation Range, and the maximum number of shares of Common Stock that may be purchased by Eligible Members in the aggregate shall be equal to the Maximum Shares Issuable. The number of Qualifying Policies or other policies owned by an Eligible Member shall not increase or otherwise affect such Eligible Member's Subscription Rights.

(b) Oversubscription by Eligible Members. In the event that the total Subscription Amounts of all Eligible Members exceeds the Maximum of the Valuation Range, the available shares of Common Stock shall be allocated among subscribing Eligible Members so as to permit each such Eligible Member, to the extent possible, to purchase a number of shares which will make such member's allocation equal to the lesser of (i) the quotient of the Subscription Amount of such Eligible Member *divided by* the Purchase Price or (ii) 1,000 shares. Any shares of Common Stock remaining after such initial allocation will be allocated among the subscribing Eligible Members whose subscriptions remain unsatisfied in the proportion in which (i) the Subscription Amount as to which each such Eligible Member's subscription remains unsatisfied bears to (ii) the Aggregate Subscription Amount as to which all such Eligible Members' subscriptions remain unsatisfied; *provided, however*, that no fractional shares of Common Stock shall be issued. If, because of the magnitude of the oversubscription, shares of Common Stock cannot be allocated among subscribing Eligible Members so as to permit each such Eligible Member to purchase the lesser of 1,000 shares or the number of shares subscribed for, then shares of Common Stock will be allocated among the subscribing Eligible Members in the proportion in which: (i) the Subscription Amount by each such Eligible Member bears to (ii) the Aggregate Subscription Amount by all Eligible Members; *provided, however*, that no fractional shares of Common Stock shall be issued.

(c) Non-Employee Directors (Second Priority). Subject to the rights of Eligible Members to subscribe for and purchase 100% of the shares offered in the Offering, each Non-Employee Director shall receive, without payment, Subscription Rights to purchase in the Offering up to the Maximum Subscription Amount. These Subscription Rights shall be subordinated to the Subscription Rights of the Eligible Members, and may be exercised only to the extent that there are shares of Common Stock that could have been purchased by Eligible Members, but which remain unsold after satisfying the subscriptions of all Eligible Members; *provided, however*, in accordance with the Act, that the aggregate number of shares purchased by all of the Non-Employee Directors shall not exceed the lesser of (i) the total number of shares to be issued at the Minimum of the Valuation Range in the Offering *minus* the number of shares

subscribed for by Eligible Members, and (ii) 33.27% of the total number of shares of Common Stock as would be issued at the Minimum of the Valuation Range.

(d) Oversubscription by Non-Employee Directors. In the event of an oversubscription among the Non-Employee Directors, then the shares of Common Stock available to satisfy the subscriptions of such Non-Employee Directors will be allocated among them in the proportion in which: (i) the Subscription Amount by each such Non-Employee Director bears to (ii) the aggregate Subscription Amounts by all such Non-Employee Directors; *provided, however*, that no fractional shares of Common Stock shall be issued.

(e) Limitations on Subscription Rights. Except as expressly permitted by the terms of this Plan, Subscription Rights granted under this Plan will be non-transferable. Subscription Rights in the Offering will be subject to all the terms, conditions and limitations of this Plan. Any Person purchasing Common Stock pursuant to a Subscription Right in the Offering will be deemed to represent and affirm to the Company that such Person is purchasing for his or her own account and not on behalf of any other Person. Any Non-Employee Director who subscribes for Common Stock must be a Non-Employee Director on the Effective Date in order to purchase Common Stock in the Offering.

(f) Surplus Notes. The rights of a holder of a surplus note to participate in the Conversion and Offering, if any, shall be governed by the terms of the surplus note. ARI currently does not have any outstanding surplus notes. On the Effective Date, ARI does not expect any such surplus note to be outstanding that will permit participation in the Conversion and the Offering.

6. LIMITATIONS ON SUBSCRIPTIONS AND PURCHASES OF COMMON STOCK.

The following additional limitations and exceptions shall apply to all purchases of Common Stock in the Offering:

(a) Minimum Subscription Amount. To the extent that shares of Common Stock are available, no Person may purchase fewer than the lesser of (i) 25 shares of Common Stock or (ii) shares of Common Stock having an aggregate Purchase Price of \$500.00 in the Offering.

(b) Maximum Subscription Amount. In addition to the other restrictions and limitations set forth herein, the maximum number of shares of Common Stock that any Person, together with any Associate or group of Persons acting in concert, may directly or indirectly acquire in the Offering shall not exceed five percent (5%) of the capital stock of AmTrust, except with the approval of the Commissioner. The limit set forth in this section shall not be construed to increase any other purchase limit provided herein. Notwithstanding the foregoing, the maximum Subscription Amount in the Offering by any Eligible Member shall not exceed \$100,000, and the maximum Subscription Amount in the Offering by any Non-Employee Director shall not exceed \$50,000, irrespective of the different capacities in which such Person

may have subscribed for such shares under this Plan (collectively, the “**Maximum Subscription Amount**”).

(c) Restrictions Applicable to Directors and Officers. In addition to the restriction on the total number of shares of Common Stock that Non-Employee Directors may purchase in the Offering contained in Section 5(c), no Director or Officer or person acting in concert with a Director or Officer shall acquire any capital stock of the Converted ARI or of AmTrust for three (3) years after the Effective Date of this Plan, except through a broker-dealer, without the permission of the Commissioner. This provision does not prohibit such Directors and Officers of the Company from: (i) making block purchases of 1% or more of such outstanding Common Stock other than through a broker-dealer if approved in writing by the Commissioner; (ii) exercising Subscription Rights in the Offering; or (iii) participating on and after the Effective Date in a stock benefit plan established by AmTrust. In addition, approval of this Plan by the Commissioner shall constitute the approval and permission by the Commissioner for Directors and Officers to participate in any stock benefit plans of AmTrust to the same extent as similarly situated directors and officers of AmTrust. For purposes of the foregoing limitations, Directors and Officers shall not be deemed to be Associates or a group acting in concert solely as a result of their capacities as such. The restriction described in §914-A(h) of the Act is hereby referenced and incorporated herein.

(d) Restrictions Applicable to ARI. Without the prior approval of the Commissioner, neither ARI nor HoldCo shall, for a period of three (3) years from the Effective Date, repurchase any of its capital stock from any Person. The provisions of this Section 6(d) shall not apply to AmTrust, and the Commissioner’s approval of this Plan shall constitute approval under §914-A(j) of the Act of any repurchase by AmTrust of any of its capital stock from any Person that otherwise would be subject to such Section.

(e) Adjustment to Purchase Limitation. The Company may increase or decrease any of the purchase limitations set forth herein at any time with the written consent of AmTrust; *provided, however*, that in no event shall the maximum purchase limitation applicable to Eligible Members be less than the maximum purchase limitation percentage applicable to any other class of subscribers or purchasers in the Offering. In the event that either an individual or aggregate purchase limitation is increased after commencement of the Offering, any Person who ordered the maximum number of shares of Common Stock shall be permitted to purchase an additional number of shares such that such Person may subscribe for or order the then maximum number of shares permitted to be subscribed for by such Person, subject to the rights and preferences of any Person who has priority rights to purchase shares of Common Stock in the Offering. In the event that either an individual or the aggregate maximum purchase limitation is decreased after commencement of the Offering, the orders of any Person who subscribed for an amount in excess of the decreased maximum purchase limitation amount shall be decreased by the minimum amount necessary so that such Person shall be in compliance with the then maximum purchase amount permitted to be subscribed for or ordered by such Person.

7. **MECHANICS AND TIMING OF THE OFFERING, MANNER OF PURCHASING COMMON STOCK AND ORDER FORMS.**

(a) Overview of the Offering. The Offering shall be conducted as follows:

(i) Commencement. The Offering shall commence on the Mailing Date and continue for at least 20 calendar days but not more than 45 calendar days (the “**Subscription Period**”).

(ii) Mailing of Offering Materials. On the Mailing Date, AmTrust shall distribute the Prospectus, together with Order Forms for the exercise of Subscription Rights in the Offering, to all Participants.

(iii) Subscription Period. During the Subscription Period, a Participant may subscribe for shares of Common Stock by properly completing and delivering the Order Form, together with payment in an amount equal to such Participant’s Subscription Amount.

(iv) Special Meeting. The Special Meeting will be held upon or following termination of the Subscription Period.

(v) Announcement of Results. On the Special Meeting Date and immediately following the adjournment of the Special Meeting, AmTrust will issue a press release and file a Current Report on Form 8-K with the SEC to announce the results of the Special Meeting and the Offering, including the Purchase Price, the AmTrust 10-day VWAP, the Stock Discount Percentage and the total amount of subscriptions received, in each case as determined by the Calculation Agent or the Subscription Agent, as applicable.

(vi) Closing Date. On the Offering Closing Date (which shall be the next business day after the date of the Special Meeting), shares of Common Stock will be issued to each Participant whose Order Form, together with payment, has been properly completed, timely submitted and not revoked.

(b) Timing of the Offering. The exact timing of the commencement and completion of the Offering shall be determined by the Company and AmTrust in consultation with their respective representatives. The Company and AmTrust may consider a number of factors in determining the exact timing of the commencement of the Offering, including, but not limited to, their respective current and projected future earnings, local and national economic conditions and the prevailing market for stocks in general and stocks of insurance companies in particular. The Offering may be terminated by agreement of the Board of Directors of ARI and the Board of Directors of AmTrust and otherwise as provided in the Agreement at any time prior to the Special Meeting and at any time thereafter, without liability to any Person, subject to any necessary regulatory approval or concurrence.

(c) Manner of Exercising Subscription Rights in the Offering; Order Forms. Promptly after the Prospectus has been filed with the SEC and the Commissioner has approved this Plan, AmTrust shall distribute or make available the Prospectus, together with Order Forms

for the exercise of Subscription Rights in the Offering, to all Participants. AmTrust and the Company may jointly elect to mail or otherwise make available to Participants a Prospectus and Order Form concurrently with the date that the Proxy Statement is mailed or made available to Eligible Members. The recipient of an Order Form will have, during the Subscription Period (with the exact termination date to be set forth in the Prospectus), to properly complete and execute the Order Form and deliver it, together with payment to AmTrust, the Company (as agent for AmTrust), or the Subscription Agent (with the recipient set forth in the Prospectus) in an amount equal to such subscriber's Subscription Amount. AmTrust and the Company may extend such period by such amount of time as they determine is appropriate, but in no event by more than 90 days without the prior approval of the Commissioner. Failure of any subscriber to deliver a properly executed Order Form to AmTrust, the Company (as agent for AmTrust) or the Subscription Agent (with the recipient set forth in the Prospectus), along with payment of the Subscription Amount for shares of Common Stock subscribed for, within the time limits prescribed, shall be deemed an irrevocable waiver and release by such Person of any rights to subscribe for or purchase shares of Common Stock. An Order Form will be deemed to have been "delivered" to AmTrust, the Company (as agent for AmTrust) or the Subscription Agent (with the recipient set forth in the Prospectus) when it is physically received at the address shown on the Order Form and not when it is deposited in the mail if the subscriber chooses to make delivery by mail. Failure of the U.S. Postal Service to deliver to AmTrust, the Company (as agent for AmTrust) or the Subscription Agent (with the recipient set forth in the Prospectus) any Order Form to the address shown on the Order Form shall also be deemed such a waiver and release. Order Forms, once tendered to AmTrust, the Company (as agent for AmTrust) or the Subscription Agent (with the recipient set forth in the Prospectus), shall not be revocable.

(d) Authority to Reject Subscriptions. The Company and AmTrust shall have the absolute right, in their sole discretion and without liability to any Person, to determine which proposed subscribing Persons and which subscriptions and orders in the Offering meet the criteria provided in this Plan for eligibility to purchase Common Stock and the number of shares eligible for purchase by any Person, and to reject any Order Form that is (i) improperly completed or executed, (ii) not timely received, for whatever reason, (iii) not accompanied by the proper payment, or (iv) submitted by a Person whose representations AmTrust believes to be false or who it otherwise reasonably believes is, either alone, or acting in concert with others, violating, evading or circumventing, or intending to violate, evade or circumvent, the terms and conditions of this Plan or the Act. The Company and AmTrust may, but will not be required to, waive any irregularity on any Order Form or may require the submission of corrected Order Forms or the remittance of full payment for shares of Common Stock by such date as they may specify. The interpretation of the Subscription Agent, the Company and AmTrust of the terms and conditions of the Order Forms shall be final and conclusive, and AmTrust and the Company shall be free from liability to any Person on account of such action. Once AmTrust, the Company (as agent for AmTrust) or the Subscription Agent, as applicable, receives an Order Form with full payment, the order shall be deemed placed and will be irrevocable; *provided, however,* that no Order Form shall be accepted until the Prospectus has been filed with the SEC and mailed or otherwise made available to the Persons entitled to Subscription Rights in the Offering, and any Order Form received prior to that time shall be rejected and no sale of Common Stock shall be made in respect thereof.

(e) Reasonable Efforts. AmTrust shall make reasonable efforts to comply with the securities laws of all jurisdictions in the United States in which Persons entitled to subscribe reside. However, AmTrust has no obligation to offer or sell shares to any Person under this Plan if such Person resides in a foreign country or in a jurisdiction of the United States with respect to which (i) the grant of Subscription Rights or the offer or sale of shares of Common Stock in the Offering to such Persons would require AmTrust or its directors, officers or employees, under the laws of such jurisdiction, to register as a broker or dealer, salesman or selling agent or to register or otherwise qualify the Common Stock for sale in such jurisdiction, or AmTrust would be required to qualify as a foreign corporation or file a consent to service of process in such jurisdiction, or (ii) such registration or qualification in the judgment of AmTrust would be impracticable or unduly burdensome for reasons of cost or otherwise.

8. PAYMENT FOR COMMON STOCK; REFUNDS

(a) Payment. Payment for all shares of Common Stock subscribed for must be received in full and collected by AmTrust (or by the Company or the Subscription Agent, each as agent for AmTrust), together with a properly completed and executed Order Form, indicating thereon the total dollar Subscription Amount and such other information as may be required thereon. All subscription payments made by wire, check, bank draft or money order shall be payable to AmTrust (or the Company, as agent for AmTrust). All subscription payments will be deposited by AmTrust in an escrow account at a bank designated by AmTrust and the Company. The subscription payment shall be such subscriber's Subscription Amount expressed as a dollar amount and the number of shares of Common Stock that such Subscription Amount purchases will be determined in accordance with Section 8(b). Such payment shall be made by wire, check, bank draft or money order or other means acceptable to AmTrust at the time the Order Form is delivered to AmTrust, the Company (as agent for AmTrust) or the Subscription Agent (with the recipient set forth in the Prospectus).

(b) Shares Issued to Subscribers; Refunds. Subject to the provisions of this Plan concerning oversubscription and the right to reject, in whole or in part, subscriptions from subscribers, the number of whole shares of Common Stock to be sold to each subscriber will be equal to the whole number nearest to but not exceeding the quotient of such subscriber's Subscription Amount divided by the Purchase Price. No fractional shares will be issued. A refund will be made to such subscriber equal to the difference, if any, between (i) such subscriber's Subscription Amount and (ii) the Purchase Price multiplied by the whole number of shares sold to such subscriber as described in the preceding sentence. No interest will be paid on any portion of a subscriber's Subscription Amount, including any refund.

(c) Shares Non-assessable. Each share of Common Stock issued in the Offering shall be fully paid and non-assessable upon payment in full of the Purchase Price.

9. CONDITIONS TO THE OFFERING.

Consummation of the Offering is subject to (i) the receipt of all required federal and state approvals for the issuance of Common Stock in the Offering, (ii) approval and adoption of this Plan and the transactions contemplated hereby by the affirmative vote of at least two-thirds (2/3)

of the votes cast at the Special Meeting by Eligible Members, voting in person or by proxy, as provided in §913-A of the Act, (iii) the satisfaction or waiver of all of the conditions precedent for the completion of the Acquisition pursuant to the terms of the Agreement, and (iv) the sale in the Offering of such dollar amount of shares of Common Stock which together with the Cash Contribution Fund (if applicable) equal at least the Minimum of the Valuation Range.

10. CONSUMMATION OF THE CONVERSION.

(a) Manner of Completion of Conversion. On the Effective Date, the Conversion shall be completed in the following manner: (i) the Company shall file with the Commissioner the minutes of the meeting at which this Plan was approved and adopted by the Eligible Members of ARI, along with the Converted ARI Charter and the bylaws of Converted ARI; (ii) Converted ARI shall issue and sell to HoldCo all of the authorized shares of capital stock of Converted ARI; (iii) HoldCo shall issue and sell to AmTrust all of the authorized shares of capital stock of HoldCo; (iv) the shares of Common Stock for which subscriptions are accepted in the Offering shall be issued and sold by AmTrust, and (v) ARI shall file with the office of the Secretary of State of the Commonwealth of Pennsylvania the Converted ARI Charter and the articles of incorporation of HoldCo. Simultaneously, the Acquisition shall be completed as provided in the Agreement.

(b) Effect of Conversion. On the Effective Date, without further action by ARI following the filing of the Converted ARI Charter with the office of the Secretary of State of the Commonwealth of Pennsylvania, ARI shall be converted into Converted ARI pursuant to the Act and shall become a wholly owned subsidiary of HoldCo. In accordance with the provisions of §920-A of the Act, upon the completion of the Conversion: (i) the corporate existence of ARI shall be continued in Converted ARI, (ii) all of the rights, assets, franchises, and interests of ARI in and to every species of property, real, personal, and mixed, and any accompanying things in action, shall be vested in Converted ARI without any deed or transfer; and (iii) Converted ARI shall assume all the obligations and liabilities of ARI. The Directors and Officers of ARI immediately prior to the filing of the Converted ARI Charter with the office of the Secretary of State of the Commonwealth of Conversion shall serve as Directors and Officers of Converted ARI until new Directors and Officers of Converted ARI are duly elected pursuant to the Converted ARI Charter and the bylaws of Converted ARI.

(c) Effect of Approval of Plan. By approving this Plan, the members of ARI shall have approved all of the transactions contemplated by this Plan, including without limitation, the adoption of the Converted ARI Charter pursuant to §913-A(h) of the Act, the Conversion, and the Acquisition. The approval by the Commissioner of this Plan shall be deemed to include and constitute the approval by the Commissioner of all of the transactions described herein.

(d) Exhibits. Prior to completion of the Conversion, the form of the exhibits to this Plan may be revised in accordance with the Act, the Pennsylvania Business Corporation Law, and the provisions and limitations for amending this Plan under Section 14. Each of the exhibits to this Plan is hereby incorporated by reference into this Plan and made a part hereof.

(e) Advisory Board. Immediately prior to the Effective Date, HoldCo shall form an advisory board consisting of three (3) members of the board of directors of ARI acceptable to both ARI and AmTrust (the “**Advisory Board**”). The Advisory Board shall have the right, power and authority to enforce the covenants contained in Sections 4.4(e), 4.4(f), 4.4(g), 4.4(i), 4.12, 4.14, 4.15, 4.17, 4.18 and 4.19 of the Agreement. The Advisory Board shall have a term of five (5) years commencing on the Effective Date.

(f) Employee Bonus Pool Fund. In the event that \$3,750,000 shall exceed the Aggregate Discount Value (such excess amount being the “**Employee Bonus Pool Fund**”), AmTrust shall pay, in cash, an amount equal to the Employee Bonus Pool Fund as incentive compensation to all Employees as of the Effective Date (the “**Acquired Company Employees**”), as allocated by the Company CEO, or, in her absence, ARI’s Board of Directors, pursuant to a written schedule delivered to AmTrust on or prior to the Effective Date, in three equal annual cash installments commencing on the first anniversary of the Effective Date. In the event that an eligible Acquired Company Employee dies prior to the payment of any amounts due pursuant to the foregoing sentence, such payment shall be made to the estate of such Acquired Company Employee.

(g) Retention Bonus Pool.

(i) *Employee Cash Retention Payments*. AmTrust shall pay to Acquired Company Employees cash retention bonus payments pursuant to retention agreements, plans, policies or arrangements and as allocated by the Company pursuant to a written schedule delivered to Buyer on or prior to the Effective Date in an aggregate amount equal to, and not exceeding, \$1,750,000; *provided that*, in the event that, on any such cash retention bonus payment date, any Acquired Company Employee is not employed by HoldCo or any of its Subsidiaries (collectively, the “**HoldCo Group**”) on such date because such employment with the HoldCo Group is terminated (i) for Cause by the HoldCo Group, or (ii) voluntarily by such Acquired Company Employee without Good Reason, such payment otherwise due to such Acquired Company Employee will be forfeited to all of the other eligible Acquired Company Employees identified on such schedule in the proportion that each such Acquired Company Employee’s payment bears to the aggregate cash retention bonus payments of all eligible Acquired Company Employees on such payment date. Such cash retention bonuses shall be paid in two installments, the first \$875,000 in aggregate cash retention bonus payments will be paid six (6) months following the Effective Date and the final \$875,000 in aggregate cash retention bonus payments will be paid on the first anniversary of the Effective Date.

(ii) *Director Cash Retention Payments*. Following the Effective Date, AmTrust shall pay each of the Non-Employee Directors a retention bonus of \$50,000 payable in twelve (12) equal consecutive quarterly installments commencing on the calendar quarter ending immediately after the Effective Date. In the event that a Non-Employee Director dies prior to the payment of any amounts due pursuant to the foregoing sentence, such payment shall be made to the estate of such Non-Employee Director.

11. REQUIREMENT FOR STOCK EXCHANGE LISTING.

Prior to the Effective Date, AmTrust shall, if required by the applicable listing requirements, cause the shares of Common Stock to be issued in the Offering to be approved for listing by the NASDAQ Stock Market, subject to official notice of issuance.

12. RESTRICTIONS ON TRANSFER OF COMMON STOCK.

All shares of the Common Stock that are purchased in the Offering shall be transferable without restriction, except to the extent that such transfer is restricted by law, including state and federal securities laws and regulations thereunder.

13. EFFECT OF CONVERSION ON EXISTING POLICIES AND MEMBERSHIP INTERESTS.

All policies of insurance issued by ARI in force on the Effective Date shall continue to remain in force under the terms of the policies upon and following the Conversion, except that, to the extent that they existed in ARI, any voting rights of the policyholders provided under such policies, any right to share in the surplus of ARI (unless such right is expressly provided for under the provisions of such policy), and any assessment provisions provided for under such policies, shall be extinguished on the Effective Date of the Conversion

Except as provided in the next sentence, the holders of participating policies of insurance issued by ARI in effect on the Effective Date of the Conversion, if any, shall continue to have a right to receive dividends as provided in the participating policies, if any. Except for (i) life policies issued by ARI, if any, (ii) guaranteed renewable accident and health policies issued by ARI, if any, and (iii) guaranteed renewable, non-cancelable accident and health policies issued by ARI, if any, upon the renewal date of a participating policy issued by ARI, ARI may issue the insured a nonparticipating policy as a substitute for the participating policy. (§914-A(a)(ii) and (iii) of the Act requires that the Plan provide as set forth in the two immediately preceding sentences. ARI does not have and will not have on the Effective Date in force any policy described in such two sentences.)

Any voting and other membership rights of any member, including any right to share in the surplus of ARI or ARI, whether provided under ARI's articles of incorporation, bylaws or the Act, shall be extinguished on the Effective Date of the Conversion.

14. AMENDMENT OR TERMINATION.

This Plan may be substantively amended at any time before approval of this Plan by the Commissioner by the Board of Directors of ARI as a result of comments from regulatory authorities or otherwise; provided that AmTrust shall not be bound by any such amendment to which AmTrust shall not have consented in writing. This Plan may be terminated by agreement of the Boards of Directors of ARI and AmTrust and otherwise as provided in the Agreement at any time prior to approval of this Plan by the Commissioner and at any time thereafter, subject to the Act and any necessary regulatory approval or concurrence. This Plan shall terminate if the

Conversion and Acquisition is not consummated within 120 days after the date of the Special Meeting or otherwise as provided in the Agreement.

15. INTERPRETATION.

References herein to provisions of federal and state law shall in all cases be deemed to refer to the provisions of the same which were in effect at the time of adoption of this Plan by the Board of Directors of ARI and any subsequent amendments to such provisions. All interpretations of this Plan and application of its provisions to particular circumstances by a majority of the Board of Directors of ARI shall be final.

EXHIBIT A
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF ARI MUTUAL INSURANCE COMPANY

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF ARI INSURANCE COMPANY

FIRST. The name of the Corporation is ARI Insurance Company.

SECOND. The location and post office address of the registered office of the Corporation in this Commonwealth is 125 Pheasant Run, Newtown, Pennsylvania 18940.

THIRD. The Corporation is incorporated under the provisions of the Pennsylvania Business Corporation Law of 1988 ("PABCL"). The purpose of the Corporation is, and it shall have unlimited power, to engage in and to perform any lawful act concerning, any and all lawful business for which company may be incorporated under the PABCL.

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

FIFTH. The aggregate number of shares of capital stock which the company shall have authority to issue is 1,000 shares of common stock, with a par value of \$0.01 per share. 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. 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.

SEVENTH. 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.

EIGHTH. The management, control and government of the Corporation shall be vested in a board of directors consisting of not less than seven (7) members in number, as fixed by the board of directors of the Corporation from time to time.

NINTH. 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.

IN TESTIMONY WHEREOF, a duly authorized officer of the company has signed these amended and restated Articles of Incorporation this ____ day of _____, 2014.

Karen S. Fulton, President and
Chief Executive Officer

EXHIBIT B

ILLUSTRATIVE EXAMPLE OF STOCK DISCOUNT PERCENTAGE (Dollar Amounts in thousands, except per share information)

ARI Preliminary Independent Appraised Value		
Minimum of the Valuation Range (\$000)	\$	23,800
Assumed Appraised Value (\$000)	\$	28,000
Maximum of the Valuation Range (\$000)	\$	32,200

Offering Size (\$000)		
Maximum of the Valuation Range (\$000)	\$	32,200
AFSI Stock Discount Percentage		20.00%
Available Value Via Discount (\$000)	\$	3,750
Equalization Collar for Discount (as a % of MAX)		12.5%
AFSI Equalization Collar for Discount	\$	4,025
Value of Discount at Equalization Collar (4025)	\$	1,006
Excess Value at Collar (4025)	\$	2,744
Stock Assumptions		
Assumed AFSI 10-day VWAP		\$54.9443
Stock Discount Per Share (up to equalization collar)		\$10.9889
Discounted Stock Price (up to equalization collar)		\$43.9554

Take-up % of Max	Aggregate Subscription Amount	AmTrust 10-Day VWAP	Stock Discount %	Discount Value Per share	Discounted Stock Price	No. of Issued Shares	Available Value Via Discount	Excess Value Pool	Aggregate Maximum Value
0.0%	\$ -	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	-	\$ -	\$ 3,750	\$ 3,750
1.0%	\$ 322	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	7,326	\$ 81	\$ 3,670	\$ 3,750
2.0%	\$ 644	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	14,651	\$ 161	\$ 3,589	\$ 3,750
3.0%	\$ 966	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	21,977	\$ 242	\$ 3,509	\$ 3,750
4.0%	\$ 1,288	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	29,302	\$ 322	\$ 3,428	\$ 3,750
5.0%	\$ 1,610	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	36,628	\$ 403	\$ 3,348	\$ 3,750
6.0%	\$ 1,932	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	43,954	\$ 483	\$ 3,267	\$ 3,750
7.0%	\$ 2,254	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	51,279	\$ 564	\$ 3,187	\$ 3,750
8.0%	\$ 2,576	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	58,605	\$ 644	\$ 3,106	\$ 3,750
9.0%	\$ 2,898	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	65,930	\$ 725	\$ 3,026	\$ 3,750
10.0%	\$ 3,220	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	73,256	\$ 805	\$ 2,945	\$ 3,750
11.0%	\$ 3,542	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	80,582	\$ 885	\$ 2,865	\$ 3,750
12.0%	\$ 3,864	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	87,907	\$ 966	\$ 2,784	\$ 3,750
12.5%	\$ 4,025	\$ 54.94	20.00%	\$ 10.99	\$ 43.96	91,570	\$ 1,006	\$ 2,744	\$ 3,750
13.0%	\$ 4,186	\$ 54.94	19.62%	\$ 10.78	\$ 44.16	94,786	\$ 1,022	\$ 2,728	\$ 3,750
14.0%	\$ 4,508	\$ 54.94	18.94%	\$ 10.41	\$ 44.54	101,217	\$ 1,053	\$ 2,697	\$ 3,750
15.0%	\$ 4,830	\$ 54.94	18.34%	\$ 10.08	\$ 44.87	107,648	\$ 1,085	\$ 2,665	\$ 3,750
20.0%	\$ 6,440	\$ 54.94	16.16%	\$ 8.88	\$ 46.06	139,804	\$ 1,241	\$ 2,509	\$ 3,750
25.0%	\$ 8,050	\$ 54.94	14.80%	\$ 8.13	\$ 46.81	171,960	\$ 1,398	\$ 2,352	\$ 3,750
30.0%	\$ 9,660	\$ 54.94	13.87%	\$ 7.62	\$ 47.33	204,116	\$ 1,555	\$ 2,195	\$ 3,750
35.0%	\$ 11,270	\$ 54.94	13.19%	\$ 7.24	\$ 47.70	236,272	\$ 1,712	\$ 2,038	\$ 3,750
40.0%	\$ 12,880	\$ 54.94	12.67%	\$ 6.96	\$ 47.98	268,428	\$ 1,869	\$ 1,881	\$ 3,750
45.0%	\$ 14,490	\$ 54.94	12.26%	\$ 6.74	\$ 48.21	300,584	\$ 2,025	\$ 1,725	\$ 3,750
50.0%	\$ 16,100	\$ 54.94	11.94%	\$ 6.56	\$ 48.39	332,740	\$ 2,182	\$ 1,568	\$ 3,750
60.0%	\$ 19,320	\$ 54.94	11.44%	\$ 6.29	\$ 48.66	397,051	\$ 2,496	\$ 1,254	\$ 3,750
70.0%	\$ 22,540	\$ 54.94	11.08%	\$ 6.09	\$ 48.86	461,363	\$ 2,809	\$ 941	\$ 3,750
80.0%	\$ 25,760	\$ 54.94	10.81%	\$ 5.94	\$ 49.00	525,675	\$ 3,123	\$ 627	\$ 3,750
90.0%	\$ 28,980	\$ 54.94	10.60%	\$ 5.82	\$ 49.12	589,987	\$ 3,436	\$ 314	\$ 3,750
100.0%	\$ 32,200	\$ 54.94	10.43%	\$ 5.73	\$ 49.21	654,299	\$ 3,750	\$ -	\$ 3,750