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ACCURATE COPY

R. J. Hall

MRS R. J. HALL  
COMPANY SECRETARY  
ECCLESIASTICAL INSURANCE OFFICE PLC

THE COMPANIES ACTS, 1862 TO 1886

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF THE

26867

ECCLESIASTICAL INSURANCE OFFICE  
PUBLIC LIMITED COMPANY

(As amended by Order of Mr. Justice P.O. Lawrence, dated 31<sup>st</sup> January, 1919)

(and as amended by Special Resolutions passed 21<sup>st</sup> December, 1965 and 22<sup>nd</sup> June, 1978)

(and as amended by directors' resolution passed 22<sup>nd</sup> 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<sup>1</sup>.
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

<sup>1</sup> By Special Resolutions passed on 28th May, 1895 and 31st May 1978, the name of the Company was changed from FIRE OFFICE LIMITED to the ECCLESIASTICAL INSURANCE OFFICE LIMITED.



other causes.

- (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 parties or their 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 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, debenture 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<sup>2</sup>, 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.

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<sup>2</sup> By resolutions passed on 22 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 of £1 each. By a resolution passed on the 2 of June, 1983 the capital was further increased to £13,250,100 divided into 13,250,100 shares of £1 each.

By Extraordinary Resolution passed on 1 February 1990 the Company increased its Authorised Capital from £13,250,100 to £22,250,000 by the creation of 8,999,900 new Ordinary shares of £1 each. These shares were paid up by the capitalisation of £8,999,900 standing to the credit of the Company's Revaluation Account.

By Extraordinary Resolution held on 24 August 1992 the Company increased its Authorised from £22,250,000 to £27,250,000 by the creation of a further 5,000,000 9.5% Third Cumulative Preference shares of £1 each. These shares were issued for cash on 1 October 1992,

By Extraordinary Resolution passed on 19 December 1994 the Authorised Share Capital of the company was increased from £27,250,000 to £51,250,000 by the creation of a further 24,000,000 9.5% Redeemable Third Non-Cumulative Preference shares of £1 each.

By Extraordinary Resolution passed on 19 December 1994 the Issued Share Capital of the Company was increased to £31,250,000 by the allotment of 5,000,000 9.5% Redeemable Third Non-Cumulative Preference shares of £1 each.

By Ordinary Resolutions passed on 12 September 1995:

- a) each issued Ordinary share of £1 in the capital of the Company was subdivided into 2 Ordinary shares of 50p each;
- b) the capital of the Company was increased from £51,250,000 to £84,250,000 by the creation of 6,000,000 Ordinary shares of 50p each and 30,000,000 Sterling Preference shares of £1 each; and
- c) all existing unissued shares in the capital of the Company (other than the shares created pursuant to resolution (b) above) were redesignated as Sterling Preference shares of £1 each with the intent and effect that such shares ceased to have any of the rights (or be subject to any of the restrictions or limitations), if any, previously attached to them.

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By Ordinary Resolution passed on 27 June 1996 the 10,000,000 existing unissued 8.625 per cent Non-Cumulative Irredeemable Preference shares of £1 were redesignated as Sterling Preference shares of £1 each.

By Ordinary Resolution passed on 7 November 1996:

- 1,499,999 Sterling Preference shares of £1 each were designated as 8.625 per cent Non-Cumulative Irredeemable Preference shares of £1 each;
- The issued share capital of the Company was increased to £49,777,118 by the allotment of 1,499,999 Non-Cumulative Irredeemable Preference shares of £1 each and by the allotment of 4,054,238 Ordinary shares of 50p each.

By Ordinary Resolution passed on 26 June 1997:

- 1,600,001 Sterling preference shares of £1 each were redesignated as 8.625 per cent Non-Cumulative Irredeemable Preference shares of £1 each;
- The issued share capital of the Company was increased to 51,377,119 by the allotment of 1,600,001 Non-Cumulative Irredeemable Preference shares of £1 each.

By Special Resolution passed on 26 November 1997 6,900,000 Sterling Preference Shares of £1 each were redesignated as 8.625 per cent Non-Cumulative Irredeemable Preference shares of £1 each.

By Ordinary Resolution passed on 9 December 1997 the issued share capital of the Company was increased to 58,277,119 by the allotment of 6,900,000 8.625% Non-Cumulative Irredeemable Preference Shares of £1 each.

By Special Resolution passed on 29 June 2004 each of the issued and unissued Ordinary share of 50p each in the capital of the Company was subdivided into five Ordinary shares of 10p each.

WE, the several persons whose names and address 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 30 <sup>th</sup> 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 ACTS 1985 - 89

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

ECCLESIASTICAL INSURANCE OFFICE PUBLIC LIMITED COMPANY

Adopted by Special Resolution passed on 15 June 1994  
and amended by Special Resolutions passed on 12 September 1995,  
27 June 1996, 25 June 1998 and 29 June 2004

THE COMPANIES ACTS 1985 - 89

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PUBLIC COMPANY LIMITED BY SHARES

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NEW

ARTICLES OF ASSOCIATION

OF

ECCLESIASTICAL INSURANCE OFFICE PUBLIC LIMITED COMPANY

Adopted by Special Resolution passed on 15 June 1994

and amended by Special Resolutions passed on 12 September 1995,

27 June 1996, 25 June 1998 and 29 June 2004

PRELIMINARY

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

<u>Words</u>	<u>Meanings</u>
the Act	the Companies Act 1985;
these articles	these articles of association as now framed or as from time to time altered by special resolution;
the auditors	the auditors for the time being of the Company;

the Company	Ecclesiastical Insurance Office Public Limited Company;
the directors	the directors of the Company or the directors present at a duly convened meeting of directors at which a quorum is present;
the London Stock Exchange	The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;
member	member of the Company;
month	calendar month;
the office	the registered office for the time being of the Company;
paid up	paid up or credited as paid up;
the register	the register of members of the Company;
the Regulations	the Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272) including any modification, amendment or re-enactment thereof or any rules, regulations, orders or directions made under or in substitution therefor and for the time being in force;
the seal	the common seal of the Company;
the secretary	the secretary for the time being of the Company;
the securities seal	the official seal kept by the Company by virtue of section 40 of the Act;

the Statutes                      the Act and every other statute, including any orders, regulations, rules or other subordinate legislation made under it, for the time being in force concerning companies (including insurance companies) and affecting the Company;

the United Kingdom              Great Britain and Northern Ireland;

in writing                      written or produced by any substitute for writing, or partly written and partly so produced.

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

Words importing the masculine gender only shall include the feminine gender.

The expression “subsidiary” bears, where the context so admits, the meaning ascribed thereto by section 736 of the Act and, also where the context so admits, shall include “subsidiary undertaking”, which expression bears the meaning ascribed thereto by section 258 of the Act, save that in article 91 the expression “subsidiary” shall be construed in accordance with the definition in the Companies Acts 1948 to 1981.

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 and, where two or more persons are appointed to act as joint secretaries, shall include any one of those persons.

References herein to any provision of the Statutes shall, where the context so admits, be construed as a reference to such provision as modified, amended or re-enacted by any statute (or instrument made under any statute) for the time

being in force.

References herein to a share or class of share (or to a holding of shares or class of shares) being in uncertificated form or in certificated form are references, respectively, to that share or class of share being an uncertificated unit of a security or a certificated unit of a security as defined in Regulation 3(1) of the Regulations.

A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these articles.

2. No articles or similar regulations set out in any statute, or contained in any instrument made under any statute, concerning companies shall apply to the Company.

#### SHARE CAPITAL AND VARIATION OF RIGHTS

3. (A) The authorised share capital of the Company at the date of adoption of this article is £84,250,000 divided into:
  - (i) 150,000,000 Ordinary Shares of 10p each;
  - (ii) 250,000 2.8 per cent. First Cumulative Preference Shares of £1 each;
  - (iii) 3,000,000 10 per cent. Redeemable Second Cumulative Preference Shares of £1 each;
  - (iv) 16,000,000 9½ per cent. Redeemable Non-Cumulative Third Preference Shares of £1 each;
  - (v) 25,000,000 8.625 per cent. Non-Cumulative Irredeemable Preference Shares of £1 each; and
  - (vi) 25,000,000 Sterling Preference Shares of £1 each.

- (B) The said 2.8 per cent. First Cumulative Preference Shares (hereinafter called "First Preference Shares") shall confer on the holders thereof the following rights:
- (i) 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;
  - (ii) 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.
- (C) The said 10 per cent. Redeemable Second Cumulative Preference Shares (hereinafter called "Second Preference Shares") shall confer on the holders thereof the following rights:
- (i) 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 Second Preference Shares shall not carry any further right to participate in the profits of the Company;

- (ii) 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;
- (iii) the right to receive notice of general meetings of the Company, but not to attend or vote thereat unless either:
  - (a) their dividend is 6 months in arrear; or
  - (b) 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;
- (iv) the proviso to article 91 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 7;
- (v) subject always to the provisions of the Act, the Second Preference Shares shall be redeemable as follows:
  - (a) 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 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 the price applicable for the time being on a redemption of the Second Preference Shares in the manner referred to in sub-paragraph (b) of this paragraph

(v). All Shares so purchased shall be redeemed and shall not be re-issued;

- (b) the Company may on giving to the holders of the Second Preference Shares to be redeemed not less than three 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:

Year of Redemption	Premium
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

- (c) 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;
- (d) in the case of any partial redemption under paragraph (b) 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 office or at such other place and in such manner as the directors may determine in the presence of a representative of the auditors;



- (e) in relation to any Second Preference Shares which, on the date fixed for redemption (the "Redemption Date"), are in certificated form, any notice of redemption shall specify the particular Second Preference Shares to be redeemed, the Redemption Date 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;
- (f) in relation to any Second Preference Shares which, on the Redemption Date are in uncertificated form, any notice of redemption shall specify the particular Second Preference Shares to be redeemed and the Redemption Date. The directors shall be entitled in their absolute discretion to determine the procedures for the redemption and cancellation of such shares (subject always to the facilities and requirements of the relevant system concerned) and upon being satisfied that such procedures have been effected, 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;
- (g) without prejudice to the generality of paragraph (f) above, but subject as set out in that paragraph:

- (1) the procedures for the redemption of any Second Preference Shares may involve or include the sending by the Company or by any person on its behalf of an issuer-instruction to the Operator of the relevant system concerned requesting or requiring the deletion of any computer-based entries in the relevant system concerned that relate to the holding of the Second Preference Shares concerned; and/or
  - (2) the Company may, if the directors so determine, by notice in writing to the holder concerned (which notice may be included in the notice of redemption) require the holder of the Second Preference Shares concerned to change the form of the Second Preference Shares from uncertificated to certificated prior to the Redemption Date (in which case paragraph (e) above shall then apply as regards the procedure for redemption);
- (h) as from the Redemption Date of any Second Preference Shares the fixed cumulative preferential dividends thereon shall cease to accrue unless, upon either presentation of the certificate relating thereto or, if the Second Preference Shares concerned were in uncertificated form on the relevant Redemption Date, the procedures for redemption as referred to in paragraph (f) above having been complied with, and in all cases a receipt for the redemption monies duly signed and authenticated in such manner as the directors may reasonably require, payment of the redemption monies is refused;
- (i) whether any Second Preference Shares are in certificated form or uncertificated form on the Redemption Date shall be determined by reference to the register as at 12.01 am on the Redemption Date or such other time as the directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.

- (j) In this Article 3(C) the expressions “issuer-instruction”, “Operator” and “relevant system” shall have the meanings given by Regulation 3(1) of the Regulations.
- (D) The said 9½ per cent. Redeemable Non-Cumulative Third Preference Shares (hereinafter called “Third Preference Shares”) shall confer on the holders thereof the following rights:
- (i) subject to the payment of the fixed preferential dividends on the First Preference Shares and the Second Preference Shares, the right in priority to all other shares in the capital of the Company to receive a fixed preferential dividend at the rate of 9½ per cent. per annum payable half-yearly on 30th June and 31st December in each year. If the Company is unable (other than by reason of banks not being open for business on that day) to pay and does not pay all or part of such fixed dividend on any 30th June or 31st December (a “Payment Date”) then such fixed dividend shall not cumulate but the Company’s obligation to pay such fixed dividend shall cease on the 1st July or 1st January (as the case may be) immediately succeeding such Payment Date. The Third Preference Shares shall not carry any further right to participate in the profits of the Company;
- (ii) on a winding-up or a reduction of capital, and subject to the prior rights of the First Preference Shares and the Second 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;
- (iii) the Third 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 at the date of such meeting the holders shall not have been paid the fixed dividend payable on the immediately preceding Payment Date provided that such right shall cease upon

the date upon which the Company pays any subsequent fixed dividend;

- (iv) subject always to the provisions of the Act (or any statutory modification or re-enactment thereof for the time being in force), the Third Preference Shares shall be redeemable as follows:
  - (a) on or at any time after 30th June 2012 the Company may on giving to the holders of the Third Preference Shares to be redeemed not less than three months' previous notice in writing expiring on any 30th June or 31st December redeem all or any of the Third Preference Shares at par;
  - (b) the Company shall on 30th June 2018 redeem all of the Third Preference Shares not previously redeemed at par;
  - (c) in the case of any partial redemption under paragraph (a) above the Company shall for the purpose of ascertaining the particular Third Preference Shares to be redeemed cause a drawing to be made at the office or at such other place and in such manner as the directors may determine in the presence of a representative of the auditors;
  - (d) any notice of redemption shall specify the particular Third 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

Third Preference Shares not redeemable on that occasion the Company shall issue to the holder without charge a fresh certificate for such shares;

- (e) as from the date fixed for redemption of any Third Preference Shares the fixed preferential dividends thereon shall cease to accrue unless, upon presentation of the certificate relating thereto and a receipt of the redemption moneys duly signed and authenticated in such manner as the directors may reasonably require, payment of the redemption moneys is refused.
- (E) (i) The said 8.625 per cent. Non-Cumulative Irredeemable Preference Shares (hereinafter called "Non-Cumulative Irredeemable Shares") shall rank *pari passu* with each other and in priority to the Ordinary Shares of 50p each in the capital of the Company ("Ordinary Shares") and the Third Preference Shares (together referred to as the "After Ranking Shares") but after the First Preference Shares, Second Preference Shares and such other shares in the Company which by their terms of issue rank in priority to the Non-Cumulative Irredeemable Shares (together referred to as the "Prior Ranking Shares").
- (ii) The holders of the Non-Cumulative Irredeemable shares shall be entitled, in priority to any payment of dividend to the holders of the After Ranking Shares but after any payment of dividend to the holders of Prior Ranking Shares, to be paid out of the profits available for distribution under the Act and permitted by law to be distributed when, as and if declared by the directors, a non-cumulative preferential dividend payable at the rate of 8.265 per cent. per annum of the nominal amount of each Non-Cumulative Irredeemable Share (exclusive of any associated tax credit) in sterling which will be payable in equal half-yearly instalments in arrears on 30 June and 31 December in each year (each a "Dividend Payment Date") save that the first dividend instalment will be payable on 31 December 1995, in

respect of the period from and including 20 September 1995 up to but excluding 31 December 1995. If any Dividend Payment Date is not a day on which banks in the City of London are open for business (a "Business Day"), then payment of the dividend otherwise payable on such Dividend Payment Date will be made on the next succeeding Business Day and without any interest or other payment in respect of such delay. Dividends payable on the Non-Cumulative Irredeemable Shares in respect of any period shorter or longer than a full dividend period will be calculated on the basis of a 365 day year and the actual number of days elapsed in such period. Dividends remaining unclaimed after a period of 12 years after having been declared shall be forfeited and shall revert to the Company.

- (iii) If on any Dividend Payment Date the profits of the Company available for distribution are, in the opinion of the directors, insufficient to enable payment in full to be made of the dividend which would otherwise fall to be payable on the Non-Cumulative Irredeemable Shares on such Dividend Payment Date (the "relevant dividend"), then none of the relevant dividend shall be payable.
- (iv) If, in the opinion of the directors, the payment of any dividend on the Non-Cumulative Irredeemable Shares would or might breach or cause a breach of the margins of solvency prescribed for the business of the Company pursuant to the Insurance Companies Regulations 1994 (as amended from time to time) or any replacement or similar legislation or such payment would prevent the Company from lending monies or other assets of the Company to any subsidiary or associated undertaking of the Company which in the opinion of the directors requires such monies or assets to prevent a breach of the margins of solvency (prescribed as aforesaid) for the business of that subsidiary or associated undertaking, then none of such dividend shall be payable.
- (v) If it shall subsequently appear that any such dividend which has been paid should not, in accordance with the provisions of paragraphs (iii)

or (iv) above, have been so paid then provided the directors shall have acted in good faith they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made.

- (vi) If a dividend or any part thereof on the Non-Cumulative Irredeemable Shares is not paid for the reasons specified in paragraphs (iii) or (iv) above, the holders of the Non-Cumulative Irredeemable Shares shall have no claim in respect of such non-payment.
- (vii) In any calendar year, whether or not any dividend on the Non-Cumulative Irredeemable Shares has been paid in full and notwithstanding any provision of these articles, the directors may if they so resolve and subject to the Act, pay (or set aside a sufficient sum for payment of) a special dividend of 0.1p per share on any shares in the capital of the Company in respect of which no dividend has previously been paid in that calendar year. References elsewhere in this article 3.(E) to any dividend payable on any preference shares shall not be treated as including a reference to any special dividend paid on any preference shares pursuant to this paragraph (vii).
- (viii) The Non-Cumulative Irredeemable Shares will not be redeemable.
- (ix) On a return of capital on a winding up or otherwise (other than a redemption or purchase by the Company of any of its issued shares), the holders of the Non-Cumulative Irredeemable Shares shall be entitled to receive out of the surplus assets of the Company remaining after payment of its liabilities an amount per Non-Cumulative Irredeemable Share equal to the aggregate of:
  - (a) the nominal amount of a Non-Cumulative Irredeemable Share together with any premium paid on issue; and

- (b) an amount equal to any dividend accrued on a Non-Cumulative Irredeemable Share for the then current dividend period up to and including the date of the commencement of the winding up, but only to the extent that any such amount was, or would have been, payable as a cash dividend; and
  - (c) an amount equal to any dividend which has been declared by the directors as payable on a Non-Cumulative Irredeemable share but which remains unpaid.
- (x) The Non-Cumulative Irredeemable Shares (and all other shares of the Company ranking *pari passu*) shall rank on a return of capital as described in paragraph (ix) above in priority to the holders of After Ranking Shares but after the holders of Prior Ranking Shares.
- (xi) If, upon a return of capital as described in paragraph (ix) above, the amounts available for payment are insufficient to cover the amounts payable in full on the Non-Cumulative Irredeemable Shares and any other shares expressed to rank *pari passu* therewith as regards participation in assets, then the holders of the Non-Cumulative Irredeemable Shares and such other shares will share rateably in the distribution of surplus assets (if any) in proportion to the full respective preferential amount to which they are entitled.
- (xii) The holders of the Non-Cumulative Irredeemable Shares shall not be entitled to receive notice of, attend, speak and vote at a general meeting of the Company except:
  - (a) where at the date of the notice convening such meeting, the dividend on such shares which is (or, but for the provisions described in paragraphs (iii) and (iv) above would be) most recently payable on such shares shall not have been paid in full; or



- (b) where a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Non-Cumulative Irredeemable Shares, or for the winding up of the Company or for the reduction of capital of the Company (otherwise than on a redemption or purchase by the Company by any of its issued shares), in which case they shall be entitled only to speak and vote on such resolution but not on any other resolution which may be proposed at that general meeting.
- (xiii) Whenever the holders of the Non-Cumulative Irredeemable Shares are entitled to vote at a general meeting of the Company upon any resolution proposed at such a general meeting, on a show of hands every holder thereof who is present in person or (being a corporation) by a duly authorised representative shall have one vote and on a poll every holder thereof who is present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote in respect of each Non-Cumulative Irredeemable Share registered in the name of such holder.
- (xiv) No Non-Cumulative Irredeemable Share shall:
  - (a) confer any right to participate in the profits or assets of the Company other than as set out in paragraphs (ii) - (xi) (inclusive) above;
  - (b) subject to the Act, confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for additional shares in the Company;
  - (c) confer any right of conversion; or
  - (d) confer any right to participate in any issue of bonus shares.

- (xv) Subject to the Act and to paragraph (ix) above (if applicable) the Company may at any time purchase any Non-Cumulative Irredeemable Shares upon such terms as the directors shall determine.
- (xvi) Following the purchase of any Non-Cumulative Irredeemable Shares the nominal amount of such shares comprised in the capital of the Company may be divided by resolution of the directors into, or reclassified as, shares of any other class in the capital of the Company without any further resolution or consent.
- (xvii) Save with such consent or sanction on the part of the holders of the Non-Cumulative Irredeemable Shares as is required for a variation of the rights attached to such shares, the directors shall not authorise or create, or increase the amount of, any shares of any class, or any securities convertible into any shares of any class, ranking as regards participation in the profits or assets of the Company (otherwise than on a redemption or purchase by the Company of any such share) in priority to the Non-Cumulative Irredeemable Shares.
- (xviii) Subject to the provisions of paragraph (xix) below, the rights attached to any Non-Cumulative Irredeemable Shares allotted or in issue shall (unless otherwise provided by their terms of issue) be deemed not to be varied or abrogated by the allotment or issue of any further preference shares (in this paragraph called "Further Preference Shares") ranking as regards participation in the profits and assets of the Company *pari passu* with (but not in priority to) the Non-Cumulative Irredeemable Shares. Any Further Preference Shares may either carry rights and restrictions as regards participation in the profits and assets of the Company which are identical in all respects with those attaching to the Non-Cumulative Irredeemable Shares or any other series of Further Preference Shares or carry rights and restrictions differing therefrom in any respect including, but without prejudice to the

generality of the foregoing:

- (a) the rate of and/or the basis of calculation of dividend may differ and may be cumulative or non-cumulative;
  - (b) Further Preference Shares may rank for dividend from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ from those for the Non-Cumulative Irredeemable Shares;
  - (c) a premium may be payable on a return of capital or there may be no such premium;
  - (d) Further Preference Shares may be redeemable on such terms and conditions as may be prescribed by the terms of issue thereof or may be non-redeemable;
  - (e) Further Preference Shares may be convertible into any class of shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after the Non-Cumulative Irredeemable Shares in each case on such terms and conditions as may be determined by the terms of issue thereof; and
  - (f) Further Preference Shares may be denominated in any currency or, if permitted by law, any basket of currencies.
- (xix) The rights attached to any Non-Cumulative Irredeemable Shares allotted or in issue shall (unless otherwise provided by their terms of issue) be deemed to be varied by the allotment or issue of Further Preference Shares where at the date of the allotment of such Further Preference Shares (the "Relevant Date"), the aggregate of the nominal amount (together with any premium paid or payable on issue) of the Non-Cumulative Irredeemable Shares, and of any other shares ranking *pari passu* with or in priority to the Non-Cumulative Irredeemable

Shares allotted or in issue on the Relevant Date and, immediately following such issue, of the Further Preference Shares exceeds a sum equal to one-third (to be calculated to two decimal places) of the Adjusted Share Capital and Reserves, immediately following such issue.

For these purposes “Adjusted Share Capital and Reserves” shall mean the aggregate of the nominal amount paid up or credited as paid up (or deemed to be paid up) on the issued share capital of the Company and the total of the capital, general and revenue reserves of the Group (which expression for the purposes of this definition shall mean the Company and its subsidiary undertakings for the time being) (including any amount credited to share premium account, capital redemption reserve, revaluation reserve and credit balance on the profit and loss account and including any reserve (the “Long term insurance business reserve”) fixed by the directors following an evaluation by the Company’s actuary of the assets and liabilities of the Group’s proprietary life assurance business (such reserve being referred to, at 13 September 1995, as the “Long term insurance business reserve” in the notes to the Group’s then latest consolidated balance sheet)), in each case whether or not such amounts are available for distribution, all as shown in the latest audited consolidated balance sheet of the Group but after:

- (a) making such adjustments as may be appropriate in respect of any variation in interests in subsidiary undertakings and to take account of any subsidiary undertaking which shall have become or ceased to be a subsidiary undertaking since the date as at which such balance sheet was prepared and in the amount paid up on the issued share capital or share premium account or capital redemption reserve since the date of such latest audited consolidated balance sheet and so that for this purpose if any issue or proposed issue of shares for cash or otherwise has been underwritten or otherwise agreed to be subscribed (for cash or

otherwise) then, at any time when the underwriting of such shares or other agreement as aforesaid shall be unconditional, such shares shall be deemed to have been issued and the amount (including any premium) payable (or which would have been credited as payable) in respect thereof (not being moneys payable later than six months after the date of allotment) shall be deemed to have been paid up to the extent that the underwriters or other persons are liable therefor;

- (b) deducting (to the extent included) any amounts distributed or proposed to be distributed or charitable grants made or proposed to be made by the Group (but not provided in such latest audited consolidated balance sheet) other than distributions attributable to the Company or any subsidiary undertaking and any amounts attributable to goodwill (including goodwill arising only on consolidation) or other intangible assets provided always that the Long term insurance business reserve shall not be so deducted;
- (c) excluding any sums set aside for taxation and any amounts attributable to outside shareholders in subsidiary undertakings of the Company;
- (d) deducting any debit balance on the profit and loss account; and
- (e) making such further adjustments (if any) as the auditors may consider appropriate (and so that no amount shall be included or excluded more than once).

A certificate or report by the auditors as to the amount or estimated amount of the Adjusted Share Capital and Reserves immediately prior to such issue shall be conclusive evidence of such amount.

- (xx) The rights attached to any Non-Cumulative Irredeemable Shares allotted or in issue shall (unless otherwise provided by their terms of issue) be deemed not to be varied by the consolidation and division and/or sub-division of any Ordinary Shares into shares of a larger or smaller amount in accordance with the Act, or, save as provided in paragraph (xxii) below, by the redemption of any shares in accordance with the Act.
- (xxi) The rights attached to the Non-Cumulative Irredeemable Shares allotted or in issue may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of such Non-Cumulative Irredeemable Shares and any shares hereafter issued of the same class then in issue ranking *pari passu* in all respects with the Non-Cumulative Irredeemable Shares then in issue (together referred to as the "Class Shares") or with the sanction of an extraordinary resolution passed at a class meeting of the holders of such shares. All the provisions of these articles relating to general meetings shall apply to every such meeting but so that the quorum thereat shall be members holding or representing by proxy at least one-third of the nominal amount of the Class Shares. Article 7 of these articles of the Company shall not apply to the Class Shares.
- (xxii) Save with such consent or sanction on the part of the holders of the Non-Cumulative Irredeemable Shares as is required for a variation or abrogation of the rights attached to such shares, the directors shall not capitalise any part of the profits of the Company available for distribution or purchase or redeem any shares in the Company if either (a) the dividend on the Non-Cumulative Irredeemable Shares for the dividend payment period immediately prior to the date of the proposed capitalisation, purchase or redemption has been declared and not been paid in full or such dividend has not been declared for a reason described in paragraph (iii) or (iv) above or (b) after such capitalisation, purchase or redemption the amount of the profits of the Company and its subsidiary undertakings available

for distribution would be less than five times the aggregate amount of the annual dividend (exclusive of any associated tax credit) payable on the Non-Cumulative Irredeemable Shares and any other shares of the Company then in issue ranking as regards dividends *pari passu* with or in priority to the Non-Cumulative Irredeemable Shares.

The directors are authorised to consolidate and divide and/or sub-divide any Non-Cumulative Irredeemable Shares into shares of a larger or smaller amount (so that the provisions of article 51 of these articles shall, where relevant, apply to such consolidation, division or sub-division).

The Company shall not make, and shall procure that none of its subsidiary undertakings shall make, any Charitable Donation unless (after making such proposed Charitable Donation) a dividend on the Non-Cumulative Irredeemable Shares equal to twice the amount of the next half yearly dividend on such Non-Cumulative Irredeemable Shares could lawfully be paid by reference to accounts of the Company relevant for the purposes of section 270 of the Act and in respect of which the statutory requirements (as referred to in sub-section (5) of that section) have been complied with.

For the purposes of this paragraph (xxii) :

“Charitable Donation” means a single donation for charitable purposes (not being part of a series of donations made or to be made pursuant to any deed of covenant or other instrument); and

“Non-Cumulative Irredeemable Shares” means that the Non-Cumulative Irredeemable Shares plus any further shares subsequently issued and ranking *pari passu* therewith.

(xxiii) As used in this article 3.(E) “subsidiary undertaking” means a subsidiary undertaking of the Company which is required by the Act

to be included in the consolidated Group accounts.

4. 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 dividends, voting, conversion, return of capital or otherwise as the Company may from time to time by ordinary resolution determine (or in the absence of any such determination as the directors may determine).
5. Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.
6. Subject to the provisions of the Statutes any shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company or of the holder thereof 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.
7. If at any time the share 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 of these articles relating 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 at least two-thirds of the nominal amount of the issued shares of the class and in any other case be members holding or



representing by proxy at least one-third of the nominal amount of the issued shares of the class.

8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* therewith but in no respect in priority thereto.
9. The company may exercise the powers of paying commissions conferred by the Statutes to the extent thereby permitted. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
10. Except as required by law, no person shall be recognised by the Company as holding any share upon 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 or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
11. Every person whose name is entered as a member in the register shall, without payment (other than in respect of exceptional out-of-pocket expenses), be entitled to one certificate under the seal or the securities seal specifying the share or shares held by him and the amount paid up thereon, provided that in respect of shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate of a share to one of several joint holders shall be sufficient delivery to all. Entitlement to such a certificate shall be within two months after allotment (or such longer period as the terms of issue shall provide) or the lodgement of a transfer.

12. 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.
13. (A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- (B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the directors may, if they think fit and subject to the payment by the member of any out-of-pocket expenses of the Company in connection with such request (if required by the directors), comply with such request.
- (C) If a share certificate shall be damaged, worn out or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request without charge subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of exceptional out-of-pocket expenses of the Company in connection with the request as the directors may think fit.
- (D) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.
14. The directors may at any time after the allotment of any share but before any person has been entered in the register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the directors may think fit to impose.

## LIEN

15. 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 (so far as permitted by the Statutes) the Company shall also have a first and paramount lien on every share standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company irrespective of whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. 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.
16. The Company may sell, in such manner as the directors think fit, any share 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 14 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 under these articles by reason of his death or bankruptcy or other event giving rise to such entitlement.
17. 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.

18. The net proceeds of the sale shall be 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 be held (subject to a like lien for sums not presently payable as existed upon the shares before the sale) by the Company on behalf of the persons entitled to the shares at the date of the sale.

#### CALLS ON SHARES

19. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each member shall (subject to receiving at least 14 days' notice specifying the time and place of payment) pay to the Company at the time and place so specified the amount called on his shares. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. A call may be revoked or postponed as the directors may determine.
20. 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.
21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
22. 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.
23. The provisions of article 22 as to payment of interest shall apply in the case of

non-payment of any sum which, by the terms of issue of a share, becomes payable on allotment or at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

24. 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.
25. 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, become 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.

#### TRANSFER OF SHARES

26. Subject to the provisions herein contained, transfers of shares in the Company shall be in writing in the usual common form or in such other form as the directors may approve, signed by the transferor and (except in the case of fully paid shares) the transferee, and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register in respect thereof.
27. The directors may in their absolute discretion and without assigning any reason therefor decline to register the transfer of a share not being fully paid, and they may also decline to register the transfer of a share on which the Company has a lien.
28. The directors may also refuse to register any transfer unless:
  - (a) the instrument of transfer is lodged at the office or such other place as the directors may from time to time determine, duly stamped,

accompanied by the certificate for 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, if executed by some other person on the transferor's behalf, the authority of that person to do so;

- (b) the transfer is in respect of only one class of share; and
- (c) in the case of a transfer to joint holders, the number of joint holders to whom the shares are to be transferred does not exceed four.

- 29. 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 a notice of the refusal.
- 30. 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 30 days in any year.
- 31. No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, stop notice, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the register affecting the title to any shares.
- 32. All instruments of transfer which are registered may be retained by the Company.
- 33. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof, and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof, and all share certificates which have been cancelled at

any time after the expiration of one year from the date of the cancellation thereof, and any other document on the basis of which any entry in the register is made at any time after the expiration of six years from the date of such an entry was first made in respect thereof, and it shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this article;
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### TRANSMISSION OF SHARES

34. In the 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 or only surviving 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.

35. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise by operation of law to such entitlement 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 or such other event, as the case may be.
36. 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 or such other event had not occurred and the notice or transfer were a transfer signed by that member.
37. Save as otherwise provided by or in accordance with these articles, a person becoming entitled to a share by reason of the death or bankruptcy of the holder or of any other event giving rise by operation of law to such entitlement shall (upon supplying to the Company such evidence as the directors may reasonably require to show his title to the share) be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share and the rights of such holder in relation to the share shall cease, except that such person shall not, before being registered as a member in respect of the share, be entitled in respect of it (except with the authority of the directors) to exercise any right conferred by membership in



relation to meetings of the Company. The directors may at any time give notice requiring any such person to elect either registered himself or to transfer the share, and if the notice is not complied with within 90 days the directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

### FORFEITURE OF SHARES

38. 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 and expenses which may have accrued.
39. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made, and 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.
40. 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. Such forfeiture shall include all dividends declared and any other monies payable in respect of the forfeited share and not actually paid before forfeiture. The directors may accept a surrender of any share liable to be forfeited hereunder.
41. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share or the person entitled to the share by transmission and to receive notice under these articles, and an entry of the forfeiture or accepted surrender, with the date thereof, shall forthwith be made in the register, provided that no forfeiture

shall be invalidated by any failure to give such notice and no forfeiture or surrender shall be invalidated by any failure to make such an entry in the register.

42. A forfeited or surrendered share may be sold or otherwise disposed of on such terms and in such manner as the director think fit, and at any time before a sale or disposal the forfeiture may be cancelled on such terms as the directors think fit. The directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any other person.
43. A person whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares and shall surrender to the Company for cancellation the certificate for such shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender, 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.
44. A statutory declaration in writing that the declarant is a director or the secretary of the Company, and that a share in the Company had been duly forfeited or surrendered or sold or otherwise disposed of 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 disposal 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, surrender, sale or disposal of the share.
45. 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 on allotment or at a fixed time, whether on account of the nominal value of

the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

#### CONVERSION OF SHARES INTO STOCK

46. The Company may by ordinary resolution convert any paid-up shares into stock and resolve that any shares upon becoming paid-up shall be converted into stock, and reconvert any stock into paid-up shares of any denomination.
47. 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.
48. 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 right, 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 right, privilege or advantage.
49. Such of these articles as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" herein shall include "stock" and "stockholder".

#### ALTERATION OF CAPITAL

50. 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 direct or, in default of such direction, as the directors shall determine.

51. (A) The Company may by ordinary resolution:
- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (ii) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association of the Company subject, nevertheless, to the provisions of the Statutes and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;
  - (iii) cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.
- (B) Whenever as a result of a consolidation and/or a sub-division of shares any member would become entitled to fractions of a share, the directors may deal with the fractions as they think fit and, in particular, may sell the shares representing the fractions to any person (including, subject to the provisions of the Statutes, the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members. For the purpose of giving effect to any such sale, the directors may authorise some person to transfer or deliver the shares to or in accordance with the directions of the purchaser and may cause the name of the transferee to be entered in the register as the holder of the shares. The person to whom any

shares are transferred or delivered 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 in, or invalidity of, the proceedings relating to the sale.

52. 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 consent required, by law.
53. Subject to the provisions of the Statutes relating to the authority of the Company in general meeting and otherwise, the Company may with the sanction of an extraordinary resolution of a separate class meeting of the holders of any convertible securities purchase its own shares (including any redeemable shares). Neither the Company nor the directors shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

#### GENERAL MEETINGS

54. 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 notice calling it. Not more than 15 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.
55. All general meetings other than annual general meetings shall be called extraordinary general meetings.
56. 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 the Statutes. 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 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

57. An annual general meeting and a meeting called for the passing of a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company shall be called by 21 days' notice in writing at the least, and any other meeting shall be called by 14 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 shall be given, in the 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. In the case of an annual general meeting, the notice shall also specify the meeting as such. In the case of any general meeting at which special business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.

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 an 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.

58. Subject to any restrictions contained in the Statutes or in any other of these articles, every member shall be entitled to attend a meeting of the Company, either in person or by proxy. 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.
59. The accidental omission to give notice of a meeting or to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

60. 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 (or the determination of the manner in which such remuneration is to be fixed).
61. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members present in person or by proxy shall be a quorum.
62. If within 30 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of 6 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 (not being less than 14 nor more than 28 days thereafter) and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not

present within 30 minutes from the time appointed for the meeting, the members present shall be a quorum.

63. The chairman, if any, of the board of directors shall preside as chairman at every meeting of the Company, or if there is no such chairman, or if he shall not be present within 15 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.
64. If at any meeting no director is willing to act as chairman or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.
65. 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 or indefinitely. In addition, the chairman may at any time without the consent of the meeting adjourn the meeting to another time or place or indefinitely if it appears to the chairman that:
  - (a) the number of persons present or wishing to attend cannot be conveniently located in the place appointed for the meeting; or
  - (b) the unruly behaviour of any persons attending the meeting prevents or is likely to prevent the orderly conduct of the business of the meeting; or
  - (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

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 indefinitely, the time and place for the



adjourned meeting shall be fixed by the directors. When a meeting is adjourned for 30 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.

66. (A) In the case of a resolution duly proposed as a special or extraordinary resolution, no amendment to it (other than an amendment to correct a patent error) may be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution, no amendment to it (other than an amendment to correct a patent error) may be considered or voted upon unless at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the office.
- (B) Subject to paragraph (A) above, if an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
67. The provisions of these articles relating to general meetings shall apply, with necessary modifications, to any meeting of the holders of shares of a class held otherwise than in connection with the modification of the rights attached to shares of the class. The notice of any such meeting given before the date of adoption of this article shall be as valid as if this article had been in force at the date when the notice was given.
68. 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 or on the withdrawal of any other demand for a poll) 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 10 per cent 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 10 per cent 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 with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

69. Except as provided in article 71, 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. In case of any dispute as to the admission or rejection of a vote, the chairman of the meeting shall determine the same and any such determination made in good faith shall be final and conclusive.

70. 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.
71. 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. No notice need be given of a poll not taken immediately.

#### VOTES OF MEMBERS

72. Subject to any special rights or restrictions for the time being attached to any shares or class of shares, on a show of hands every member who is present in person or (being a corporation) present by a duly authorised representative shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote in respect of each share registered in the name of such member.
73. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register.
74. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy or mental disorder, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy provided that such evidence as the directors in their absolute discretion may require of the authority of the person claiming to

vote shall have been deposited at the office or at such other place as is specified for deposit of instruments of proxy not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which such person proposes to vote, or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll.

75. (A) No member shall, unless the directors otherwise determine, be entitled in respect of shares of the Company held by him to vote at a general meeting or meeting of the holders of any class of shares of the Company, either personally or by proxy, or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company if any call or other sum presently payable by him to the Company in respect of such shares remain unpaid.
- (B) If any member, or any person appearing to be interested in shares in the Company held by such member, has been duly served with a notice under section 212 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, then the directors may in their absolute discretion at any time thereafter serve a notice (a “direction notice”) upon such member as follows:
- (i) a direction notice may direct that, in respect of the shares in relation to which the default occurred (“default shares”), the member shall not be entitled to attend and vote at a general meeting either personally or by proxy; and
  - (ii) where the default shares represent at least 0.25 per cent of the class of shares concerned, then the direction notice may additionally direct that:
    - (a) in respect of the default shares any dividend which would otherwise be payable on such shares (or any

shares issued in lieu of dividend) shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member;

- (b) none of the shares held by such member shall be transferred unless the transfer is an approved transfer or:
  - (aa) the member is not himself in default as regards supplying the information requested; and
  - (bb) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

- (C) Any direction notice shall cease to have effect not more than seven days after the earlier of:
  - (i) receipt by the Company of notice that the default shares have been transferred by means of an approved transfer; and
  - (ii) due compliance, to the satisfaction of the directors, with the notice under section 212 of the Act.

(D) For the purpose of this article:

- (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said section 212 which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (ii) the prescribed period in respect of any particular member is 14 days from the date of service of the said notice under section 212;
- (iii) a transfer of shares is an approved transfer if but only if:
  - (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer, which for this purpose shall mean an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them; or
  - (b) the directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with a member and with other persons appearing to be

interested in such shares; or

- (c) the transfer results from a sale made through a recognised investment exchange, as defined in the Financial Services Act 1986, or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

- (E) Nothing contained in this article shall limit the power of the directors under section 216 of the Act.

76. If:-

- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

77. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

78. 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.
79. Instruments of proxy shall be in any usual form or in such other form as the directors may approve, subject to the regulations of the London Stock Exchange from time to time, and the directors may, if they think fit but also subject to the provisions of such regulations and of the Statutes, send out with the notice of any meeting of the Company forms of instrument of proxy for use at the meeting.
80. The instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the directors, may be delivered to the office (or to such other place within the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than 48 hours before the time appointed 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 taken subsequently to the date of the meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll, and an instrument of proxy which is not so delivered shall be invalid. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting having once so been delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.
81. No instrument of proxy shall be valid after the expiration of 12 months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or adjourned meeting in cases where the meeting



was originally held within 12 months from that date.

82. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting (including any adjourned meeting) for which it is given as the proxy thinks fit but shall not confer any further right to speak at the meeting except with the permission of the chairman of the meeting.
83. A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office or such other place (if any) as is specified for depositing the instrument of proxy not later than the latest time at which the instrument of proxy should have been delivered in order to be valid for use at the meeting or adjourned meeting at which the instrument of proxy is used, or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) 24 hours before the time appointed for the taking of the poll at which the vote is cast.
84. Subject to the provisions of the Statutes, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

#### CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

85. Any corporation which is a member of the Company may by instrument under seal (or, if lodged at the office at least 48 hours before the time appointed for the meeting, by instrument under the hand of an officer duly authorised by it or 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 that corporation could exercise if it were an individual member of the Company.

## DIRECTORS

86. Subject as hereinafter provided the number of directors shall not be less than five nor more than 15. The Company may by ordinary resolution from time to time vary the minimum or maximum number of directors.

## QUALIFICATIONS AND REMUNERATION OF DIRECTORS

87. Article deleted 29 June 2004.
88. 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 or about 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.
89. 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.

90. Notwithstanding the provisions of articles 88 and 89, any director acting as a director of any corporate body controlled by the Company or in which the Company is interested, may receive and retain any remuneration payable to him as such director and the directors may utilise the voting power on any shares or securities held by the Company in any such company as aforesaid for the purpose of fixing the remuneration of the directors of such company or any of them.

### BORROWING POWERS

91. (A) 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 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 monies 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 7, exceed an amount equal to the aggregate of:
- (i) 25 per cent. of the amount of the long term assurance funds of the Company and any of its subsidiaries which carry on long term insurance business; and

- (ii) 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.

- (B) For the purposes of this article “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.
- (C) 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

- 92. The business of the Company shall be managed by the directors, who may exercise all such powers of the Company as are not, by the Statutes or by these articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these articles, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid articles or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made. The general powers given by this article shall not be limited or restricted by any special authority or power given to the directors by any other article.

93. Subject to the provisions of these articles and the Statutes, the directors may exercise or procure the exercise of the voting rights conferred by the shares in any other company held or owned by the Company, and may exercise any voting rights to which they are entitled as directors of such other company, in such manner as they shall in their absolute discretion think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them as directors, officers, or servants of such other company, and fixing their remuneration as such, and may vote as directors of the Company in connection with any of the matters aforesaid.
94. 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 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 power 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.
95. (A) Subject to the provisions of the Statutes and of paragraph (J) of this article, no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any director is in any way interested be liable to be avoided, nor shall any director who is so interested be liable to account to the Company or the members for any remuneration, profit or other benefit realised by the contract by reason of the directors holding that office or of the fiduciary relationship thereby established.
- (B) A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of

director for such period (subject to the provisions of the Statutes) and upon such other terms as the directors may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the directors may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other article.

- (C) A director of the Company may be or become or continue as a director or other officer of, or otherwise interested in, any company controlled by the Company or in which the Company may be interested or as regards which it has any power of appointment.
- (D) A director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- (E) A director shall not vote on or be counted in the quorum in relation to any resolution of the directors concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more directors to office or places of profit with the Company or any company in which the Company is interested, a separate resolution may be put in relation to each director. In that case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to any office or place of profit

with a company in which the Company is interested and the director seeking to vote or be counted in the quorum owns one per cent. or more of it.

- (F) Save as otherwise provided by these articles, a director shall not vote on, or be counted in the quorum in relation to, any contract in which he has an interest (together with any interest of any person connected with him within the meaning of section 346 of the Act) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through the Company, and, if he shall do so, his vote shall not be counted, but this prohibition shall not apply to any resolution concerning any of the following matters:-
- (i) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) the giving of any security, guarantee or indemnity 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;
  - (iii) any contract 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 may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - (iv) any contract 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 to his knowledge the holder of or beneficially interested in one 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);

- (v) any arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privileges or benefit not generally awarded to the employees to whom such arrangement relates;
  - (vi) any contract concerning any charitable company, charitable trust or other charity (whether incorporated or not) of which he may be a member, officer or trustee;
  - (vii) subject to the provisions of these articles and the Statutes, any contract concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons including directors.
- (G) If any question shall arise at any meeting of the directors as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director (other than the chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be conclusive except in a case where the nature or extent of his interest (so far as it is known to him) has not



been fairly disclosed to the directors. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the directors (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman (so far as it is known to him) has not been fairly disclosed to the directors.

- (H) A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract with the Company shall declare the nature of his interest at the meeting of the directors at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the directors after he knows that he is or has become so interested. For the purposes of this article, a general notice to the directors by a director to the effect that (i) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm or (ii) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this article in relation to any such contract; provided that no such notice shall be effective unless either it is given at a meeting of the directors or the director takes reasonable steps to secure that it is brought up and read at the next directors' meeting after it is given.
- (I) Subject to the provisions of the Statutes, the Company may by ordinary resolution suspend or relax the provisions of this article 95 to any extent or ratify any contract not properly authorised by reason of contravention of this article.

- (J) References in this article 95 to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.
96. 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, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.
97. 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 name 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;
98. 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.

#### DISQUALIFICATION OF DIRECTORS

99. The office of a director shall be vacated in any of the following events:-

- (a) if he ceases to be a director by virtue of any provisions of the Statutes or is removed from office pursuant to these articles;
- (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) if he becomes prohibited from being a director by virtue of the Statutes, including without limitation by reason of any order made under section 1 of the Company Directors Disqualification Act 1986;
- (d) if he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the directors resolve that his office be vacated;
- (e) if he resigns his office by notice in writing to the Company;
- (f) if he shall for more than six months have been absent without permission of the directors from meetings of the directors held during that period and the directors resolve that he shall no longer be a director;
- (g) shall be requested in writing by all his co-directors to resign.

#### ROTATION OF DIRECTORS

- 100. 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 greater than one-third shall retire from office.
- 101. The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other

directors subject to retirement by rotation who have been longest in office since their appointment or last re-election, but as between persons who became or were last re-elected directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

102. A retiring director shall be eligible for re-election.
103. The Company at the meeting at which a director retires in the manner aforesaid may fill the vacated office by electing thereto the retiring director or some other person eligible for appointment, 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. The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring director or a resolution for his re-election is put to the meeting and lost and, accordingly, a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.
104. 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 seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been left at the office notice in writing, signed by a member (other than the person to be proposed) 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 in writing signed by that person of his willingness to be elected.
105. The directors shall have the 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.

106. The Company may by ordinary resolution, of which special notice has been given in accordance with the Statutes, 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.
107. Subject to the provisions of article 104, the Company may by ordinary resolution appoint another person in place of a director removed from office under article 106. A person appointed in place of a director so removed 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 as a director. In default of such appointment the vacancy arising upon the removal of a director from office may be filled as a casual vacancy.

#### PROCEEDINGS OF DIRECTORS

108. (A) The directors may meet together for the dispatch 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 the case of an equality of votes, the chairman shall have a second or casting vote.
- (B) A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Notice of a meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing by post, by hand or by facsimile transmission to him at his last known address or any other address given by him to the Company for this purpose. 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 unless the notice is in writing and he shall have given to the secretary an address in the United Kingdom for such notices. Any director may waive notice of any meeting and any such waiver may be retroactive.

- (C) All or any of the directors or all or any of the members of any committee of the directors may participate in a meeting of the directors or of that committee by means of a conference telephone, videoconference or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to attend and vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is present in person.

109. 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.
110. 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.
111. The directors may elect a chairman and deputy chairman of 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 or 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.

112. The directors may delegate any of their powers to committees consisting of one or more directors and, if desired, such other person or persons as the directors think fit who, if any, shall comprise not more than half of the total number of the persons on the committee as the directors 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; and no resolution of such committee shall be effective unless the majority of the members of the committee present at the meeting at which the resolution is passed are directors of the Company, provided that where the committee is formed comprising one director and one such other person as aforesaid, the director shall have a casting vote.
113. 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.
114. 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.
115. 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 or had vacated office, be as valid as if every such person had been duly appointed and was qualified to be a director.
116. A resolution in writing, signed or approved in any form (including facsimile transmission) by each director or his alternate or by all the members of a committee 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, and when signed may consist of several documents each signed or giving such approval by one or more of the persons aforesaid.

#### PRESIDENT

117. 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.

#### MANAGING AND EXECUTIVE DIRECTORS

118. The directors may from time to time appoint one or more of their body to be the holder of any executive office (including where considered appropriate the office of chairman or deputy chairman, or managing or joint or deputy or assistant managing director) for such period and on such terms as (subject to the provisions of the Statutes) they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The appointment of any director to any such executive office shall be automatically determined if he ceases for any cause to be a director unless the contract or resolution under which he holds such office expressly provides to the contrary. Any such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.
119. The directors may entrust to and confer upon a director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers, but no person dealing in good faith and without notice of such revocation, withdrawal, alteration or variation shall be affected thereby.

#### ALTERNATE DIRECTORS

120. (A) Each director may from time to time appoint any person to be his



alternate and may at his discretion revoke such appointment. If the alternate director is not already a director of the Company, the appointment, unless previously approved by the directors, shall have effect only upon and subject to its being so approved.

- (B) Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointor and delivered to the office or tendered at a meeting of the directors, or in any other manner approved by the directors.
- (C) An alternate director shall (except when absent from the United Kingdom, unless he shall have given to the secretary an address in the United Kingdom for such notices) be entitled to receive notice of all meetings of the directors or of committees of the directors of which his appointor is a member. He shall also be entitled to attend, speak and vote as a director at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director, and for the purposes of the proceedings at the meeting (including counting towards a quorum) the provisions of these articles shall apply as if he were a director.
- (D) Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these articles relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director. An alternate director shall not (save as aforesaid) be deemed to be a director of the Company.

- (E) Every person appointed as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director. Execution by an alternate director of any resolution in writing of the directors or of a committee of the directors shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointer.
- (F) An alternate director shall automatically cease to be an alternate director and to have any power or authority to act as an alternate director, if his appointer ceases for any reason to be a director, except that, if at any meeting any director retires by rotation or otherwise but is reappointed or deemed to be reappointed at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired.

#### SECRETARY

- 121. 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 but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint secretaries. The directors may also appoint from time to time on such terms as they think fit one or more assistant secretaries.
- 122. 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.

123. A provision of the Statutes 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.
124. Any director or the secretary or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the directors of any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

#### THE SEAL

125. The directors shall provide for the safe custody of the seal and the securities seal, which shall only be used by the authority of the directors or of a *committee of the directors authorised by the directors in that behalf*. Every instrument to which the seal or the securities seal shall be affixed shall be signed either by two directors, or by one director and the secretary, or by any person duly authorised by the directors either generally or in relation to specific instruments or instruments of specific descriptions. Provided that as regards any certificates for shares or debentures or other securities of the

Company, the directors may determine that any such signatures or signature (as the case may be) shall be dispensed with or affixed by some method or system of mechanical signature.

#### DIVIDENDS AND RESERVES

126. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.
127. The directors may from time to time pay to the members such interim dividends (including therein the fixed dividends payable upon any preference or other shares at stated times) as appear to the directors to be justified by the profits of the Company.
128. No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Statutes.
129. Any dividend or interim dividend may be paid in the currency in which it is declared or resolved or in such other currency as the directors consider appropriate.
130. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up or credited as paid up on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purpose 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 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.
131. The directors may deduct from any dividend or other monies 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.

132. Subject to the rights attaching to any class of share capital of the Company, any general meeting declaring a dividend or bonus may upon the recommendation of the directors 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 of any other company or in any one or more of such ways, and the directors shall give effect to such resolution. 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 payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, any may vest any such specific assets in trustees as may seem expedient to the directors.
133. Any dividend, interest or other moneys payable in cash in respect of a share may be paid by direct debit, bank transfer, cheque or warrant sent through the post directed to the registered address of the holder or of the person entitled thereto in consequence of the death or bankruptcy or mental disorder of the holder or by operation of law or any other event, or, if two or more persons are registered as joint holders of the share, to the registered address of that one of the joint holders who is first named on the register of members, or, if two or more persons are otherwise entitled to the share as aforesaid, to any one of such persons, or to such person and to such address as the holder or joint holders or such other person or persons may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Any one of two or more joint holders or person jointly or otherwise entitled as aforesaid may give effectual receipts for any dividends, interest, bonuses or other moneys payable in respect of the shares held by them as joint

holders or to which they are jointly so entitled.

134. The directors may retain the dividends or other monies payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
135. No dividend shall bear interest against the Company.
136. Any dividend remaining unclaimed for a period of 12 years after the date such dividend was declared or became due for payment may at any time thereafter be forfeited by resolution of the directors and shall revert to the Company.
137. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied, and so that, in the event of the Company being wound up, such reserve or reserves (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 the Company's memorandum of association), shall be applied in like manner as grants are by article 138 declared to be applicable. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide. In carrying sums to

reserve and in applying the same the directors shall comply with the Statutes.

138. 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 Company's memorandum of association in such amounts and in such manner and by such means 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 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.

#### UNTRACED SHAREHOLDERS

139. (A) The Company may by resolution of the directors and subject to the provisions of this article sell any shares in the Company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a member of the London Stock Exchange to sell them if:-
- (i) the shares have been in issue throughout the qualifying period (as hereinafter defined) and at least three dividends have become payable on the shares during the qualifying period;

- (ii) no dividend payable on the shares has either been claimed by presentation to the paying bank of the relative cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or other person so entitled to, the shares at any time during the relevant period (as hereinafter defined);
- (iii) so far as any director of the Company at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or other person so entitled to, the shares;
- (iv) the Company has caused two advertisements to be published, one in a national newspaper and the other in a newspaper circulating in the area in which the last known address of the holder of, or other person so entitled to, the shares, or the address at which service of notices may be effected as authorised by these articles, is located, giving notice of its intention to sell the shares and period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates; and
- (v) the Company has given notice to the appropriate officer of the London Stock Exchange of its intention to make the sale.

(B) *For the purposes of this article;*

- (i) “the qualifying period” means the period of 12 years immediately preceding the date of publication of the advertisements referred to in sub-paragraph (iv) of paragraph (A) above, or of the first of the two advertisements to be published if they are published on different dates; and



- (ii) "the relevant period" means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of sub-paragraphs (i) to (v) of paragraph (A) above have been satisfied.
- (C) If, after the publication of either or both of the advertisements referred to in sub-paragraph (iv) of paragraph (A) above but before the Company has become entitled to sell the shares, the requirements of sub-paragraph (ii) or (iii) of paragraph (A) above cease to be satisfied, the Company may nevertheless sell those shares after the requirements of sub-paragraphs (i) to (v) of paragraph (A) above have been satisfied afresh in relation to them.
- (D) If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements of sub-paragraphs (ii) to (v) of paragraph (A) above have been satisfied in regard to the further shares, the Company may also sell the further shares.
- (E) To give effect to any sale of shares pursuant to this article, the directors may authorise some person to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or other person entitled as aforesaid to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of, or other person so entitled to, the shares for an amount equal to the net proceeds and shall enter the name of such former holder or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and

the Company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the Company or as it thinks fit.

- (F) The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if, in respect of two consecutive dividends payable on those shares (or one such dividend following which reasonable enquiries have failed to establish a new address of the holder or person entitled by transmission), the cheques or warrants have been returned undelivered or remain uncashed but, subject to the provisions of these articles, the Company shall recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.
- (G) If on two consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not from then on be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices.

#### ACCOUNTS

- 140. The directors shall cause accounting records to be kept in accordance with the provisions of the Statutes.
- 141. The accounting records shall be kept at the office or, subject to the Statutes, at such other place or places as the directors think fit, and shall always be open to the inspection of the officers of the Company.

142. 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 officers of the Company, and no member (not being an officer of the Company) 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.
143. The directors shall from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and reports in accordance with the Statutes.
144. (A) Save as provided in paragraph (B) below, 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 21 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 entitled to receive notices of meetings of the Company under the provisions of these articles or of the Statutes. 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. Four copies of each of these documents shall at the same time be forwarded to the appropriate officer of the London Stock Exchange.
- (B) The Company may, in accordance with section 251 of the Act and any regulations made thereunder, send a summary financial statement to any member and to any debenture holder instead of or in addition to the documents referred to in paragraph (A) above and where it does so the statement shall be sent to the member not less than 21 days before the date of the general meeting before which the documents are to be laid.

145. Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

#### CAPITALISATION OF PROFITS

146. The Company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures or any other obligations of the Company, to be allotted and distributed fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution. Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this article, only be applied in the paying up of unissued shares to be allotted to members as fully paid bonus shares.
147. The Company in general meeting may on the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution

by applying such sum in paying up in full unissued shares to be allotted as fully paid bonus shares to those members (or any class of members) who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions), and the directors shall give effect to such resolution.

148. Whenever a resolution is passed in pursuance of article 146 or 147 above, the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned) and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

#### RECORD DATES

149. Any resolution declaring a dividend on shares of any class or making provision for any distribution, allotment or issue for the holders of shares of any class, whether a resolution of the Company in general meeting or of the directors, may specify that the same shall be paid or made, as the case may be, to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and the dividend, distribution, allotment or

issue shall be paid or made, as the case may be, to them in accordance with their respective holdings so registered but without prejudice to the rights interest of such dividend of transferors and transferees of any such shares.

#### AUDIT

150. Auditors shall be appointed and their duties regulated in accordance with the Statutes. Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.
151. The auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors.

#### NOTICES

152. Any notice or document (including a share certificate) may be served or delivered 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 notices 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 at the expiration of 24 hours (or, where second class mail is employed, 48 hours) after the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
153. A notice or document (including a share certificate) may be given by the Company to the joint holders of a share by giving the same to the joint holder

first named in the register in respect of the share. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices should be disregarded.

154. Any notice or document (including a share certificate) may be served or delivered by the Company to the persons entitled to a share in consequence of the death or bankruptcy or mental disorder of a member or by operation of law or any other event by sending it through the post in a prepaid cover 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 serving or delivering the notice or document in any manner in which the same might have been given if the death or bankruptcy or other event as aforesaid had not occurred.
155. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by notice advertised on the same date in at least one national newspaper and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
156. Notice of every general meeting shall be given in any manner hereinbefore authorised to:-
- (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, upon supplying to the Company such evidence as the directors may reasonably require to show his title to the shares and upon supplying also an address within the United Kingdom for service;
- (c) the auditors; and
- (d) the directors.

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

- 157. Any member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
- 158. Nothing in these articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

#### WINDING UP

- 159. Subject to the provision of article 137 (governing the disposal of reserves), if 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 Statutes, 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 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 member. 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 in respect of which there is any liability.

160. The directors shall have the power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

#### INDEMNITY

161. (A) Subject to the provisions of the Statutes, every director, managing 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 all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto, including 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 the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in connection with any application under any statute for relief from liability in respect of any act or omission in which relief is granted to him by the court.
- (B) Also subject to the provisions of the Statutes, the directors may from time to time approve the purchase and maintenance of insurance by the Company for the benefit of any person who is or was at any time a director, other officer, employee or auditor of the Company or of any company which is a subsidiary, subsidiary undertaking or associate of the Company or who undertakes responsibilities or duties for the benefit of the Company and at the Company's request, against liability as permitted by the Statutes.

## UNCERTIFICATED UNITS OF A SHARE OR OTHER SECURITY

162. The directors shall have power to adopt and implement any arrangements as they in their absolute discretion think fit (subject to the facilities and requirements of the relevant system (as defined in Regulation 3(1) of the Regulations) concerned) for recording and transferring title to or providing for the redemption or conversion of shares or a class of shares (or a holding of shares) in uncertificated form or for recording or transferring title to or providing for the redemption or conversion of any other uncertificated units of a security (as defined in Regulation 3(1) of the Regulations) issued by the Company.

ECCLESIASTICAL INSURANCE OFFICE PUBLIC LIMITED COMPANY

NEW

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