

Company No 3002

THE COMPANIES ACTS 1985 AND 1989

---

PUBLIC COMPANY LIMITED BY SHARES

---

WRITTEN RESOLUTION

of

BRITANNIC ASSURANCE PUBLIC LIMITED COMPANY

On *22nd* December 1999 the following resolution was duly passed as a written resolution of the Company in accordance with article 70 of the articles of association by all members of the Company who, at that date, were entitled to vote at general meetings of the Company:-

THAT:-

- (a) the regulations annexed hereto be hereby adopted as the new articles of association of the Company in substitution for all existing regulations;
- (b) the share capital of the company be reorganised by redesignating the one unit of ordinary stock of 5p registered in the name of Britannic Superannuation Fund Nominees Limited as an ordinary share of 5p having the rights set out in the new articles of association annexed hereto; and
- (c) the directors be hereby authorised to capitalise the sum of £63,500 standing to the credit of the Company's reserve created pursuant to a court order dated 19 May 1999, to appropriate that sum to Britannic plc, to apply that sum on its behalf in paying up in full 1,270,000 unissued ordinary shares of 5p each and to allot the shares credited as fully paid to Britannic plc.

Signed



Mrs G M White  
Secretary

Date *22nd* December 1999

3

This is a print of the new articles of association  
of the Company adopted by written resolution  
of the members dated 22 December 1999

.....  
Mrs G M White  
Secretary

No. 3002

**THE COMPANIES ACTS 1985 and 1989**

---

**PUBLIC COMPANY LIMITED BY SHARES**

---

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**BRITANNIC ASSURANCE PUBLIC LIMITED COMPANY**

*(adopted by Special Resolution passed on December 1999)*

---

**PRELIMINARY**

1. No regulations for management of a company set out in any schedule to, or subordinate legislation made under, any statute concerning companies shall apply to the Company, but these Articles alone shall be the Articles of Association of the Company.
2. In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the following table shall bear the meanings set opposite them respectively in the second column:-

**WORDS**

**MEANINGS**

**"Act"**

the Companies Act 1985

**"Acts"**

the Act, the Companies Act 1989 and all other statutes, orders, regulations or other subordinate legislation for the time being in force concerning companies so far as they apply to the Company

**"Alternate Director"**

an alternate director appointed in accordance with Article 80

<b>"these Articles"</b>	these Articles of Association as from time to time altered
<b>"Auditors"</b>	the auditors for the time being of the Company
<b>"Board"</b>	the Directors or any of them acting as the Board of Directors of the Company
<b>"calendar year"</b>	year from 1 January to 31 December inclusive
<b>"clear days"</b>	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
<b>"Directors"</b>	the directors for the time being of the Company
<b>"dividend"</b>	dividend or bonus
<b>"Executive Director"</b>	a Director holding any office or employment or providing any services as referred to in Article 104
<b>"holder"</b>	in relation to shares means the member whose name is entered in the Register as the holder of the shares
<b>"member"</b>	a member of the company
<b>"Office"</b>	the registered office of the Company
<b>"paid"</b>	paid or credited as paid
<b>"Register"</b>	the register of members of the Company
<b>"Seal"</b>	the common seal of the Company
<b>"Secretary"</b>	the secretary of the Company or any other person appointed by the Board to perform the duties of the secretary of the Company including a joint, assistant or deputy secretary
<b>"Subsidiary Undertaking"</b>	a subsidiary undertaking of the Company
<b>"Transfer Office"</b>	the place where the Register is for the time being situated
<b>"United Kingdom"</b>	Great Britain and Northern Ireland
<b>"in writing"</b>	written, or produced by any legible and non-transitory visible substitute for writing, or partly one and partly another
<b>"year"</b>	any period of 12 consecutive months

Words denoting the masculine gender shall include the feminine and neuter genders; words denoting the singular number shall include the plural number and vice versa; words denoting persons shall include corporations.

The expressions "long term business" and "actuary" shall have the meanings respectively assigned to them in the Insurance Companies Act 1982.

Save as aforesaid any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

All references in these Articles to the Act, to any section or provision of the Act or to any other statute or statutory provision shall be deemed to include a reference to any statutory re-enactment or modification thereof for the time being in force.

Any reference to a meeting shall not be taken as requiring more than one person to be present in person if any quorum requirement can be satisfied by one person.

### **SHARE CAPITAL**

3. The capital of the Company at the date of adoption of these Articles is £12,000,000 divided into 240,000,000 ordinary shares of 5p each.
4. Subject to the provisions of the Acts and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine, or in the absence of such determination, or so far as any such resolution does not make specific provision, as the Board may determine.
5. Subject to the provisions of the Acts and to any resolution of the Company in general meeting, all unissued shares of the Company shall be at the disposal of the Board which may allot, grant options over or otherwise dispose of them to such persons, on such terms and at such times as it may think fit.
6. Subject to the provisions of the Acts, shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by or in accordance with these Articles.
7. In addition to all other powers of paying commissions the Company may exercise the powers of paying commissions conferred by the Acts. Subject to the provisions of the Acts, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the order.
8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound to recognise any interest in any share except an absolute right to the entirety of the share in the holder.

### **VARIATION OF RIGHTS**

9. Subject to the provisions of the Act all or any of the rights or privileges for the time being attached to any class of shares forming part of the capital for the time being of the Company may be modified commuted affected abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided that such agreement is ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of that class or is confirmed by an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. To any such separate general meeting all the provisions of these Articles as to general meetings (including the obligation to notify

members as to their right to appoint proxies) shall *mutatis mutandis* apply but so that the quorum thereof shall be members of the class holding or representing by proxy one-fifth of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have had if this Article were omitted.

10. The special rights conferred upon the holders of any shares or class of shares shall, unless otherwise provided by these Articles or the terms of issue of the shares concerned, be deemed to be varied by a reduction of capital paid up on those shares but shall be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with them or subsequent to them. The special rights conferred on the holders of ordinary shares shall be deemed not to be varied by the creation or issue of any further shares ranking in priority to them nor shall any consent or sanction of the holders of ordinary shares be required under the foregoing Article to any variation or abrogation effected by a resolution on which only the holders of ordinary shares are entitled to vote.

### SHARE CERTIFICATES

11. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him and, upon transferring a part of the shares comprised in a certificate, to a certificate for the balance of such shares. Shares of different classes may not be included in the same certificate. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
12. Share certificates of the Company (other than letters of allotment, scrip certificates and other like documents) shall, unless the Board by resolution otherwise determines, either generally or in any particular case or cases, be issued under the Seal or under any official seal kept by the Company by virtue of section 40 of the Act. Whether or not share certificates are issued under a seal, the board may by resolution determine, either generally or in any particular case or cases, that any signatures on any certificates for shares or representing any other form of security of the Company need not be autographic but may be applied to the certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person. Every share certificate shall specify the number and class of the shares to which it relates and the amount paid up on such shares.
13. If a share certificate is worn out, defaced, lost, stolen or destroyed, it may be renewed without payment of any fee but on such terms (if any) as to evidence and indemnity with or without security and otherwise as the Board requires and, in the case of a worn out or defaced certificate, on delivery up of that certificate. In the case of loss, theft or destruction, the person to whom the new certificate is issued may be required to pay to the Company any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of the requisite form of indemnity.

### LIEN ON SHARES

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it and to any share or security issued in right of it.
15. The Company may sell in such manner as the Board determines any shares on which the Company has a lien if the sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or the person entitled to it in consequence of the death or bankruptcy of the holder or otherwise by

operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold.

16. To give effect to a sale the Board may authorise some person to execute an instrument of transfer. The purchaser shall not be bound to see to the application of the purchase moneys, and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale.
17. The net proceeds of the sale, after payment of the costs of sale, shall be applied in or towards payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate, if any, for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

### **CALLS ON SHARES**

18. Subject to the terms of allotment, the Board may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to at least fourteen clear days' notice having been given specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable jointly and severally with the successors in title to his shares for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
19. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of that share.
21. If a call remains unpaid after it has become due and payable the person from whom the sum is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate, but the Board may waive payment of the interest wholly or in part.
22. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.
23. Subject to the terms of allotment, the Board may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
24. The Board may, if it thinks fit, receive from any member willing to advance it, all or any part of the moneys uncalled and unpaid upon any shares held by him, and may pay upon all or any of the moneys so advanced (until the same would but for such advance become presently payable) interest at the appropriate rate or at such other rate as may be agreed between the Board and such member, subject to any directions of the Company in general meeting.

### **FORFEITURE AND SURRENDER OF SHARES**

25. If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
26. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture. The Board may accept upon such terms and conditions as may be agreed a surrender of any share liable to be forfeited and, subject to such terms and conditions, a surrendered share shall be treated as if it had been forfeited.
27. Subject to the provisions of the Acts, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determines either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer.
28. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate, if any, for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate from the date of forfeiture until payment but the board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
29. A statutory declaration by a Director or the Secretary that a share has been forfeited or sold to satisfy a lien of the Company on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the forfeiture, sale or disposal of the share.

### **TRANSFER OF SHARES**

30. An instrument of transfer of a share may be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it.
31. The Board may in its absolute discretion refuse to register the transfer of a share which is not fully paid but shall not be bound to specify the grounds upon which such registration is refused.
32. The Board may also refuse to register a transfer unless:-
  - 32.1 the instrument of transfer is duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty, is lodged at the Transfer Office or at such other place as the Board may appoint and accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the

transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do;

32.2 the instrument of transfer is in respect of only one class of shares; and

32.3 the transfer is in favour of not more than four transferees.

33. If the Board refuses to register a transfer, it shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
34. Subject to the provisions of the Acts, the registration of transfers of shares or of transfers of any class of shares may be suspended and the Register closed at such times and for such periods (not exceeding thirty days in any calendar year) as the Board may determine.
35. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.
36. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.
37. For all purposes of these Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

#### **TRANSMISSION OF SHARES**

38. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing contained in these Articles shall release the estate of a deceased member from any liability in respect of any share which had been held (whether solely or jointly) by him.
39. A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may, upon such evidence being produced as the Board may properly require and subject as hereinafter provided, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer. All the provisions of these Articles relating to the transfer and the registration of transfers of shares (including any right to refuse to register any instrument of transfer) shall apply to the notice or transfer as if it were a transfer by the member and the death or bankruptcy of the member or other event giving rise to the entitlement had not occurred.
40. Subject to any other provisions of these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to receive notice of or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.



## **ALTERATION OF SHARE CAPITAL**

41. The Company may by ordinary resolution:-
- 41.1 increase its share capital by new shares of such amount as the resolution prescribes;
  - 41.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - 41.3 subject to the provisions of the Acts, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or deferred rights or be subject to any restrictions as compared with the others;
  - 41.4 cancel or reduce the nominal value of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled or the amount of the reduction.
42. Upon any consolidation of shares into shares of larger amount the Board may settle any difficulty which may rise with regard to such consolidation and in particular may, as between the holders of shares so consolidated, determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one member being consolidated with shares registered in the name of another member the Board may make such arrangements for the allotment, acceptance and/or sale of shares representing fractional entitlements to the consolidated share or for the sale of the consolidated share and may sell the fractions or the consolidated share either upon the market or otherwise to such person at such time and at such price as it may think fit. For the purposes of giving effect to any such sale the Board may authorise some person to execute an instrument of transfer of the shares or fractions sold to, or in accordance with the directions of, the purchaser. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to such shares be affected by any irregularity in or invalidity of the proceedings relating to the sale. The Board shall distribute the net proceeds of sale among such members rateably in accordance with their rights and interests in the consolidated share or the fractions provided that the Board shall have power when making such arrangements to determine that no member shall be entitled to receive such net proceeds of sale unless his entitlement exceeds such amount as the Board shall determine (not exceeding £3 per holding) and if the Board exercises such power the net proceeds of sale not distributed to members as a result shall belong absolutely to the Company.
43. Subject to the provisions of the Acts, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account or other undistributable reserve in any way.

## **PURCHASE OF OWN SHARES**

44. Subject to the provisions of the Acts, the Company may purchase its own shares (including any redeemable shares) and any shares to be so purchased may (subject to any resolution of the Company in general meeting) be selected by the Board in any manner.

## **GENERAL MEETINGS**

45. All general meetings other than annual general meetings shall be called extraordinary general meetings.

46. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Acts, shall forthwith convene an extraordinary general meeting. If there are not sufficient Directors capable of acting to call a general meeting, any Director may call a general meeting. If there is no Director able to act, any member may call a general meeting for the purpose of appointing Directors.

#### **NOTICE OF GENERAL MEETINGS**

47. Unless consent to short notice is obtained in accordance with the provisions of the Acts, an annual general meeting or an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice. Subject to the provisions of these Articles and to any restrictions imposed on any shares, every notice of meeting shall be given to all the members, all other persons who are at the date of the notice entitled to receive notices from the Company and to the Directors and Auditors.
48. Every notice of meeting shall specify the place, the day and the time of the meeting and, in the case of special business (within the meaning of Article 50), the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. Every notice calling a meeting for the passing of an extraordinary or special resolution shall specify the intention to propose the resolution as an extraordinary or special resolution (as the case may be) and the terms of the resolution. Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) vote instead of him and that a proxy need not be a member.
49. The accidental omission to give notice of a meeting, or to send a form of proxy with a notice as required by these Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at that meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

50. All business shall be deemed special that is transacted at an extraordinary general meeting, and all business that is transacted at an annual general meeting shall also be deemed special with the exception of:-
- 50.1 the laying and consideration of the reports of the Directors and Auditors, the annual accounts and any other documents required to accompany or to be annexed to them;
  - 50.2 the sanction and declaration of dividends;
  - 50.3 the election and re-election of Directors to fill vacancies caused by Directors retiring;
  - 50.4 the appointment of auditors where special notice of such appointment is not required by the Act and the fixing or determination of the manner of fixing of their remuneration;
  - 50.5 the giving, variation or renewal of any authority to the Board for the purpose of section 80 of the Act.
51. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. The absence of a quorum shall not preclude the appointment of a chairman in accordance with the provisions of these Articles, which shall not be treated as

part of the business of the meeting. One member present in person or by proxy and entitled to vote upon the business to be transacted at the meeting shall be a quorum.

52. If such a quorum is not present within fifteen minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) from the time appointed for the meeting, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to the same place and time one week later, or to such day (not being more than twenty-eight days after the date appointed for the meeting) and to such time and place as the Board may determine. If the meeting is adjourned for 14 days or more, not less than seven clear days' notice thereof shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give such notice.
53. The chairman (if any) of the Board or in his absence the deputy chairman (if any) shall preside as chairman at every general meeting of the Company. If there is no such chairman or deputy chairman present and willing to act as chairman at any meeting within five minutes after the time appointed for holding the meeting the Directors present shall choose one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman. If no Director is willing to act as chairman, or if no Director is present within five minutes after the time appointed for holding the meeting, the members present in person or by proxy and entitled to vote shall choose one of their number to be chairman of the meeting.
54. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
55. The chairman of a meeting at which a quorum is present may, with the consent of the meeting (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more or without a time and place for adjourned meeting being fixed, at least seven clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, or on the withdrawal of any other demand for a poll, a poll is demanded by the chairman of the meeting or any member present in person or by proxy having the right to vote at the meeting and a demand by a person as proxy for a member shall be the same as a demand by the member.
57. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
58. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
59. A poll shall be taken as the chairman of the meeting directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

60. In the case of an equality of votes, whether or a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the demand for the poll is made shall be entitled to a casting vote in addition to any other vote he may have.
61. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll (other than on the election of a chairman of the meeting or on a question of adjournment) shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
62. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' clear notice shall be given specifying the time and place at which the poll is to be taken.
63. A resolution in writing executed or approved in writing by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed or approved in writing by or on behalf of one or more members.

#### **VOTES OF MEMBERS**

64. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every share of which he is the holder.
65. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names of the holders stand in the Register in respect of the joint holding.
66. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, and otherwise exercise all his rights as a member by his receiver or other person authorised in that behalf appointed by that court, and any such receiver or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote or act shall be deposited at the Office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised or, in the case of a poll, at least forty-eight hours before the time appointed for the taking of the poll and in default the right to vote shall not be exercisable.
67. Unless the Board otherwise determines, no member shall attend or vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company or upon a poll, either in person or by proxy, in respect of any share held by him or exercise any other right or privilege conferred by membership in relation to any such meeting or poll unless all moneys presently payable by him in respect of that share have been paid.
68. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered, and every vote not disallowed at the

meeting or poll shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

### PROXIES

69. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. No proxy shall in that capacity be entitled to speak at any general meeting, except to demand or join in a demand for a poll. A person appointed to act as a proxy need not be a member of the Company.
70. Proxy forms for use in respect of any general meeting shall be sent by the Company to all persons entitled to notice of and to attend and vote at that meeting. The instrument appointing a proxy shall be in writing executed by or on behalf of the appointor or, if the appointor is a corporation, under the hand of a duly authorised officer or attorney and shall be in any common form or in any form which the Board shall approve. The instrument appointing a proxy shall be deemed (subject to any contrary direction contained in the instrument) to confer authority to demand or join in demanding a poll and to vote on a poll on any resolution or amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given as the proxy thinks fit. The instrument appointing a proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. If a member appoints more than one person to act as his proxy the instrument appointing each such proxy shall specify the shares held by the member in respect of which each such proxy is authorised to vote and no member may appoint more than one proxy (save in the alternative) to vote in respect of any one share held by that member.
71. The instrument appointing a proxy and (unless the Board otherwise decides) any authority under which it is executed or a copy of such authority certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other way approved by the Board shall:-
- 71.1 be deposited at the Office or at such other place within the United Kingdom as may be specified in the notice of meeting or any proxy form or other document accompanying the same not less than forty-eight hours before the time for holding the meeting or adjourned meeting or the taking of the poll at which the person named in the instrument proposes to vote; or
  - 71.2 in the case of a poll taken more than forty-eight hours after it is demanded, be deposited as aforesaid not less than forty-eight hours before the time apportioned for the taking of the poll; or
  - 71.3 where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the Secretary or to any Director;
- and an instrument of proxy which is not delivered or deposited in a manner so permitted shall be invalid. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting or poll, the one which is last delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other as regards that share; if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. No instrument of proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution.
72. A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place as is specified for the deposit of instruments of

proxy not less than two hours before the time for holding the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

### **REPRESENTATIVES OF CORPORATIONS**

73. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise any person it thinks fit to act as its representative at any meeting of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company present in person and shall for the purposes of these Articles be regarded as a member present in person. Such representative may be required to produce a copy of such resolution certified by a proper officer of such corporation.

### **NUMBER OF DIRECTORS**

74. Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be subject to any maximum but shall be not less than two.

### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

75. No person is incapable of being appointed a director by reason of his having reached the age of 70 or another age. No special notice is required in connection with the appointment or the approval of the appointment of such person. No Director is required to vacate his office at any time because he has reached the age of 70 or another age and section 293 of the Act does not apply to the Company.
76. Whenever a company wheresoever incorporated shall be the holding company (or where there is more than one holding company, the ultimate holding company) of the Company, it ("the Parent Company") may at any time and from time to time appoint any person to be a Director or remove from office any Director howsoever appointed. Any such appointment or removal shall be by resolution of the directors or other governing body of the Parent Company and shall take effect on the making of such resolution.
77. The Directors shall not be liable to retire by rotation.

### **PRESIDENT**

78. The Directors may from time to time appoint one of their body to be President of the Company either for a fixed term or for life and the person so appointed shall hold the office of President in accordance with the terms of his appointment unless he shall in the meantime resign his appointment or cease to be a Director.

### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

79. The office of a Director shall be vacated if:-
- 79.1 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - 79.2 he becomes incapable by reason of physical incapacity or mental disorder of discharging his duties as a Director and the Board resolves that his office be vacated; or
  - 79.3 he is absent from meetings of the Board during a continuous period of six months without permission of the Board and his Alternate Director (if any) shall not during

such period have attended in his stead, and the Board resolve that his office be vacated; or

- 79.4 he ceases to be a Director by virtue of any provisions of the Acts, is removed from office or becomes prohibited by law from being a Director; or
- 79.5 he resigns his office by notice to the Company; or
- 79.6 he is removed from office by notice in writing signed by all the other Directors.

#### **ALTERNATE DIRECTORS**

- 80. Any Director may appoint any other Director, or any other person approved by resolution of the Board and willing to act, to be an Alternate Director and may remove from office an Alternate Director so appointed by him.
- 81. The appointment of an Alternate Director shall automatically determine in any of the following events:-
  - 81.1 if his appointor terminates the appointment;
  - 81.2 on the happening of any event which, if he were a Director, would cause him to vacate the office of Director;
  - 81.3 if he resigns his appointment by notice to the Company;
  - 81.4 if his appointor ceases for any reason to be a Director;
  - 81.5 if he is not a Director and the Board revokes its approval of him by resolution.
- 82. An Alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled at his appointor's request to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a member, to attend and vote and (save as provided in these Articles) be counted in the quorum at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence.
- 83. An Alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director and in respect of his office of Alternative Director may receive such remuneration from the Company as the Board may determine. An Alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.
- 84. An Alternate Director shall, during his appointment, be an officer of the Company and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.
- 85. Any appointment or removal of an Alternate Director shall be in writing signed by the Director making or revoking the appointment or in any other manner approved by the Board and shall take effect (subject to any approval required by these Articles) upon receipt of such written appointment or removal at the Office or by the Secretary.
- 86. A Director or any other person may act as Alternate Director to represent more than one Director and an Alternate Director shall be entitled at meetings of the Board or any committee of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director.

## **POWERS OF DIRECTORS**

87. Subject to the provisions of the Acts, the Memorandum of Association of the Company and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by these Articles and a duly convened meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.
88. The Board may make such arrangements as the Board thinks fit for the management and transaction of the Company's affairs and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the Board with power to sub-delegate.
89. The Board may from time to time, by power of attorney executed by the Company or otherwise, appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney or other authority may contain such provisions for the protection and convenience of persons dealing with any such attorney or agent as the Board may think fit and may also authorise such attorney or agent to sub-delegate all or any of the powers, authorities and discretions vested in him.

## **DIVISION OF THE BUSINESS OF THE COMPANY INTO BRANCHES**

90. The business of the Company shall be carried on in three distinct branches called the Ordinary Branch, the Industrial Branch and the General Branch respectively and a separate fund or funds shall be maintained for the said Branches respectively.
91. The business to be transacted in the Ordinary Branch shall be the granting or effecting of assurances on lives including endowments and against all events and contingencies affecting human life (not being Industrial Assurance business as defined in the Industrial Assurance Act 1923) and the granting of annuities.
92. The business to be transacted in the Industrial Branch shall be the granting or effecting of assurances on lives including endowments and against all events and contingencies affecting human life and being Industrial Assurance business as defined in the Industrial Assurance Act 1923.
93. The business to be transacted in the General Branch shall be all business from time to time carried on by the Company and not for the time being transacted in any other Branch.
- 94.1 The Directors may at any time establish any fund or funds within any branch and may consolidate or amalgamate any funds or funds within any such branches as they consider appropriate. The Directors may determine what shall be the class or classes of business to be transacted in such fund or funds.
- 94.2 Without prejudice to the generality of the foregoing, the Directors are authorised to establish, following the adoption of this Article, two further funds within the Ordinary Branch (which shall be in addition to the fund kept, prior to the adoption of this Article, for business carried on in the Ordinary Branch (henceforth to be known as the "Ordinary Branch With Profit Fund")). The business to be transacted in the first such additional fund (the "Ordinary Branch Pensions Non Profit Fund") shall be contracts approved by the Inland Revenue as pensions business which do not entitle the holder thereof to participate in profits and pensions business annuities



which have vested and come into payment as non-profit and such other pensions business as the Directors may determine. The business to be transacted in the second such additional fund (the "Ordinary Branch Life Non Profit Fund") shall be the business of the Ordinary Branch other than (a) the issue or making of any policy or contract which entitles the holder thereof to participate in profits and (b) the business transacted in the Ordinary Branch Pensions Non Profit Fund. Nothing in this Article shall prevent the transaction of business in the Ordinary Branch With Profit Fund comprising the issue or making of any policy or contract which does not entitle the holder thereof to participate in profits.

- 95.1 Except as provided in this Article, the liabilities of the Company on all policies and other contracts issued out of or made in the Industrial Branch shall be discharged out of the fund of that branch and the liabilities of the Company under all policies and other contracts issued out of or made in the Ordinary Branch With Profit Fund shall be discharged out of that fund provided always that the Ordinary Branch With Profit Fund and the fund of the Industrial Branch shall be liable on all policies issued before 1 May 1899 in either the Industrial Branch or the Ordinary Branch or otherwise and on all contracts entered into by the Company before that date. Subject to the foregoing proviso, each fund in either the Industrial Branch or the Ordinary Branch shall not be liable for any policies or other contracts of the Company issued out of or made in any other fund within any branch. All policies and other contracts of insurance of the Company made in respect of insurance business shall specify the branch in respect of which they were made. All expenses of the Company shall be paid out of the funds of its branches in such proportions as the Directors shall determine.
- 95.2 Subject to consultation with the actuary appointed under section 19 of the Insurance Companies Act 1982 for the time being, the Directors may apply, subject to any applicable UK legislation at the relevant time, all or any part of the assets representing the fund of any branch from which policies are issued to any other fund of the same or any other branch (other than the General Branch), and any assets so applied shall form part of that other fund for the purposes of Article 95.1.
96. Once at least in every five years or more often as the Directors shall in their discretion think fit the Directors shall cause the financial condition and affairs of the Company to be fully investigated and the business of its branches and any fund within such branches respectively to be valued (the long term business being valued by an actuary) and their liabilities in respect thereof respectively to be ascertained and a calculation to be made of the amount of the profits or estimated profits which (by accumulation or otherwise) have accrued to the business of the said branches and any fund within such branches and for the purpose of such calculation the stocks, funds, securities, investments and other assets of the Company shall be estimated or valued in such manner as the Directors shall think fit without being obliged to adhere to the market price or value thereof and the Directors shall declare the amount which according to such calculation as aforesaid may in their judgement with safety be dealt with as surplus or estimated surplus in each of the said branches and any fund within such branches respectively and such declaration shall be conclusive.
97. If it shall appear from any such investigation that the assets of any branch or fund kept within a branch are more than sufficient to discharge the whole of the liabilities of that branch or fund, as the case may be, as at the date up to which such investigation is made the Directors may out of the surplus set aside as reserves or carry forward unappropriated such sums as they think fit and such reserves or sums carried forward shall be deemed to remain part of that branch or fund for the purpose of Article 95. (The balance of such surplus after setting aside or carrying forward such sums shall be referred to in these Articles as the remaining surplus of the relevant branch or fund). The Directors may invest the several sums so set aside upon such investments as they may think fit and may from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide any such reserve into such special funds as they think fit with full power to employ the assets

constituting the reserve fund in the business of the Company and without being bound to keep the same separate from the other assets.

98. Subject to the proviso to Article 95.1 the Directors may from time to time (if they shall think fit) pay a bonus to all or any of the holders of any policy or policies in the Industrial Branch out of the remaining surplus of such Branch. Of any such remaining surplus arising in the Industrial Branch, such part (not being less than nine-tenths thereof) as the Directors shall determine shall be allocated to the holders of policies issued out of the Industrial Branch entitling the holders thereof to participate in profits and shall be apportioned or reserved for apportionment as a bonus in such amounts at such times in such form and amongst such of the said holders as the Directors shall in their absolute discretion from time to time determine and shall be binding on all members, policyholders and other persons (if any) entitled to participate in any surplus of the Industrial Branch.
99. Subject to the proviso in Article 95.1 the Directors may from time to time (if they shall think fit) pay a bonus to all or any of the holders of any policy or policies in the Ordinary Branch With Profit Fund out of the remaining surplus of such fund. Of any such remaining surplus arising in the Ordinary Branch With Profit Fund, such part (not being less than nine-tenths thereof) as the Directors shall determine shall be allocated to the holders of policies issued out of the Ordinary Branch which policies entitle the holders thereof to participate in profits and shall be apportioned or reserved for apportionment as a bonus in such amounts at such times in such form and amongst such of the said holders as the Directors shall in their absolute discretion from time to time determine and shall be binding on all members, policyholders and any other persons (if any) entitled to participate in any surplus of the Ordinary Branch With Profit Fund.
100. The surplus declared in respect of the Ordinary Branch Life Non Profit Fund and the Ordinary Branch Pensions Non Profit Fund (and any other fund that may be established in the Ordinary Branch or Industrial Branch pursuant to Article 94 as a fund kept only in respect of those policies which do not entitle the holders thereof to participate in profits) shall not be available for allocation to holders of policies issued out of any branch or any fund with any branch which entitles the holders to participate in profit, but may be carried to the profit and loss account of the Company in accordance with Article 101.
101. Any surplus in any branch or fund within a branch remaining after the setting aside or carrying forward of any sums in accordance with Article 97 and the payment of any bonus to policyholders in accordance with Articles 98 or 99 may be carried, at the discretion of the Directors, to the profit and loss account of the Company.
102. Notwithstanding the foregoing provisions contained in Articles 90 to 101 inclusive the Directors may, subject to any applicable UK legislation, at any time:-
  - 102.1 establish any additional branches and additional funds; or
  - 102.2 sub-divide any fund; or
  - 102.3 merge any branches with other branches or funds; or
  - 102.4 merge any funds with other funds or branches;

for such purposes and to comprise such funds and branches and to be dealt with in such manner as may from time to time seem expedient to the Directors and may make such provisions in regard thereto as they think expedient and it shall be no objection to any such provisions that the same involve a departure from all or any of the provisions contained in the foregoing Articles numbered 90 to 101 and the same shall have full effect notwithstanding any such departure.

## **DELEGATION OF DIRECTORS' POWERS**

103. The Board may delegate any of its powers, authorities and discretions (including, without prejudice to the generality of the foregoing, all powers, authorities and discretions whose exercise involves or may involve agreement of the terms of service or termination of employment or appointment of or the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to any committee consisting of one or more Directors together with any other person or persons approved by the Board, with power to sub-delegate. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of these Articles regulating the proceedings of the Board so far as they are capable of applying. Insofar as any power, authority or discretion is delegated to a committee, any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be read and construed as if it were a reference to the exercise of such power, authority or discretion by such committee.

## **EXECUTIVE DIRECTORS**

104. Subject to the provisions of the Acts, the Board may:-
- 104.1.1 appoint one or more of its body to the office of managing director or chief executive or to any other executive office (except that of auditor) of the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or any Subsidiary Undertaking or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Board determines and it may remunerate any such Director for his services as it thinks fit;
  - 104.1.2 permit any person appointed to be a Director to continue in any other office or employment held by him with the Company or any Subsidiary Undertaking before he was so appointed.
105. Any appointment of a Director to the office of managing director or chief executive shall terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of contract of service between the Director and the Company and he shall not (unless any agreement between him and the Company shall otherwise provide) cease to hold his office as Director by reason only of his ceasing to be managing director or chief executive.
106. Save as provided in the foregoing Article, an Executive Director shall not (unless any agreement between him and the Company shall otherwise provide) cease to hold his office or employment with the Company by reason only of his ceasing to be a Director nor cease to be a Director if he ceases from any cause to hold the office or employment by virtue of which he is termed an Executive Director.
107. The emoluments and benefits of any Executive Director for his services as such shall be determined by the Board and may be of any description, and (without limiting the generality of the foregoing) may include membership of any scheme or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants or, apart from membership of any such scheme or fund, the payment of a pension or other benefits to him or his dependants on or after retirement or death.

108. The Board may delegate or entrust to and confer upon any Executive Director any of the powers, authorities and discretions exercisable by it (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with or to the exclusion of its own powers and may from time to time revoke, withdraw or vary all or any part of such powers.

#### **ASSOCIATE DIRECTORS**

109. The Board may at any time and from time to time appoint any person to be an associate director having such title, including the word "director", as the Board may decide and may at any time remove any person so appointed. A person so appointed shall not be a Director of the Company and shall not be a member of the Board. Subject as aforesaid, the Board may define and limit the powers and duties of any associate director and may determine his remuneration which may be in addition to any other remuneration receivable by him from the Company or any Subsidiary Undertaking.

#### **REMUNERATION OF DIRECTORS**

110. The ordinary remuneration of the Directors (other than any Executive Directors appointed under these Articles) shall be such amount as the Directors shall from time to time determine. A Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration.
111. Any Director who, by request of the Board, performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

#### **DIRECTORS' EXPENSES**

112. The Directors may be paid all travelling, hotel and other expenses as they may incur in connection with their attendance at meetings of the Board or of committees of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

#### **DIRECTORS' GRATUITIES AND PENSIONS**

113. The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a Subsidiary Undertaking or a predecessor in business of the Company or of any Subsidiary Undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

#### **DIRECTORS' INTERESTS**

114. A Director who is in any, whether directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Board, declare in accordance with the Acts the nature of his interest. For the purpose of this Article and Article 115:-
- 114.1.1 a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;

- 114.1.2 an interest of which a Director has no knowledge shall not be treated as an interest of his; and
- 114.1.3 an interest of a person who is connected with a Director shall be treated as an interest of the Director.
115. Subject to the provisions of the Acts, and provided that he has disclosed to the Board the nature and extent of any interest of his in accordance with Article 114, a Director:-
- 115.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- 115.1.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- 115.1.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- 115.1.4 may vote on any contract or arrangement in which he is interested and on any matter arising therefrom and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.
116. Any Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
117. The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of Articles 114 and 115.

#### **PROCEEDINGS OF THE BOARD**

118. Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to a Director who is absent from the United Kingdom, unless he has given notice to the Company of an address within the United Kingdom to which notice should be sent during his absence. A Director may waive notice of any meeting either prospectively or retrospectively.
119. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
120. The quorum for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be two. A person who holds office as an Alternate Director shall, if his appointor is not present, be counted in the quorum provided that a Director or Alternate Director who attends a meeting of the Board shall for the purposes of a quorum be counted as one person notwithstanding that he also attends such meeting as an Alternate Director or that he attends as an Alternate Director appointed by more than one Director.
121. Any Director or other person may participate in a meeting of the Board by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any person participating in the meeting in this manner shall be

deemed to be present in person at that meeting. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, at the place where the chairman of the meeting is at the time the meeting is held.

122. The continuing Directors or a sole Director may act notwithstanding any vacancies in the Board but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies in the Board or of calling a general meeting.
123. The Board may appoint one of its number to be the chairman of the Board and one or more deputy chairmen and may at any time remove them from office. Unless he is unwilling to do so, the chairman of the Board shall preside at every meeting of the Board at which he is present. But if there is no chairman of the Board or deputy chairman holding office, or if at any meeting neither the chairman of the Board nor a deputy chairman is present and willing to preside within five minutes after the time appointed for the meeting, the Directors may appoint one of their number to be chairman of the meeting.
124. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board (not being less than the number required to form a quorum of the Board) or all members of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an Alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an Alternate Director, it need not be signed by the Alternate Director in that capacity.
125. All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director, Alternate Director or member of a committee shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment or continuance in office of any Director, Alternate Director or person acting as aforesaid, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, Alternate Director or member of a committee and had been entitled to vote.

#### SECRETARY

126. Subject to the provisions of the Acts, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board. Two or more persons may be appointed as joint secretaries and the Board may also appoint from time to time on such terms as it may think fit one or more temporary or assistant or deputy secretaries.

#### MINUTES

127. The Board shall cause minutes to be kept:-
  - 127.1 of all appointments of officers made by the Board; and
  - 127.2 of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Board, and of committees of the Board, including the names of the Directors present at each such meeting.

Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are approved, shall be sufficient evidence without any further proof of the facts stated in them.

## **THE SEAL**

128. If the Company has a Seal it shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.
129. The Company may exercise the powers conferred by the Acts with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

## **DIVIDENDS**

130. Subject to the provisions of the Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.
131. Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
132. Subject to the provisions of the Acts, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes of shares, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Board acts in good faith the Directors shall not incur any liability to the holders of shares conferring preferred rights for any loss that they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
133. The Board may also deduct from any dividend or other moneys payable on or in respect of a share to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.
134. No dividend or other moneys payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share. All unclaimed dividends may be retained by the Company or invested or made use of by the Company as the Board may think fit until they are claimed and so that the Company shall not be obliged to account for any interest or other income derived from them nor shall it be constituted a trustee in respect of them or be responsible for any loss thereby arising. Any interest or profits earned on unclaimed dividends invested or otherwise made use of shall belong to the Company. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company.
135. Any dividend or other moneys payable in respect of a share shall belong and be paid (subject to any lien of the Company) to those members whose names shall be on the Register at the date at which such dividend shall be declared or at the date on which such other moneys shall be

payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

136. The Board may pay the dividends or other moneys payable on shares in respect of which any person is entitled to be registered as holder by transmission to such person upon production of such evidence as would be required if such person desired to be registered as a member in respect of such shares.
137. Any dividend or other moneys payable in cash in respect of a share may be paid by:-
- 137.1 cheque or warrant sent by post to the address in the Register of the person entitled to the moneys or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder or otherwise by operation of law, to the address in the Register of that one of those persons who is first named in the Register in respect of the joint holding or to such person and to such address as the person or persons entitled to the moneys may in writing direct. Every such cheque or warrant shall be made payable to the person or persons entitled to the moneys or to such other person as the person or persons so entitled may in writing direct and shall be sent at the risk of the person or persons so entitled and payment of the cheque or warrant shall be a good discharge to the Company. Any such cheque or warrant may be crossed "account payee" although the Company shall not be obliged to do so;
  - 137.2 bank transfer to such account as the person or persons entitled to the moneys may in writing direct; or
  - 137.3 such other method of payment as the person or persons entitled to the moneys may in writing agree to.
138. If in respect of dividends or other moneys payable in respect of any shares cheques or warrants have been sent through the post in accordance with the provisions of the preceding article but have been returned undelivered or left uncashed during the periods for which they are valid or bank transfers have not been accepted either:-
- 138.1 on two consecutive occasions; or
  - 138.2 on any one occasion and reasonable enquiries have failed to establish another address or account of the person entitled to the moneys;
- the Company need not thereafter despatch further cheques or warrants or give instructions for bank transfers in payment of dividends or other moneys payable on or in respect of the shares in question until the member or other person entitled thereto shall have communicated with the Company and supplied in writing to the Transfer Office a new address or account to be used for the purpose.
139. Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets and in particular of fully paid shares or debentures of any other company, and the Board shall give effect to such directions. Where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks expedient, and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specific assets in



trustees, upon trust for the members entitled to the dividend, as may seem expedient to the Board.

140. If several persons are entered in the Register as joint holders of any share or are jointly entitled to a share, any one of them may give receipts for any dividend or other moneys payable in respect of the share and the Board may deduct from the dividends or other moneys payable in respect of any share held jointly by several persons all sums of money (if any) presently payable to the Company from any one or more of the registered holders on account of calls or otherwise in relation to shares in the Company held in the joint names of all (but not some only) of such registered holders.

## **ACCOUNTS**

141. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by the Acts or authorised by the Board or by ordinary resolution of the Company.
142. Save as provided in this Article, a copy of the annual accounts of the Company together with a copy of the Auditors' report and the Directors' report shall, not less than twenty-one days before the date of the general meeting at which copies of those documents are to be laid, be sent to every member and to every debenture holder of the Company and to every other person who is entitled to receive notices from the Company of general meetings. Copies of the documents referred to in this Article need not be sent:-

142.1 to a person who is not entitled to receive notices of general meetings and of whose address the Company is unaware; or

142.2 to more than one of the joint holders of shares or debentures in respect of those shares or debentures.

provided that any member or debenture holder to whom a copy of such documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

## **CAPITALISATION OF PROFITS**

- 143.1 The Board may with the authority of an ordinary resolution of the Company:-
- 143.1.1 subject as hereinafter provided, resolve to capitalise all or any part of the profits of the Company to which this Article applies;
- 143.1.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either:-
- (a) in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively; or
  - (b) in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions;
- or partly in one way and partly in the other;

- 143.1.3 make such provision by the issue of fractional securities or by payment in cash or otherwise as it determines in the case of shares or debentures otherwise becoming distributable under this Article in fractions; and
- 143.1.4 authorise any person to enter on behalf of all members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.
- 143.2 The profits of the Company to which this Article applies shall be any undivided profits of the Company not required for paying fixed dividends on any preference shares or other shares issued on special conditions and shall be deemed to include:-
- 143.2.1 any reserves arising from appreciation in capital assets or ascertained by valuation; and
- 143.2.2 any other amounts for the time being standing to any reserve or reserves including capital redemption reserve and share premium account;

provided that to the extent required by the Acts the Company shall not apply an unrealised profit in paying up debentures or any amounts unpaid on any of its issued shares and the only purpose to which sums standing to share premium account or capital redemption reserve shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed as aforesaid.

## NOTICES

144. Any notice or other document to be given pursuant to these Articles shall be in writing except that a notice calling a meeting of the Board need not be in writing.
145. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his address in the Register or by leaving it at that address. In the case of joint holders of a share, all notices and other documents shall be given to the joint holder whose name stands first in the Register in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.
146. A member whose address in the Register is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
147. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company (and, where such person is one of the joint holders of a share, all the joint holders) shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
148. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or other event giving rise to the transmission of the share by operation of law had not occurred. Every person who becomes entitled to a share shall be bound by any notice in respect of that

share which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

149. If the Company has suspended the despatch of cheques or warrants to any member or other person entitled thereto in accordance with the provisions of these Articles or, if on two consecutive occasions notices have been sent through the post to any member or other person entitled thereto at his registered address or address for service but have been returned undelivered, such member or other person entitled thereto shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Transfer Office a new registered address or address within the United Kingdom for the service of notices.
150. Any notice or other document if served by post shall be deemed to have been served on the day following that on which the envelope containing the same is posted (by whatever class of post). In proving such service it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted. Any notice or other document delivered to or left at a registered address or address for service or otherwise than by post shall be deemed to have been served on the day it is so delivered or left.

### **AUTHENTICATION OF DOCUMENTS**

151. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company and may certify copies thereof or extracts therefrom as true copies or extracts. Except in the case of manifest error a document which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in good faith that the document is true and complete and in the case of a copy of a resolution or an extract from the minutes of the Board or any committee of the Board that such resolution, minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

### **DESTRUCTION OF DOCUMENTS**

- 152.1 It shall be presumed conclusively in favour of the Company that every entry on the Register purporting to have been made on the basis of an instrument of transfer or other document destroyed by the Company was duly and properly made and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, and that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document mentioned in Article 152.1.1 below so destroyed was a valid and effective document in accordance with the recorded particulars of it in the books and records of the Company and that every paid dividend warrant and cheque so destroyed was duly paid; provided always that:-
- 152.1.1 six years shall have elapsed since the date of registration of the relevant instrument of transfer of shares and two years shall have elapsed since the date of recording of the relevant dividend mandate or notification of change of name or address and one year shall have elapsed since the recorded date of payment of the relevant dividend cheque or cancellation of the relevant cancelled share certificate; and
- 152.1.2 the Company is not shown to have destroyed a document in bad faith or with actual notice of any claim (regardless of the parties) to which the document might be relevant.

- 152.2 The Company shall be entitled to destroy any such document after the relevant period referred to in Article 152.1.1 but nothing in these Articles shall be construed as imposing upon the Company any duty to retain any document for such period.
- 152.3 References in this Article to the destruction of any document include references to its disposal in any manner.

### **WINDING UP**

153. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Acts, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

### **INDEMNITY**

154. Subject to the provisions of the Acts but without prejudice to any indemnity to which he may otherwise be entitled, every Director, Alternate Director, Secretary or other officer of the Company other than the Auditors shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities incurred by him in or about the execution of his duties or the exercise of his powers or otherwise in relating thereto including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.