

No. 24869

208
THE COMPANIES ACTS 1862 to 1886

AND

THE COMPANIES ACTS 1948 to 1976

COMPANY LIMITED BY SHARES

Memorandum

AND

NEW

Articles of Association

(adopted by Special Resolution passed on 22nd June, 1978)

OF THE

**ECCLESIASTICAL INSURANCE OFFICE
PUBLIC LIMITED COMPANY**

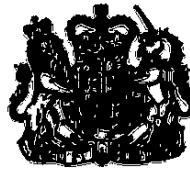
Incorporated 3rd August 1887

SPEECHLY BIRCHAM,

190 FLEET STREET,

LONDON, EC4A 2HX.





**CERTIFICATE OF INCORPORATION
ON RE-REGISTRATION
AS A PUBLIC COMPANY**

No. 24869

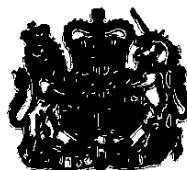
I **Hereby certify** that

**ECCLESIASTICAL INSURANCE OFFICE PUBLIC LIMITED
COMPANY**

has this day been re-registered under the Companies Acts 1948 to
1980 as a public company, and that the company is limited.

Dated at Cardiff the 8th June 1981

B. HAYWARD,
Assistant Registrar of Companies



**CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME**

No. 24869

I hereby certify that

ECCLESIASTICAL INSURANCE OFFICE, LIMITED

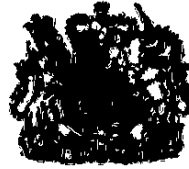
having by special resolution and with the approval of the Secretary
of State changed its name, is now incorporated under the name of

ECCLESIASTICAL INSURANCE OFFICE LIMITED

GIVEN under my hand at Cardiff the 9th June, 1978.

D. G. THOMAS,

Assistant Registrar of Companies.



Certificate of Change of Name

OF THE

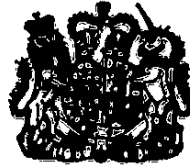
ECCLESIASTICAL BUILDINGS FIRE OFFICE, LIMITED

I hereby Certify That the **ECCLESIASTICAL BUILDINGS FIRE OFFICE, LIMITED** having, with the sanction of a Special Resolution of the said Company, and with the approval of the **BOARD OF TRADE**, changed its name, is now called the **ECCLESIASTICAL INSURANCE OFFICE, LIMITED** and I have entered such new name on the Register accordingly.

GIVEN under my hand at London, this Tenth day of June One Thousand Eight Hundred and Ninety five.

J. S. PRINK,
Registrar of Joint Stock Companies.

No. 24869C.



Certificate of Incorporation

OF THE

ECCLESIASTICAL BUILDINGS FIRE OFFICE LIMITED

I hereby Certify That the ECCLESIASTICAL BUILDINGS FIRE OFFICE LIMITED is this day Incorporated under the Companies Acts 1862 to 1886, and that this Company is Limited.

GIVEN under my hand at London, this Third day of August One Thousand Eight Hundred and Eighty seven.

£50 0 0

J. S. PRINK,

Registrar of Joint Stock Companies.

THE COMPANIES ACTS, 1862 TO 1886

COMPANY LIMITED BY SHARES

Memorandum of Association

OF THE

ECCLESIASTICAL INSURANCE OFFICE PUBLIC LIMITED COMPANY

*(As amended by Order of Mr. Justice P. O. Lawrence, dated
31st January, 1919)*

*(and as amended by Special Resolutions passed 21st December, 1965
and 22nd June, 1978)*

(and as amended by directors' resolution passed 22nd April, 1981)

1. The registered office of the Company shall be situate in England.
2. The Company is to be a Public Company.
3. The name of the Company is the ECCLESIASTICAL INSURANCE OFFICE PUBLIC LIMITED COMPANY*.
4. The objects of the Company are:—
 - (1) To carry on the business of Fire Insurance in all its branches and to grant insurances against loss of or injury or damage to property directly or indirectly caused by or resulting from fire lightning explosions floods subsidences earthquakes spontaneous combustion or other causes.

*By Special Resolutions passed on 28th May, 1895 and 31st May, 1978, the name of the Company was changed from the ECCLESIASTICAL BUILDINGS FIRE OFFICE LIMITED to the ECCLESIASTICAL INSURANCE OFFICE LIMITED.

- (1a) To carry on the business of Life Insurance in all its branches including assurances for payments of money at any fixed period or periods or otherwise or on the happening of any events or the occurrence of any contingency whatsoever or upon or after the happening of personal injuries or misadventure or sickness old age bodily or mental incapacity.
- (1b) To grant purchase or sell annuities of all kinds whether dependent on human life or otherwise and whether perpetual terminable immediate or deferred and contingent or otherwise and to purchase invest in and sell and deal with any life reversionary contingent and other estates and interest.
- (1c) To insure against all proceedings losses costs damages demands and liability in respect of any accidents resulting or alleged to have resulted in injury whether fatal or otherwise to any workman employee servant or other person and to take all such steps in relation thereto and to oppose resist compromise or satisfy wholly or in part any claims in respect thereof.
- (1d) To grant insurances against claims upon the assured for injuries to third persons or their property caused by the assured or his property or by other persons for whose acts he is responsible and also against loss or damage by hostile bombardment or the action of hostile aircraft or by shells or missiles discharged by anti-aircraft guns or by guns or aircraft in defence or through burglary house breaking theft or larceny and against any damage or injury to any property or effects in connection therewith and against loss or damage arising from any cause to plate and other glass and to live stock.
- (1e) To guarantee the fidelity of persons filling or about to fulfil positions of trust or confidence and the due performance and discharge by them of any duties or obligations undertaken by or imposed on them.
- (1f) To contract with leaseholders borrowers lenders annuitants and others for the establishment accumulation provision and payment of sinking funds redemption funds depreciation funds renewal funds endowment and other funds.
- (1g) To carry on any other kinds of insurance business against risks of all kinds whether of a character now recognised or hereafter to be devised.

- (1h) To effect combined assurances of any risks undertaken by the Company and to issue policies of combined insurance to and on persons or companies in respect of any risks of any kind against which this Company is authorised to grant direct insurance.
- (2) To carry on any other business which can be conveniently carried on in connection with the above.
- (3) To enter into, make, and give effect to arrangements for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or division, with any other company, corporation, or persons in the United Kingdom or elsewhere, for the transaction of any of the businesses of the Company, or for the transaction of all or any similar businesses of such other company, corporation, or persons.
- (4) To contribute to the funds of any charitable institutions, associations, funds or objects, founded or administered for the advancement of religion according to the principles of the Church of England or of any Church in communion with the Church of England, or for the advancement of schools in connection with any such Church, or for the erection, maintenance or improvement of ecclesiastical educational or other buildings established for charitable purposes.
- (5) To sell the undertaking of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other Company having objects altogether, or in part, similar to those of this Company.
- (6) To promote any other Company for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (7) To purchase, take on lease, or in exchange, hire or otherwise acquire any real or personal property, and any rights or privileges which the Company may think necessary or convenient for the purpose of its business.
- (8) To invest and deal with moneys of the Company not immediately required in such manner as may from time to time be determined.

- (9) To raise money in such other manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock, perpetual or otherwise, charged upon all or any part of the Company's property, both present and future, including its uncalled capital.
 - (10) To sell, improve, manage, develop, lease, mortgage or otherwise deal with all or any part of the property of the Company.
 - (11) To take, or otherwise acquire, and hold shares in any other Company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
 - (12) To amalgamate with any other Company having objects altogether or in part similar to those of this Company.
 - (13) To do all such other things as are incidental or conducive to the attainment of the above objects.
 - (14) To do all or any of the matters hereby authorised in any part of the world either alone or in conjunction with, or as factors, trustees or agents for, any other companies or persons, or by or through any factors, trustees or agents.
5. The liability of the members is limited.
6. The capital of the Company is £1,000,000*, divided into 100,000 shares of £10 each, with power to divide the shares and the capital for the time being original and increased into different classes of shares, with any preferential, deferred or special rights and privileges *inter se*, which may be assigned thereto by or in accordance with the regulations for the time being of the Company.

*By resolutions passed on 22nd June, 1978 the 100,000 shares of £10 each were sub-divided into 1,000,000 shares of £1 each and the capital was then increased from £1,000,000 to £3,250,100 divided into 3,250,100 shares of £1 each.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
CHARLES J. ROBINSON, West Hackney Rectory, Middlesex, <i>Rector of West Hackney.</i>	50
F. H. JEUNE, 2, Paper Buildings, Temple, <i>Barrister-at-Law.</i>	1
EDWARD P. THESIGER, 142, Sloane Street, <i>Clerk in the House of Lords.</i>	50
ROBT. GREGORY, 2, Amen Court, E.C., <i>Canon of St. Paul's.</i>	50
GEORGE BADEN-POWELL, 8, St. George's Place, S.W., <i>Member of Parliament.</i>	1
WM. L. BLACKLEY, <i>Vicar of King's Somborne and Hon. Canon of Winchester.</i>	50
STANLEY LEIGHTON, M.P., Sweeney Hall, Oswestry.	50
DATED the 30th day of July, 1887.	

Witness to the Signature of the Reverend Charles John Robinson,

C. LEOPOLD S. CLARKE,
Rector of Bexhill, Sussex.

Witness to the Signatures of Francis Henry Jeune, Edward Peirson
Thesiger, and George Baden-Powell,

ALBERT F. DREW,
Solicitor, Clerk to REYROUX, PHILLIPS & GOLDING,
99, Cannon Street, E.C.

Witness to the Signature of Canon Gregory,

HORACE E. GOLDING,
99, Cannon Street, London,
Solicitor.

Witness to the Signature of Canon Blackley,

HORACE E. GOLDING.

Witness to the Signature of Stanley Leighton,

WALTER COPE,
Clerk to REYROUX, PHILLIPS & GOLDING,
99, Cannon Street, E.C.

No. 24869

THE COMPANIES ACT 1862 to 1886
AND
THE COMPANIES ACTS 1948 to 1980

COMPANY LIMITED BY SHARES

Special Resolution
OF THE
ECCLESIASTICAL INSURANCE OFFICE
PUBLIC LIMITED COMPANY

Passed 22nd July, 1981

At the ANNUAL GENERAL MEETING of the above-named Company duly convened and held on 22nd July, 1981 the following Resolution was duly passed as a SPECIAL RESOLUTION :—

RESOLUTION

THAT the Articles of Association of the Company be altered in the following manner :—

- (i) by the renumbering of articles 111 to 134 inclusive so as to become articles 112 to 135 inclusive ;
- (ii) by the addition of the undermentioned provision after article 110 :—

“President 111. The directors may, from time to time, appoint for such period as they think fit any person who, in their opinion, has rendered outstanding service to the Company to be President of the Company. The President shall not, by virtue of his office, be deemed a director.”

ALLAN GRANT
Chairman

No. 24869

THE COMPANIES ACTS 1862 TO 1886

AND

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

Special Resolution

OF THE

ECCLESIASTICAL INSURANCE OFFICE PUBLIC LIMITED COMPANY

Passed 22nd June, 1978

At an EXTRAORDINARY GENERAL MEETING of the above-named Company duly convened and held on 22nd June, 1978 the following Resolution was duly passed as a SPECIAL RESOLUTION:—

RESOLUTION

THAT the regulations contained in the printed document submitted to this meeting and subscribed by the Chairman for the purpose of identification be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

ALLAN GRANT

Chairman.

No. 24869

THE COMPANIES ACTS 1862 TO 1886

AND

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

NEW

Articles of Association

OF THE

ECCLESIASTICAL INSURANCE OFFICE PUBLIC LIMITED COMPANY

*(adopted by Special Resolution passed on 22nd June, 1978)**

PRELIMINARY

1. In these articles, unless the context otherwise requires, expressions defined in the Companies Act 1948, or any statutory modification thereof in force at the date at which these articles become binding on the company, shall have the meanings so defined and the words standing in the first column of the table next hereinafter contained shall bear the meanings opposite to them respectively in the second column thereof, namely:

Definitions.

WORDS	MEANINGS
The Company ...	Ecclesiastical Insurance Office Public Limited Company
The Act ...	The Companies Act 1948 as amended by the Companies Act 1967 and the Companies Act 1976
These articles ...	These articles of association as now framed or as from time to time altered by special resolution
The office ...	The registered office for the time being of the Company
The seal ...	The common seal of the Company

**(amended by Special Resolution passed on 22nd July, 1981)*

WORDS	MEANINGS
The United Kingdom	Great Britain and Northern Ireland
The directors ...	The directors of the Company or the directors present at a duly convened meeting of directors at which a quorum is present
Member ...	Member of the Company
Month ...	Calendar month
The register ...	The register of members of the Company
In writing ...	Written or produced by any substitute for writing, or partly written and partly so produced
Paid up ...	Paid up or credited as paid up

Words importing the singular number only shall include the plural number and *vice versa*, and

Words importing the masculine gender only shall include the feminine gender, and

Words importing persons shall include corporations, and the expressions "debenture" and "debenture holder" shall include debenture stock and debenture stockholder and the expression "secretary" shall include a temporary or assistant secretary and any person appointed by the directors to perform any of the duties of the secretary.

Reference herein to any provision of the Act shall, where the context so admits, be construed as a reference to such provision as modified by any statute for the time being in force.

2. Parts I and II of Table A in the First Schedule to the Act shall not apply to the Company neither shall the regulations in Table A applicable under any former enactments apply to the Company.

SHARES

Share
capital.

3. (1) At the date of the adoption of these articles the authorised share capital of the Company was £3,250,100 consisting of 3,250,100 shares of £1 each, whereof:—

- (a) 100 were Ordinary shares;
- (b) 250,000 were 2.8 per cent. First Cumulative Preference Shares; and
- (c) 3,000,000 were 10 per cent. Redeemable Second Cumulative Preference Shares.

(2) The said 2.8 per cent. First Cumulative Preference Shares (hereinafter called "First Preference Shares") shall confer on the holders thereof the following rights:

- (a) the right in priority to all other shares in the capital of the Company to a cumulative preferential dividend at the rate of 2.8* per cent. per annum on the amount paid up or credited as paid up on such shares, such dividend to be paid on 30th June in each year in respect of the year ending on the preceding 28th February, the first payment being due on 30th June, 1973 in respect of the year ending on 28th February, 1973;
- (b) the right upon a winding up in priority to all other shareholders to the repayment of the capital paid up, or credited as paid up on the said shares, together with a sum equal to all arrears of the said preferential dividend (whether earned or declared or not) calculated up to the commencement of the winding up

but no further right to participate in the profits or surplus assets of the Company. The First Preference Shares shall not confer upon the holders thereof the right to receive notice of, or to attend, or vote at any general meeting of the Company, unless their said preferential dividend shall be at least twelve months in arrear.

(3) The said 10 per cent. Redeemable Second Cumulative Preference Shares (hereinafter called "Second Preference Shares") shall confer on the holders thereof the following rights:—

- (a) Subject to the payment of the fixed cumulative preferential dividend on the First Preference Shares, the right in priority to all other shares in the capital of the Company to receive a fixed cumulative preferential dividend at the rate of 10 per cent. per annum payable half-yearly on 30th June and 31st December in each year, the first dividend to be paid on 31st December, 1978 in respect of the half-year commencing 1st July, 1978. The Second Preference Shares shall not carry any further right to participate in the profits of the Company.
- (b) On a winding-up or a reduction of capital, and subject to the prior rights of the First Preference Shares to repayment of capital, the right in priority to all other shares in the capital of the Company to repayment of capital at par plus any arrears or deficiency in the fixed cumulative dividend down to the date of repayment whether earned or declared or not. The Second Preference Shares shall not confer any further rights to participate in the assets of the Company.

*By virtue of the Finance Act 1972 the dividend of 4 per cent. per annum formerly payable on the First Preference Shares is 2.8 per cent. per annum (plus tax credit).

(c) The right to receive notice of General Meetings of the Company, but not to attend or vote thereat unless either :—

- (i) their dividend is 6 months in arrear, or
- (ii) a resolution is proposed for reducing the capital of the Company (other than by redemption of any of the Second Preference Shares), or for winding up the Company, in which case the holders may only vote on any such resolution.

(d) The proviso to article 84 shall be deemed to be a special right attached to the Second Preference Shares and accordingly there shall be no removal or reduction in the limit of money borrowed contained therein without confirmation thereof pursuant to article 8.

(e) Subject always to the provisions of the Act, the Second Preference Shares shall be redeemable as follows :—

- (i) Provided that the fixed cumulative preferential dividends have been paid in full down to the last half-yearly date fixed for payment the Company may at any time redeem all or any of the Second Preference Shares by purchase in the market or by tender (available to all the holders of Second Preference Shares alike) at any price not exceeding 110 per cent. on or before 31st December, 1992 and thereafter at any price not exceeding the price applicable for the time being on a redemption of the Second Preference Shares in the manner referred to in sub-paragraph (ii) of this paragraph (e). All Shares so purchased shall be redeemed and shall not be re-issued.
- (ii) On or at any time after 30th June, 1983 the Company may on giving to the holders of the Second Preference Shares to be redeemed not less than 3 months' previous notice in writing expiring on any 30th June or 31st December redeem all or any of the Second Preference Shares at par together with a premium per Share calculated in the manner set out below and upon payment of all arrears or accruals of the fixed preferential dividends thereon calculated down to the date fixed for redemption. The premium shall be :—

<i>Year of Redemption</i>	<i>Premium</i>
1983 to 1992 inclusive	10 per cent.
1993 to 1997 inclusive	7½ per cent.
1998 to 2002 inclusive	5 per cent.
2003 to 2007 inclusive	2½ per cent.
2008 to 2012 inclusive	Nil

(iii) The Company shall on 31st December, 2012 redeem all of the Second Preference Shares not previously redeemed at par together with payment of all arrears or accruals of the fixed preferential dividends thereon calculated down to the date fixed for redemption.

(iv) In the case of any partial redemption under paragraph (ii) above the Company shall for the purpose of ascertaining the particular Second Preference Shares to be redeemed cause a drawing to be made at the Registered Office of the Company or at such other place and in such manner as the directors may determine in the presence of a representative of the auditors for the time being of the Company.

(v) Any notice of redemption shall specify the particular Second Preference Shares to be redeemed, the date fixed for redemption and the place at which the certificates for such Shares are to be presented for redemption and on such date each of the holders of the Shares concerned shall be bound to deliver to the Company at such place the certificates for such of the Shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder (or, in the case of joint holders, to the holder whose name stands first in the register of members of the Company) the amount due in respect of such redemption. If any certificate so delivered shall include any Second Preference Shares not redeemable on that occasion the Company shall issue to the holder without charge a fresh certificate for such Shares.

(vi) As from the date fixed for redemption of any Second Preference Shares the fixed cumulative preferential dividends thereon shall cease to accrue unless, upon presentation of the certificate relating thereto and a receipt for the redemption moneys duly signed and authenticated in such manner as the directors may reasonably require, payment of the redemption moneys is refused.

4. The shares shall be under the control of the directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the directors think fit.

Allotment
of shares.

Trusts and
other interests
not recognised
by Company.

5. No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these articles provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder, save in consequence of the order of a court of competent jurisdiction.

Special rights.

6. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.

Redeemable
preference
shares.

7. Subject to the provisions of section 58 of the Act any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine.

Power to
modify rights.

8. If at any time the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is confirmed by an extraordinary resolution passed at a separate general meeting of the holders of shares of that class; and all the provisions hereinafter contained as to general meetings shall *mutatis mutandis* apply to every such meeting, but so that the quorum thereof shall in the case of a general meeting of the holders of First Preference Shares be members holding or representing by proxy two-thirds of the nominal amount of the issued shares of the class and in any other case be persons holding or representing by proxy one-third of the nominal amount of the issued shares of the class.

Effect of new
issues on
existing rights.

9. The rights attached to any class shall not (unless otherwise provided by the terms of issue of shares of the class) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Share
certificates.

10. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to one certificate under the seal or under the official seal kept by the Company by virtue of Section 2 of The Stock Exchange (Completion of Bargains)

Act 1976 specifying the share or shares held by him and the amount paid up thereon, provided that the Company shall not be bound to register more than four persons as the joint holders of any share and in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

11. Where a member has sold part of the shares registered in his name, he shall be entitled to a certificate for the balance without charge.

Balance certificate.

12. If a share certificate is worn out, defaced, lost or destroyed it may be renewed without fee and on such terms, if any, as to evidence and indemnity as the directors think fit.

Loss etc. of share certificate.

13. No part of the funds of the Company shall be employed in the purchase of, or in loan upon the security of, the Company's shares, but nothing in this clause shall prohibit transactions mentioned in the proviso to section 54 (1) of the Act.

Dealings in Company's own shares.

LIEN

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) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of each member (whether solely or jointly with others) for all moneys presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

Company's lien.

15. The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

Power of sale.

16. To give effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Transfer on sale under lien.

Application of
proceeds of sale.

17. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums 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

Calls.

18. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.

When call
deemed to
be made.

19. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed and may be required to be paid by instalments.

Liability of
joint holders.

20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Interest on calls.

21. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding five per cent. per annum as the directors may determine, but the directors shall be at liberty to waive payment of such interest wholly or in part.

Sums payable
on allotment
deemed to
be calls.

22. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Differentiation
between
holders.

23. The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

24. The directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, be not payable) pay interest at such rate not exceeding (unless the company in general meeting shall otherwise direct) five per cent. per annum as may be agreed upon between the directors and the member paying such sum in advance.

Payment in advance.

TRANSFER OF SHARES

25. Subject to the provisions hereinafter contained shares in the Company shall be transferable by written instrument in the usual common form or in any other form which the directors may approve signed by the transferor and (in the case of a partly paid share) the transferee and 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 thereof. Nothing in these articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Transfers.

26. The Directors may in their absolute discretion and without assigning any reason refuse to register a transfer of an Ordinary Share or any other share which is not a fully paid share to a person of whom they do not approve and shall not be bound to specify the grounds for such refusal.

Refusal to transfer shares.

27. The directors may also decline to recognise any instrument of transfer unless:—

Terms of registration.

(a) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and

(b) the instrument of transfer is in respect of only one class of share.

28. If the directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

Notice of refusal.

29. The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

Closing of register.

30. No fee shall be charged by the Company for the registration of any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

Fee on registration of probate, etc.

Destruction of documents.

31. (1) All instruments of transfer which are registered may be retained by the Company.

(2) Subject as hereinafter provided it shall be lawful for the Company to destroy the following documents after intervals of the following lengths, that is to say : —

<i>Documents</i>	<i>Length of Interval</i>
Instruments of transfer that have been registered	Six years from the date of registration thereof
Cancelled share certificates	Three years from the date on which there was registered the transfer or other event causing the certificate to be cancelled
Dividend mandates	Three years from the date on which the mandate was last acted on
Notification of change of address	Three years from the date of altering the register in response to the notification

(3) It shall be conclusively presumed in favour of the Company that every instrument of transfer or other document so destroyed was a valid and effective document and that any cancelled share certificate so destroyed was duly and properly cancelled.

(4) The provisions of paragraph (2) and (3) of this article shall apply only to the destruction of a document without notice of any claim (regardless of whether the Company was a party thereto) to which the document was relevant. This article shall not be construed as of itself imposing on the Company any liability for earlier destruction of documents or for destruction made with notice of such a claim.

(5) References in this article to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

Death of holder.

32. (1) In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

(2) Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be.

Right on
death or
bankruptcy.

33. If the person so becoming entitled shall elect to be registered himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

Election.

34. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided always that the directors 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 ninety days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Dividends and
voting powers.

FORFEITURE OF SHARES

35. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

Calls unpaid.

36. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and

Form of notice.

shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

Forfeiture for
non-payment.

37. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

Disposal of
forfeited share.

38. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

Liability on
forfeiture.

39. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

Title of
purchaser of
forfeited shares.

40. A statutory declaration in writing that the declarant is a director or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Application
of forfeiture
provisions.

41. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

Power to
convert.

42. The Company may by ordinary resolution convert any paid up shares into stock, and reconvert any stock into paid up shares of any denomination.

43. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Transfer of
stock

44. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Rights of
stockholders.

45. Such of these articles as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

Application of
articles to stock.

ALTERATION OF CAPITAL

46. The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

Increase of
capital.

47. The Company may by ordinary resolution:—

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association subject, nevertheless, to the provisions of section 61 (1) (d) of the Act;
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Subdivision and
cancellation
of shares.

48. The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and any consent required, by law.

Reduction
of capital.

GENERAL MEETINGS

Annual general
meeting.

49. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the directors shall appoint.

Extraordinary
general
meetings.

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

Calling
extraordinary
meeting.

51. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 132 of the Act. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

NOTICE OF GENERAL MEETINGS

Notice of
meeting.

52. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under these articles, entitled to receive such notices from the Company: Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed:—

- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number, of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

53. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead and that a proxy need not be a member.

Right to appoint
proxies to be
stated.

54. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Failure to
give notice.

PROCEEDINGS AT GENERAL MEETINGS

55. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.

Special business.

56. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business; save as otherwise provided two members present in person or by proxy shall be a quorum.

Quorum.

57. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

Adjournment
for want of
quorum.

58. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the directors present shall elect one of their number to be chairman of the meeting.

Chairman.

59. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

Election of
chairman by
members.

Adjournment.

60. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting on resolutions.

61. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:—

- (a) by the chairman; or
- (b) by at least three members present in person or by proxy; or
- (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

Taking of poll.

62. Except as provided in article 64, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Chairman's casting vote.

63. In the case of an equality of votes, whether on 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 poll is demanded, shall be entitled to a second or casting vote.

64. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. When poll is taken.
65. Subject to any rights or restrictions for the time being attached to any class or classes of shares every member present in person shall have one vote and on a poll every member shall have one vote for each share of which he is the holder. Number of votes.
66. 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 joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members. Joint holders.
67. A member who is a patient within the meaning of the Mental Health Act 1959 may vote, whether on a show of hands or on a poll, by his receiver or *curator bonis* and such receiver or *curator bonis* may, on a poll, vote by proxy. Vote of member mentally disordered.
68. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid. Member in default.
69. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive. Time for objection.
70. On a poll votes may be given either personally or by proxy. Proxy.
71. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company. Instrument of proxy.
72. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than Deposit of proxy.

forty-eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Form of proxy.

73. An instrument appointing a proxy shall be in any usual or common form or in any other form which the Directors may accept.

Poll demanded by proxy.

74. The instrument appointing a proxy shall be deemed confer authority to demand or join in demanding a poll.

Non-revocation of proxy.

75. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental incapacity of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death, incapacity or revocation as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVES

Corporate representatives.

76. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual member of the Company.

DIRECTORS

Number of directors.

77. Subject to the provisions of article 98 the number of the directors shall not be less than five nor more than fifteen.

Qualification of directors.

78. The qualification of every director shall be the holding in his own right of shares or stock of the Company of the nominal value of £500. A director may act before acquiring his qualification.

Remuneration and expenses.

79. The directors shall be paid, out of the funds of the Company, by way of remuneration for their services, such sums as the Company in general meeting shall from time to time prescribe, and such remuneration shall be divided among them in such proportions and manner as the directors may determine. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in

attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or otherwise incurred while engaged in the business of the Company. Any director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the directors go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the directors may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other article.

MANAGING OR EXECUTIVE DIRECTORS

80. The directors may from time to time appoint one or more of their body to be managing or executive directors for such period and upon such terms as the directors may determine and may revoke any of such appointments. A managing or executive director shall not while he continues to hold office as such be subject to retirement by rotation, and he shall not be taken into account in determining the rotation of retirement of directors; but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other directors of the Company. The appointment of any director as a managing or executive director shall be automatically terminated if he ceases from any cause to be a director unless the contract or resolution under which he holds such office expressly provides to the contrary. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such director may have against the Company or the Company may have against such director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.

Appointment
of managing
or executive
directors.

81. A managing or executive director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the directors may determine, and either in addition to or in lieu of his remuneration as a director.

Remuneration
of managing
or executive
directors.

82. The directors may from time to time entrust to and confer upon a managing or executive director such of the powers exercisable by the directors as they may think fit for such time, for such objects and purposes, upon such terms and conditions, and with such restrictions as they may think expedient, and they may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the directors, and may from time to time revoke, withdraw, alter and vary, all or any of such powers.

Powers and
duties of
managing or
executive
director.

BORROWING POWERS

Borrowing.

83. (1) The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures, debenture stock, and other securities, whether outright or as security for any debt, liability or obligations of the Company or of any third party. The directors shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiaries so as to ensure (as regards its subsidiaries so far as by such exercise it can secure) that the aggregate amount for the time being outstanding in respect of the moneys borrowed or secured by the Group (exclusive of inter-group borrowings) shall not at any time, without the previous sanction of the Company in General Meeting and the confirmation of the holders of the Second Preference Shares at a separate meeting of such holders held in accordance with article 8, exceed an amount equal to the aggregate of :—

- (a) 25 per cent. of the amount of the long term assurance funds of the Company and any of its subsidiaries which are carrying on long term insurance business; and
- (b) twice the share capital and consolidated reserves (other than long term assurance funds) of the Company and its subsidiaries,

all as shown by the latest audited consolidated balance sheet of the Company and its subsidiaries.

(2) For the purposes of this article :—

- (a) "the Group" means the Company and its subsidiaries (within the meaning of Section 154 of the Companies Act 1948) for the time being; and
- (b) "Borrowings" and "monies borrowed" include loan capital whether issued for cash or in whole or in part for a consideration other than cash, but do not include any pre-payments.

(3) Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit contained in this article is observed. No debt incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of any security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

POWERS AND DUTIES OF DIRECTORS

84. The business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these articles required to be exercised by the Company in general meeting, and the exercise of the said powers shall be subject also to the control and regulation of any general meeting of the Company but no resolution of the Company in general meeting shall invalidate a prior act of the directors which would have been valid if such resolution had not been passed. In the management of the Company's business, no director as such shall incur any personal liability except for a breach of any express contract between himself and the Company or a breach of trust knowingly and wilfully committed by himself.

General powers
vested in
directors.

85. The directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

Appointment
of attorney.

86. The Company may exercise the powers conferred by section 35 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

Use of seal
abroad.

87. (1) Except as may be prescribed by the Insurance Companies Act 1974 no director or intending director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into on behalf of the Company in which any director is in any way directly or indirectly interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office, or of the fiduciary relationship thereby established but the nature of

Director's
interest in
contract.

his interest must be declared by him at the meeting of the directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the directors held after he became so interested. A general notice in writing given to the directors by any director to the effect that he is a member of any specified company or firm, and is to be regarded as interested in any contract which may thereafter be made with such company or firm, shall (if such director shall give the same at a meeting of the directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the directors after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

(2) Save as provided in the following paragraphs of this article, a director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A director shall not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting.

(3) A director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:—

- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(d) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or except in relation to charitable companies of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this article to be a material interest in all the circumstances);

(e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes;

(f) any proposal concerning any charitable company, charitable trust or other charity (whether incorporated or not) of which he may be a member, officer or trustee;

(g) any proposal concerning any insurance or assurance contract which is in the ordinary course of business effected by or through such director.

(4) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned (if not debarred from voting under the proviso in paragraph (3) (d) of this article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(5) If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other director shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed.

(6) The Company may by Ordinary Resolution suspend or relax the provisions of this article to any extent or ratify any transaction not duly authorised by reason of a contravention of this article.

(7) Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

Cheques,
bills, etc.

88. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, indorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.

Minutes.

89. The directors shall cause minutes to be made in books provided for the purpose :—

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the Company, and of the directors, and of committees of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

Pensions and
allowances.

90. The directors may grant retirement pensions or annuities or other gratuities or allowances, including allowances on death, to any person or to the widow or dependants of any person in respect of services rendered by him to the Company whether as a managing or executive director or in any other office or employment under the Company or indirectly as an officer or employee of any subsidiary company of the Company, notwithstanding that he may be or may have been a director of the Company and may make payments towards insurances or trusts for such purposes in respect of such persons and may include rights in respect of such pensions, annuities and allowances in the terms of engagement of any such person.

THE SEAL

The seal.

91. The directors shall provide for the safe custody of the seal, and shall make such regulations as they shall think fit for the use thereof.

DISQUALIFICATION OF DIRECTORS

92. The office of director shall be vacated if the director:—

Vacation of office.

- (a) ceases to be a director by virtue of section 182 or 185 of the Act; or
- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) becomes prohibited from being a director by reason of any order made under section 188 of the Act; or
- (d) becomes incapable by reason of mental disorder, within the meaning of the Mental Health Act 1959, of exercising his functions as director; or
- (e) resigns his office by notice in writing to the Company; or
- (f) shall for more than six months have been absent without permission of the directors from meetings of the directors held during that period; or
- (g) shall be requested in writing by all his co-directors to resign.

ROTATION OF DIRECTORS

93. At the annual general meeting of the Company in every year one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office.

Retirement of directors.

94. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot

Determination of directors to retire.

95. A retiring director shall be eligible for re-election.

Eligibility for re-election.

96. The Company at the meeting at which a director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring director shall if offering himself for re-election be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.

Filling the vacancy.

Notice in case
of person
proposed by
person other
than the
directors.

97. No person other than a director retiring at the meeting shall unless recommended by the directors be eligible for election to the office of director at any general meeting unless not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the office notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

Increase or
reduction of
number.

98. The Company may from time to time by ordinary resolution increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

Casual vacancy
or additional
appointment.

99. The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.

Removal of
director.

100. The Company may by ordinary resolution, of which special notice has been given in accordance with section 142 of the Act, remove any director before the expiration of his period of office notwithstanding anything in these articles or in any agreement between the Company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.

Appointment
in place of
director
removed.

101. The Company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article, and without prejudice to the powers of the directors under article 99 the Company in general meeting may appoint any person to be a director either to fill a casual vacancy or as an additional director. A person appointed in place of a director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

PROCEEDINGS OF DIRECTORS

Meetings.

102. The directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of

votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from the United Kingdom.

103. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two. Quorum.

104. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these articles as the necessary quorum of directors, the continuing directors or director may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the Company, but for no other purpose. Number reduced below quorum.

105. The directors may elect a chairman and deputy chairman for their meetings and determine the period for which they are each to hold office, but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for holding the same the directors present may choose one of their number to be chairman of the meeting. Chairman.

106. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. Committees.

107. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same the members present may choose one of their number to be chairman of the meeting. Chairman of committee.

108. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote. Meetings of committee.

Validity of
acts where
appointment
defective.

109. All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

Validity of
resolution
without
meeting.

110. A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the directors, or of all the members of a committee similarly entitled, shall be as valid and effectual as if it had been passed at a meeting of the directors or of the committee (as the case may be) duly convened and held.

President.

111. The directors may, from time to time, appoint for such period as they think fit any person who, in their opinion, has rendered outstanding service to the Company to be President of the Company. The President shall not, by virtue of his office, be deemed a director.

SECRETARY

Appointment.

112. The secretary shall be appointed by the directors for such term at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

Disqualification.

113. No person shall be appointed or hold office as secretary who is:—

- (a) the sole director of the Company; or
- (b) a corporation the sole director of which is the sole director of the Company; or
- (c) the sole director of a corporation which is the sole director of the Company.

Same person
cannot act as
director and
secretary.

114. A provision of the Act or these articles requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

APPROPRIATION OF PROFITS

Reserve fund.

115. The directors shall constitute and maintain, out of the profits of the Company, a reserve fund, of such amount as they shall think fit, to be applied by way of provision against losses, and for meeting claims on or liabilities of the Company, and to be applicable also in or towards equalisation of dividends, or in the payment off of capital borrowed by the Company, or otherwise for any purposes of the Company; and so that, in the event of the Company being wound up, such reserve fund (except so much thereof as either (a) shall be required to be applied in supplementing any deficiency in the other

funds of the Company as respects meeting claims on or liabilities of the Company or repaying the paid up capital thereof, or (b) shall be transferred to another company in case of such sale to or promotion of or amalgamation with another company as contemplated in Clause 3 (5), (6) and (12) of the Memorandum of Association), shall be applied in like manner as grants are by article 117 declared to be applicable. The directors may also carry to reserve any premiums received on the issue of shares, debentures or debenture stock by the Company. The reserve fund may also be capitalised in manner hereinafter provided.

116. The Company in general meeting may declare dividends and the directors may from time to time pay such interim dividends as appear to the directors to be justified by the profits of the Company. No dividend shall be paid otherwise than out of profits. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amount paid or credited as paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid 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 such share shall rank for dividend accordingly.

Dividends.

117. Grants shall be applicable in the discretion of the directors to any charitable institutions, associations, funds or objects founded or administered for the advancement of religion according to the principles of the Church of England or of any Church in communion with the Church of England or for the advancement of schools in connection with any such Church or otherwise as expressed in Clause 3 (4) of the Memorandum of Association in such amounts as the directors may from time to time determine and subject to such, if any, regulations as to the application thereof as may from time to time be framed or promulgated by the directors. The selection of objects comprised in the Memorandum of Association towards the funds to which contributions shall be made shall rest wholly with the directors, who shall not be called upon to state reasons for their selection or for any refusal of contribution. The directors may at their discretion, and upon such terms as they may think fit, from time to time enter into agreements or otherwise undertake to make grants over a period of years or for a fixed period to any one or more of the objects contemplated by this article and no agreement or undertaking in this sense shall be invalid merely because it is made with a company or institution whose board of directors or management is wholly or partially identical with that of the Company.

Grants to
Church objects
as defined
by the
Memorandum
of Association.

Capitalisation.

118. The Company in general meeting may direct the capitalisation of the whole or any part of the profits for the time being of the Company including any accumulations of profits carried to reserve or any premiums received on the issue of shares, debentures or debenture stock of the Company (a) by the distribution amongst the ordinary shareholders *pari passu* in proportion to the amounts paid or credited as paid thereon respectively (otherwise than in advance of calls) of paid up shares, debentures or debenture stock of the Company and by applying the sum directed to be capitalised in making payments in full at par for the shares, debentures or debenture stock so distributed or (b) by the application thereof in crediting any partly paid shares of the Company which have for the time being been issued and are outstanding in proportion to the amounts paid or credited as paid thereon respectively (otherwise than in advance of calls) with the whole or any part of the sums remaining unpaid in respect thereof. The directors shall give effect to such resolution and apply such portion of the profits or reserve fund as may be required for the purpose of making payment in full at par for the shares, debentures or debenture stock of the Company so distributed or (as the case may be) for the purposes of paying in whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid provided that no such distribution or payment shall be made unless recommended by the directors. Where any difficulty arises in regard to the distribution or payment the directors may settle the same as they think expedient and in particular may issue fractional certificates and generally may make such arrangements for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates and otherwise as they may think fit. In cases where some of the shares of the Company are fully paid and others are partly paid only such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares and the partly paid shares the sums so applied in the payment up of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied *pro rata* in proportion to the nominal amounts of the shares then already fully paid and the amounts then already paid or credited as paid on the partly paid shares. When required a proper contract shall be filed in accordance with the provisions of the Act and the directors may appoint any person to sign such contract on behalf of the holders of the shares of the Company which shall have been issued prior to such capitalisation, and such appointment shall be effective. This article is subject to any special conditions which may be attached to any shares whenever issued.

119. The directors may deduct from any dividend payable 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 the shares of the Company.

Deduction from dividend.

120. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock or any other company or in any one or more of such ways, and the directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the directors.

Payment otherwise than in cash.

121. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the shares held by them as joint holders.

Dividend warrants.

122. No dividend shall bear interest against the Company.

No interest.

123. All dividends unclaimed for 12 months after having been declared may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company.

Forfeiture of dividends.

ACCOUNTS

124. The directors shall cause accounting records to be kept in accordance with section 12 of the Companies Act 1976.

Accounting records to be kept.

125. The accounting records shall be kept at the office or, subject to section 12 (6) or (7) of the Companies Act 1976, at such other place

Accounts to be kept at office.

or places as the directors shall think fit and shall always be open to the inspection of the officers of the Company.

Inspection by
members.

126. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.

Profit and loss
accounts and
balance sheets.

127. The directors shall from time to time, in accordance with sections 150 and 157 of the Act and sections 1, 6 and 7 of the Companies Act 1976, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.

Copies to be
sent to
members.

128. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditors' report and directors' report, shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every person registered under article 33 and the required number of copies shall at the same time be sent to The Stock Exchange.

Provided that this article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

AUDIT

Auditors.

129. Auditors shall be appointed and their duties regulated in accordance with section 161 of the Act, section 14 of the Companies Act 1967 and sections 13 to 18 of the Companies Act 1976.

NOTICES

Service of
notices.

130. A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at

such value as he deems fair upon any property to be divided as aforesaid and may determine how such 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 such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

Indemnity
to officers.

135. Every director, managing or executive director, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 448 of the Act in which relief is granted to him by the court.

the expiration of twenty-four hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

131. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

Joint holders.

132. 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 by sending it through the post in a prepaid letter 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 the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

Notice after death or bankruptcy.

133. Notice of every general meeting shall be given in any manner hereinbefore authorised to:—

Notice of general meeting.

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;
- (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
- (c) the auditor for the time being of the Company.

No other person shall be entitled to receive notices of general meetings.

WINDING UP

134. Subject to the provisions of article 115 (governing the disposal of the reserve fund) in the event that the Company shall be wound up the liquidator may with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set

Distribution in specie.