

SPECIAL RESOLUTION
OF
Friends Life Limited (the "Company")

COMPANY NUMBER: 4096141

Passed on 30 July 2014

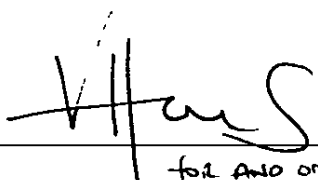
The following resolution was duly passed as a written resolution of members of the Company

SPECIAL RESOLUTION

That

- (A) The regulations contained in the document attached to this Resolution and marked "A" for the purpose of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association

Signed


for AND ON BEHALF of FRIENDS LIFE
SECRETARIAL SERVICES LIMITED

~~Director~~ Company Secretary

Print Name

VICTORIA HAMES



A

No 4096141

The Companies Act 2006

Company Limited by Shares

ARTICLES OF ASSOCIATION

adopted by special resolution passed on 30 July 2014

of

Friends Life Limited

(incorporated on 25 October 2000)

The Companies Act 2006
Company Limited by Shares
Articles of Association

adopted by special resolution passed on 30 July 2014

of

Friends Life Limited (the "Company")

Preliminary

1 Default Articles not to apply

Neither the regulations in Table A in The Companies (Tables A to F) Regulations 1985 nor any other articles or regulations prescribing the form of articles which may apply to companies under the Companies Acts or any former enactment relating to companies shall apply to the Company

Part 1

Interpretation and Limitation of Liability

2 Defined terms

2.1 In the Articles, unless the context requires otherwise

"**Alternate**" or "**Alternate Director**" has the meaning given in Article 31,

"**appointor**" has the meaning given in Article 31,

"**Articles**" means the Company's articles of association,

"**Associated Company**" has the same meaning as in Section 256 Companies Act 2006,

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

"**capitalised sum**" has the meaning given in Article 58,

"**Chairman**" has the meaning given in Article 14,

"**Chairman of the Meeting**" has the meaning given in Article 61,

"**Companies Acts**" means the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company,

"**Director**" means a director of the Company, and includes any person occupying the position of director, by whatever name called,

"**Dividend Date**" has the meaning given in Article 48,

"document" includes, unless otherwise specified, any document sent or supplied in electronic form,

"electronic form" has the meaning given in Section 1168 of the Companies Act 2006,

"FSMA" means the Financial Services and Markets Act 2000 including any statutory modification or re-enactment thereof for the time being in force,

"fully paid" in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company,

"hard copy form" has the meaning given in Section 1168 of the Companies Act 2006,

"holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

"ordinary resolution" has the meaning given in Section 282 of the Companies Act 2006,

"Ordinary Share" means an ordinary share of £1 in the capital of the Company,

"paid" means paid or credited as paid,

"participate", in relation to a Directors' meeting, has the meaning given in Article 12,

"payee" has the meaning given in Article 53,

"persons entitled" has the meaning given in Article 58,

"PRA" means the Prudential Regulatory Authority or any successor regulatory body,

"Preference Share" means a 4 8125 per cent non-cumulative perpetual preference share of £1 in the capital of the Company,

"Preference Shareholder" means a holder of Preference Shares,

"proxy notice" has the meaning given in Article 67,

"Redemption Date" has the meaning given in Article 47,

"Redemption Notice" has the meaning given in Article 47,

"Regulatory Capital Requirement" means the minimum applicable regulatory capital or capital ratios required to be maintained for insurance companies and insurance holding companies generally, by the PRA or any successor regulatory body,

"Relevant Director" means any Director or former Director of the Company or any director or former director of an Associated Company of the Company,

"relevant loss" has the meaning given in Article 79,

"Secretary" means any person appointed to perform the duties of the secretary of the Company (including any deputy or assistant secretary) in accordance with Article 32,

"shareholder" means a person who is the holder of a share,

"share" means an Ordinary Share or a Preference Share in the Company, as the case may be,

"Solvency Condition" has the meaning set forth in Article 49,

"special resolution" has the meaning given in Section 283 of the Companies Act 2006,

"subsidiary" has the meaning given in Section 1159 of the Companies Act 2006,

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

2.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company

2.3 Except in relation to the number of shareholders constituting a quorum in Article 60, the provisions of these Articles relating to general meetings and to the proceedings at such meetings shall apply to separate meetings of a class of shareholders

3 Liability of shareholders

The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them

Part 2 Directors

Directors' Powers and Responsibilities

4 Number of Directors

The number of Directors shall not be less than two and shall not be subject to any maximum

5 Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

6 Shareholders' reserve power

6.1 The shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action

6.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution

7 Directors may delegate

7.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles

7.1.1 to any such person,

7.1.2 to any committee consisting of one or more Directors and (if thought fit) one or more other persons, at least one of the members of the committee shall be a Director and no resolution of such a committee shall be effective unless a Director is present when it is passed, or

- 713 to any local board or agency for managing any of the affairs of the Company either in the United Kingdom or elsewhere,
 - 714 by such means (including by power of attorney),
 - 715 to such an extent,
 - 716 in relation to such matters or territories, and
 - 717 on such terms and conditions,
- as they think fit
- 7.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated
 - 7.3 Any reference in these Articles to the exercise of a power or discretion by the Directors shall include a reference to the exercise of a power or discretion by any person or committee to whom it has been delegated
 - 7.4 The Directors may revoke any delegation in whole or part, or alter its terms and conditions

8 Committees

The Directors may make regulations in relation to the procedures of committees or sub-committees to whom their powers or discretions have been delegated or sub-delegated. Subject to any such regulations, the meetings and procedures of any committee or sub-committee shall be governed by the provisions of these Articles regulating the meetings and procedures of Directors

Decision-Making by Directors

9 Directors to take decisions collectively

- 9.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken by Directors' written resolution in accordance with Article 10
- 9.2 If
 - 921 the Company only has one Director, and
 - 922 no provision of the Articles requires it to have more than one Director,the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making, provided that any decision taken shall be recorded in writing and the record kept for 10 years

10 Directors' written resolutions

- 10.1 Any Director may propose a written resolution by giving written notice to the other Directors or may request the Secretary (if any) to give such notice
- 10.2 A Directors' written resolution is adopted when all the Directors who would have been entitled to vote on such resolution if it had been proposed at a meeting of the Directors have

10.2.1 signed one or more copies of it, or

10.2.2 otherwise indicated their agreement to it in writing

10.3 A Directors' written resolution is not adopted if the number of Directors who have signed it is less than the quorum for Directors' meetings

11 Calling a Directors' meeting

11.1 Any Director may call a Directors' meeting by giving notice of the meeting to the other Directors or by requesting the Secretary (if any) to give such notice. Subject to Article 11.2, it shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom

11.2 If a Director notifies the Company in writing of an address in the United Kingdom at which notice of meetings of the Directors is to be given to him when he is absent from the United Kingdom, he shall, if so absent, be entitled to have notice given to him at that address, but the Company shall not be obliged by virtue of this Article to give any Director a longer period of notice than he would have been entitled to had he been present in the United Kingdom at that address

11.3 Notice of any Directors' meeting must indicate

11.3.1 its proposed date and time,

11.3.2 where it is to take place, and

11.3.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting

11.4 Subject to the provisions of Articles 11.1 and 11.2, notice of a Directors' meeting must be given to each Director, but need not be in writing

11.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

12 Participation in Directors' meetings

12.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when

12.1.1 the meeting has been called and takes place in accordance with the Articles, and

12.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

12.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other

12.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

13 Quorum for Directors' meetings

- 13.1** At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- 13.2** The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two, and unless otherwise fixed it is two
- 13.3** If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision
 - 13.31** to appoint further Directors, or
 - 13.32** to call a general meeting so as to enable the shareholders to appoint further Directors

14 Chairing of Directors' meetings

- 14.1** The Directors may appoint a Director to chair their meetings
- 14.2** The person so appointed for the time being is known as the "**Chairman**"
- 14.3** The Directors may terminate the Chairman's appointment at any time
- 14.4** If the Chairman is not participating in a Directors' meeting within 10 minutes of the time at which it was to start, the participating Directors may appoint one of their number to chair it

15 Casting vote

- 15.1** If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote
- 15.2** But this does not apply if, in accordance with the Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes

16 Validity of proceedings

All acts done by any meeting of Directors, or of any committee or sub-committee of the Directors, or by any person acting as a member of any such committee or sub-committee, shall as regards all persons dealing in good faith with the Company be valid, notwithstanding that there was some defect in the appointment of any Director or any such persons, or that any such persons were disqualified or had vacated office, or were not entitled to vote

17 Record of decisions to be kept

The Directors must ensure that the Company keeps a record, in writing, of every majority decision taken by the Directors and of every Directors' written resolution for at least 10 years from the date of the decision or resolution

18 Directors' discretion to make further rules

Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors

19 Change of name

The Company may change its name by a decision of the Directors

Directors' Interests

20 Authorisation of Directors' interests

20.1 For the purposes of Section 175 of the Companies Act 2006, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company

20.2 Authorisation of a matter under this Article 20 shall be effective only if

20.2.1 the matter in question shall have been proposed for consideration at a meeting of the Directors, in accordance with the usual procedures for such meetings or in such other manner as the Directors may resolve,

20.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "**Interested Directors**"), and

20.2.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted

20.3 Any authorisation of a matter under this Article may

20.3.1 extend to any actual or potential conflict of interest which may arise out of the matter so authorised,

20.3.2 be subject to such conditions or limitations as the Directors may resolve, whether at the time such authorisation is given or subsequently, and

20.3.3 be terminated by the Directors at any time,

and a Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation

20.4 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article 20 and any contract, transaction or arrangement relating to such a matter shall not be liable to be avoided on the grounds of any such benefit

21 Permitted Interests

21.1 Subject to compliance with Article 21.2, a Director, notwithstanding his office, may have an interest of the following kind

- 21 1 1 where a Director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company,
- 21 1 2 where a Director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company, or in which the Company is otherwise interested,
- 21 1 3 where a Director has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest,
- 21 1 4 where a Director has an interest, or a transaction or arrangement gives rise to an interest, of which the Director is not aware, or
- 21 1 5 where a Director has any other interest authorised by ordinary resolution

No authorisation under Article 20 shall be necessary in respect of any such interest

- 21.2 A Director shall declare the nature and extent of any interest permitted under Article 21 1 and not falling within Article 21 3, at a meeting of the Directors or in such other manner as the Directors may resolve
- 21.3 No declaration of an interest shall be required by a Director in relation to an interest
 - 21 3 1 falling within Article 21 1 1, 21 1 3 or 21 1 4,
 - 21 3 2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
 - 21 3 3 if, or to the extent that, it concerns the terms of his service contract (as defined in Section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles
- 21.4 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any Relevant Company or for such remuneration, each as referred to in Article 21 1, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit
- 21 5 For the purposes of this Article 21, "**Relevant Company**" shall mean
 - 21 5 1 the Company,
 - 21 5 2 a subsidiary of the Company,
 - 21 5 3 any holding company of the Company or a subsidiary of any such holding company,
 - 21.5 4 any body corporate promoted by the Company, or
 - 21 5 5 any body corporate in which the Company is otherwise interested

22 Quorum and voting

- 22.1** A Director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he (or a person connected with him) has an interest, unless the interest is solely of a kind permitted by Article 21 1
- 22.2** A Director shall not be counted in the quorum at a meeting of the Directors in relation to any resolution on which he is not entitled to vote

23 Confidential information

- 23.1** Subject to Article 23 2, if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required
- 23 1 1** to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company, or
- 23 1 2** otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director
- 23.2** Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 23 1 shall apply only if the conflict arises out of a matter which has been authorised under Article 20 or falls within Article 21
- 23.3** This Article 23 is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 23

24 Directors' interests - general

- 24.1** For the purposes of Articles 20 to 24
- 24.1 1** a person is connected with a Director if that person is connected for the purposes of Section 252 of the Companies Act 2006, and
- 24 1 2** an interest (whether of the Director or of such a connected person) of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his
- 24.2** Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may, and shall if so requested by the Directors, take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation
- 24 2 1** absenting himself from any meetings of the Directors at which the relevant situation or matter falls to be considered, and
- 24 2 2** not reviewing documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to

which it might be appropriate for him to have access to such documents or information

- 24.3** The Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of Articles 20 to 24

Appointment of Directors

25 Methods of appointing Directors

- 25.1** Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director
- 25.1.1** by ordinary resolution,
 - 25.1.2** by a decision of the Directors, or
 - 25.1.3** by a notice given in accordance with Article 27
- 25.2** In any case where, as a result of death, the Company has no shareholders and no Directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a Director
- 25.3** For the purposes of Article 25.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

26 Termination of Director's appointment

- 26.1** A person ceases to be a Director as soon as
- 26.1.1** that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
 - 26.1.2** a bankruptcy order is made against that person,
 - 26.1.3** a composition is made with that person's creditors generally in satisfaction of that person's debts,
 - 26.1.4** a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
 - 26.1.5** notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms,
 - 26.1.6** that person is absent from meetings of Directors for six months without permission and the Directors have resolved that that person should cease to be a Director,
 - 26.1.7** notice of the Director's removal is given in accordance with Article 27, or
 - 26.1.8** notice of termination is served or deemed served upon the Director and that notice is given by all the other Directors for the time being

- 26.2** If a Director holds an appointment to an executive office which automatically terminates on termination of his office as a Director, his removal from office pursuant to this Article 26 shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company

27 Appointment and removal of Director by majority shareholders

A shareholder or shareholders holding in aggregate a majority of the nominal value of the shares may, by notice to the Company, appoint any person to be a Director to fill a vacancy or to be an additional Director and/or terminate any Director's appointment

28 Directors' remuneration

- 28.1** Directors may undertake any services for the Company that the Directors decide

- 28.2** Directors are entitled to such remuneration as the Directors determine

28.2.1 for their services to the Company as Directors, and

28.2.2 for any other service which they undertake for the Company

- 28.3** Subject to the Articles, a Director's remuneration may

28.3.1 take any form, and

28.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director

- 28.4** Unless the Directors decide otherwise, Directors' remuneration accrues from day to day

29 Directors' expenses

- 29.1** The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at

29.1.1 meetings of Directors or committees of Directors,

29.1.2 general meetings, or

29.1.3 separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

30 Appointment of executive Directors

- 30.1** The Directors may from time to time appoint one or more of their number to be the holder of any executive office (including, where considered appropriate, the office of Chairman) on such terms and for such period as they may (subject to the Companies Acts) resolve and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment

- 30.2** The appointment of any Director to an executive office shall automatically terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company

- 30.3** The appointment of any Director to any other executive office shall not automatically terminate if he ceases to be a Director for any reason, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such termination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company

Alternate Directors

31 Alternate Directors

- 31.1** Any Director (the "appointor") may at any time appoint any person (including another Director) to be his alternate (the "Alternate" or the "Alternate Director") and may at any time terminate such appointment
- 31.2** The appointment or termination of appointment of an Alternate Director must be made by notice in writing signed by the appointor or in any other manner approved by the Directors
- 31.3** The notice must identify the proposed Alternate and, in the case of an appointment, contain a statement signed by the proposed Alternate stating that the proposed Alternate is willing to act as the Alternate of the Director giving the notice
- 31.4** The appointment of an Alternate Director shall terminate
- 31.4.1** when the appointor revokes the appointment by notice to the Company specifying when it is to terminate,
 - 31.4.2** on the occurrence in relation to the Alternate of any event which if it happened to the Alternate's appointor, would result in the termination of the appointor's appointment as a Director,
 - 31.4.3** on the death of the Alternate's appointor, or
 - 31.4.4** if his appointor ceases to be a Director
- 31.5** An Alternate Director shall (unless he is absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director at any such meeting and be counted in the quorum at any such meeting at which his appointor is not personally present, and generally at such meetings to perform all functions of his appointor as a Director. For the purposes of the proceedings at such meetings, the provisions of these Articles shall apply as if the Alternate Director (instead of his appointor) were a Director
- 31.6** If an Alternate is himself a Director or shall attend any such meeting as an Alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum
- 31.7** If his appointor is for the time being temporarily unable to act through ill health or disability, an Alternate's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor
- 31.8** This Article 31 shall also apply (with such changes as are necessary) to such extent as the Directors may from time to time resolve to any meeting of any committee of the Directors of which the appointor of an Alternate Director is a member

- 31.9** An Alternate Director shall not (except as otherwise provided in this Article 31) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor
- 31.10** An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a Director
- 31.11** An Alternate shall not be entitled to receive remuneration from the Company in respect of his appointment as Alternate Director except to the extent his appointor directs the Company to pay to the Alternate some of the remuneration otherwise payable to that Director

Secretary

32 Secretary

The Company shall have a Secretary who shall be appointed on such terms as the Directors think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

Part 3 Shares and Distributions

Shares

33 All shares to be fully paid up

- 33.1** No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue
- 33.2** This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum

34 Directors' powers to allot securities

- 34.1** Subject to the provisions of the Companies Acts, these Articles and any resolution of the Company, the Directors may allot shares in the Company and grant rights to subscribe for, or to convert any security into, shares to such persons, at such times and on such terms, including as to the ability of such persons to assign their rights to be issued such shares, as they think proper
- 34.2** The Directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise for each Allotment Period all the powers of the Company to allot shares, and to grant rights to subscribe for, or to convert any security into, shares, of an aggregate nominal amount up to the Section 551 Amount. By such authority the Directors may, during the Allotment Period, make offers or agreements which would or might require shares to be allotted, or rights to be granted, after the expiry of such period

34.3 The Directors may, from time to time, allot equity securities as if Section 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption) did not apply to the allotment

34.4 For the purposes of this Article

"**Allotment Period**" means (i) the period from the date of adoption of these Articles until 26 February 2019 or (ii) any period specified as such by the Relevant Ordinary Resolution,

"**Section 551 Amount**" means £500m for the first Allotment Period and for any other Allotment Period means the amount specified as such by the Relevant Ordinary Resolution,

"**equity securities**", "**ordinary shares**" and references to the allotment of equity securities shall have the same meanings as in Section 560 of the Companies Act 2006,

"**Relevant Ordinary Resolution**" means, at any time, the most recently passed resolution varying, renewing or further renewing the authority conferred by Article 34 2

35 Powers to issue different classes of share

35.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution

35.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such shares

36 Company not bound by less than absolute interests

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

37 Variation of Rights

37.1 Subject to the provisions of the Companies Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied, either while the Company is a going concern or during or in contemplation of a winding up

37 1 1 in such manner (if any) as may be provided by those rights, or

37 1 2 in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise To every such separate meeting, the provisions of these articles relating to general meetings shall apply, except that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting shall be one person holding shares of the class in question or his proxy

38 Share certificates

- 38.1** The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
- 38.2** Every certificate must specify
- 38.2.1** the number and class of shares to which it relates,
 - 38.2.2** the nominal value of those shares,
 - 38.2.3** that the shares are fully paid; and
 - 38.2.4** any distinguishing numbers assigned to them
- 38.3** No certificate may be issued in respect of shares of more than one class
- 38.4** If more than one person holds a share, only one certificate may be issued in respect of it
- 38.5** Certificates must
- 38.5.1** have affixed to them the Company's common seal, or
 - 38.5.2** be otherwise executed in accordance with the Companies Acts

39 Replacement share certificates

- 39.1** A shareholder who has separate certificates in respect of shares of one class may request in writing that it be replaced with a consolidated certificate. The Company may comply with such request at its discretion
- 39.2** A shareholder who has a consolidated share certificate may request in writing that it be replaced with two or more separate certificates representing the shares in such proportions as he may specify. The Company may comply with such request at its discretion
- 39.3** If a share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, the member shall be issued a new certificate representing the same shares upon request
- 39.4** No new certificate will be issued pursuant to this Article 39 unless the relevant shareholder has
- 39.4.1** first delivered the old certificate or certificates to the Company for cancellation, or
 - 39.4.2** complied with such conditions as to evidence and indemnity as the Directors may think fit, and
 - 39.4.3** paid such reasonable fee as the Directors may decide
- 39.5** In the case of shares held jointly by several persons, any request pursuant to this Article 39 may be made by any one of the joint holders

40 Lien on partly-paid shares

- 40.1** The Company shall have a lien on every share that is not fully-paid for all moneys in respect of the share's nominal value, or any premium at which it was issued, that have not been paid to the Company and are payable immediately or at a fixed time in the future, whether or not a call has been made on such sums

40.2 The Company's lien over a share takes priority over the rights of any third party and extends to any dividends or other sums payable by the Company in respect of that share (including any sale proceeds if that share is sold by the Company pursuant to these Articles)

40.3 The Directors may waive any lien which has arisen and may resolve that any share shall be exempt wholly or partially from the provisions of this Article 40 for such period as the Directors decide

41 Sale of shares subject to lien

41.1 The Company may sell, in such manner as the Directors decide, any share in respect of which an enforcement notice has been given if that notice has not been complied with

41.2 An enforcement notice

41.2.1 may only be given if a sum in respect of which the lien exists is due and has not been paid,

41.2.2 must specify the share concerned,

41.2.3 must require payment of the sum due on a date not less than 14 days from the date of the notice,

41.2.4 must be addressed to the holder of, or person entitled to, that share, and

41.2.5 must give notice of the Company's intention to sell the share if the notice is not complied with

41.3 For the purpose of giving effect to any such sale, the Directors may authorise any person to transfer the shares sold to the purchaser or its nominee

41.4 The net proceeds of such sale (after payment of the costs of the sale and of enforcing the lien) shall be applied

41.4.1 first, in or towards payment or satisfaction of the amount in respect of which the lien exists, to the extent that amount was due on the date of the enforcement notice, and

41.4.2 secondly, to the person entitled to the shares immediately prior to the sale, provided that

(i) that person has first delivered the certificate or certificates in respect of the shares sold to the Company for cancellation or complied with such conditions as to evidence and indemnity as the Directors may think fit, and

(ii) the Company shall have a lien over such proceeds (equivalent to that which existed upon the shares prior to the sale) in respect of sums which become or became due after the date of the enforcement notice in respect of the shares sold

41.5 The transferee of the shares has no obligation to ensure that the purchase money is distributed in accordance with the Articles

41.6 The transferee's title to the shares shall not be affected by any irregularity in or invalidity of the forfeiture, surrender or sale proceedings

42 Evidence of forfeiture

A statutory declaration that the declarant is a Director or the Secretary and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. Subject to compliance with any other transfer formalities required by the Articles or by law, such declaration shall constitute a good title to the share.

43 Share transfers

- 43.1** Shares may be transferred by means of an instrument of transfer executed by or on behalf of the transferor. Such instrument of transfer must be in hard copy form but may otherwise be in any usual form or any other form approved by the Directors.
- 43.2** No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 43.3** The Company may retain any instrument of transfer which is registered.
- 43.4** The transferor remains the holder of the shares concerned until the transferee's name is entered in the register of members in respect of those shares.
- 43.5** The Directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of the refusal unless they suspect that the proposed transfer may be fraudulent.

44 Transmission of shares

- 44.1** If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 44.2** A transmittee who produces such evidence of entitlement to shares as the Directors may reasonably require
 - 44.2.1** may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - 44.2.2** subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 44.3** A transmittee does not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which it is entitled, by reason of the holder's death or bankruptcy or otherwise, unless it becomes the holder of those shares.

45 Exercise of transmittees' rights

- 45.1** A transmittee who wishes to become the holder of shares to which it has become entitled must notify the Company in writing of that wish.
- 45.2** If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in hard copy form in respect of it.
- 45.3** Any transfer made or executed under this Article 45 is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

46 Transmittees bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members

Preference Shares

47 Redemption

47.1 The following provisions shall, subject to the provisions of the Companies Acts, have effect with regard to the redemption of preference shares

47.1.1 Preference Shares are perpetual and shall not be redeemable at the option of Preference Shareholders at any time,

47.1.2 the Company may, at its option, redeem the Preference Shares then in issue, in whole or in part, on 21st November 2019, or on any Dividend Date (as defined in Article 48.1.3 thereafter, subject to the Solvency Condition being met both at the time of and immediately after such redemption and subject, further, to the Company giving at least one month's prior written notice to the PRA and having received consent to such redemption from the PRA, or the period of one month following such notice having expired without any objection to such redemption having been received from the PRA,

47.1.3 notice of redemption (a "**Redemption Notice**") of any Preference Shares to be redeemed pursuant to this Article 47 shall be given by the Company and must be in writing, identify the Preference Shares to be redeemed and give not less than one month's notice in writing of the date fixed for redemption. Further, the Redemption Notice shall name the place for payment of the redemption moneys and for delivery to the Company of the certificate relating to such Preference Shares,

47.1.4 on the date for redemption of any Preference Shares (the "**Redemption Date**"), the Company shall redeem the Preference Shares to be redeemed on such date and the relevant Preference Shareholder shall deliver to the Company at the place named by the Company in the Redemption Notice (or, if no such place is named, at the Company's registered office) the certificate for his Preference Shares and upon such delivery and against the receipt of the Preference Shareholder for the redemption moneys payable in respect of his Preference Shares shall pay to the Preference Shareholder the redemption moneys payable to him in respect of such redemption,

47.1.5 following redemption, the Company shall cancel the share certificate of the Preference Shareholder concerned,

47.1.6 if any Preference Shareholder whose Preference Shares are liable to be redeemed under this Article 47 fails or refuses to deliver up the certificate for his Preference Shares, the Company may retain the redemption moneys until delivery up of the certificate to the Company (or of an indemnity in respect thereof in a form reasonably satisfactory to the Company) but shall, within seven days thereafter, pay the redemption moneys to the Preference Shareholder,

47.1.7 there shall be paid on each Preference Share redeemed

- (i) the sum of £1 per share, and
- (ii) a sum equal to any arrears or accruals of the Preference Dividend to be calculated down to the Redemption Date (or otherwise as hereinafter provided) relating to such Preference Share,

in each case, as may be relevant, to be calculated and payable whether or not such dividend or further amount has been declared or earned,

47 1 8 as from the Redemption Date fixed for any Preference Share by the Company, the Preference Dividend shall cease to accrue on such Preference Share unless upon the presentation of the certificate (or indemnity) relating thereto the Company fails to make payment of the money due on such redemption, in which case the Preference Dividend shall be deemed to have continued and shall continue to accrue from the Redemption Date to the date of payment,

47 1 9 any redemption of part only of the Preference Shares then in issue shall be effected so that the number of Preference Shares of each holder thereof to be redeemed shall be in the proportion as nearly as may be as the number of Preference Shares held by him at that date bears to the total number of Preference Shares in issue at that date,

47 1 10 all references to payments in this Article 47 are exclusive of any associated tax credit

48 Income

48.1 The following provisions shall, subject to the provisions of the Companies Acts, have effect with regard to dividends on the Preference Shares

48 1 1 subject to Article 48 1 5 and Article 49, the holders of the Preference Shares shall be entitled to be paid out of the profits available for distribution of the Company a fixed non-cumulative preferential dividend at the rate of 4 8125 pence per share per annum (the "**Preference Dividend**"),

48.1.2 the Preference Dividend shall be payable in priority to any payment to the holders of any other shares of the Company or to the transfer of any sum to reserves,

48 1 3 the Preference Dividend shall accrue from day to day and shall be payable in cash only, semi-annually in arrears in equal amounts on 21st May and 21st November in each year (each a "**Dividend Date**") in respect of the half-year ending on those days The first dividend payment shall be made on the first Dividend Date following allotment in respect of the period commencing on and including the date of allotment and ending on and including that date,

48 1 4 subject to Article 48 1 5, any Preference Dividend payable on a Dividend Date and any further sum thereon or payable hereunder shall, without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Table A), become a debt due from and immediately payable by the Company to the holders of the Preference Shares entitled thereto,

48 1 5 where

- (i) the Company has insufficient profits available for distribution and by reason of the Companies Acts is unable to pay in full on any Dividend Date any

Preference Dividend or further sum payable to the holders of the Preference Shares, or

- (ii) the payment on any Dividend Date of any Preference Dividend or further sum payable to the holders of the Preference Shares would cause the Company to be in breach of Article 49,

the Company shall not be liable to make any such payment in respect of that Preference Dividend or further sum and any such payment shall not be payable by the Company (whether on the relevant Dividend Date or at any time in the future),

48.1.6 where any Preference Dividend is not paid by virtue of the provisions of Article 48.1.5 the Company shall not

- (i) declare or pay dividends on any other shares, or
- (ii) redeem, purchase or otherwise acquire for consideration, or set aside any sum or establish any sinking fund for the redemption, purchase or other acquisition of, any shares,

until such time as the Company next makes a Preference Dividend payment, in full, to the holders of Preference Shares,

48.1.7 all references to dividends or payments in this Article 48 are exclusive of any associated tax credit

48.2 After payment of the Preference Dividend and any further sum payable to the holders of the Preference Shares, and insofar as there remain profits available for distribution, such profits shall be available for distribution to the holders of the other shares

49 Solvency Condition

49.1 Except in a winding-up, or if the PRA has indicated that it has no objection to such payment, all payments on Preference Shares will be conditional upon the Company satisfying the Solvency Condition both at the time of and immediately after any such payment, and unless such is the case, the Company will not make any payment and any such payment shall not be so payable. The Company may not redeem or purchase any of the Preference Shares unless the Company satisfies the Solvency Condition both at the time of and immediately after any such redemption or purchase. For this purpose, the Company shall satisfy the Solvency Condition if it is able to meet its Regulatory Capital Requirement for the time being (the "**Solvency Condition**")

49.2 A report as to whether the Company has satisfied the Solvency Condition, by two Directors of the Company, or, if there is a winding-up of the Company in England and Wales, the liquidator of the Company shall, in the absence of proven or manifest error, be treated and accepted by the Company and any holder of Preference Shares as correct and sufficient evidence thereof

50 Voting

50.1 Subject to Article 50.2, Preference Shares shall not entitle the holders thereof to vote upon any resolution at any general meeting of the Company, but holders of Preference Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the Company

50.2 If at any time

50.2.1 the redemption of any of the Preference Shares is more than one month overdue, or

50.2.2 the Company has failed to pay any Preference Dividend or any part thereof (or any further sum payable to the holders of Preference Shares) by the due date for such payment,

then in relation to any general meeting held at such time (or any adjournment thereof), the Preference Shareholders shall be entitled on a poll to one vote for each Preference Share held by them

51 Winding-up : Preference Shareholder priority

51.1 On a return of capital on liquidation or otherwise, the assets of the Company available for distribution among the members shall be applied first in repaying to the holders of the Preference Shares the sum of £1 per Preference Share together with a sum equal to any accruals of the Preference Dividend and any further sum payable in respect of the Preference Dividend or any redemption of the Preference Shares, in each case calculated down to the date of the return of capital and to be payable whether or not such dividend or further sum has been declared or earned Secondly, the balance of such assets shall belong to and be distributed among the holders of the Ordinary Shares in accordance with Article 77

51.2 The Preference Shares shall not carry any right to participate in the profits or assets of the Company except as provided in Articles 47 to 51

Dividends and Other Distributions

52 Procedure for declaring dividends

52.1 Subject to the Companies Acts, the Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends if it appears to them that the profits available for distribution justify the payment of such dividends

52.2 If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights, if at the time of payment, any preferential dividend (including, for the avoidance of doubt, the Preference Dividend referred to in Article 48) is in arrear

52.3 A dividend must not be declared unless the Directors have made a recommendation as to its amount Such a dividend must not exceed the amount recommended by the Directors

52.4 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights

52.5 Unless the shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it

52.6 The Directors may pay fixed dividends on any class of shares carrying such a dividend expressed to be payable on fixed dates on the dates prescribed for payment if it appears to them that the profits available for distribution justify the payment

52.7 If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a fixed or interim dividend on shares with deferred or non-preferred rights

53 Payment of dividends and other distributions

53.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means

53.1.1 transfer to a bank or building society account specified by the payee either in writing or as the Directors may otherwise decide,

53.1.2 sending a cheque made payable to the payee by post to the payee at the payee's registered address (if the payee is a holder of the share), or (in any other case) to an address specified by the payee either in writing or as the Directors may otherwise decide,

53.1.3 sending a cheque made payable to such person by post to such person at such address as the payee has specified either in writing or as the Directors may otherwise decide, or

53.1.4 any other means of payment as the Directors agree with the payee either in writing or by such other means as the Directors decide

53.2 Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other sum payable on or in respect of a share may be paid in such currency as the Directors may resolve, using such exchange rate for currency conversions as the Directors may select

53.3 In the Articles, the "payee" means, in respect of a share in respect of which a dividend or other sum is payable

53.3.1 the holder of the share, or

53.3.2 if the share has two or more joint holders, whichever of them is named first in the register of members, or

53.3.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee, or

53.3.4 such other person or persons as the holder (or, in the case of joint holders, all of them) may direct

54 No interest on distributions

54.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by

54.1.1 the terms on which the share was issued, or

54.1.2 the provisions of another agreement between the holder of that share and the Company

55 Unclaimed distributions

55.1 All dividends or other sums which are

55.1.1 payable in respect of shares, and

55.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed

55.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it

55.3 If

55.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

55.3.2 the payee has not claimed it,

the payee is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company

56 Non-cash distributions

56.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the Directors, direct the payment of a dividend (other than a Preference Dividend) in whole or in part by the transfer of non-cash assets, or by procuring the receipt by shareholders of non-cash assets, of equivalent value (including, without limitation, shares or other securities in any Company) and the Directors shall give effect to such resolution

56.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution

56.2.1 fixing the value of any assets,

56.2.2 paying cash to any payee on the basis of that value in order to adjust the rights of recipients, and

56.2.3 vesting any assets in trustees

57 Waiver of distributions

57.1 Payees may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the Company notice in writing to that effect, but if

57.1.1 the share has more than one holder, or

57.1.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

Capitalisation of Profits

58 Authority to capitalise and appropriation of capitalised sums

58 1 Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution

58 1 1 capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account, capital redemption reserve or other undistributable reserve, and

58 1 2 appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions

58.2 Capitalised sums must be applied

58 2 1 on behalf of the persons entitled, and

58.2 2 in the same proportions as a dividend would have been distributed to them

58 3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct

58 4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct

58.5 Subject to the Articles, the Directors may

58 5 1 apply capitalised sums in accordance with Articles 58 3 and 58 4 partly in one way and partly in another,

58.5 2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article 58 (including to disregard fractional entitlements or for the benefit of them to accrue to the Company), and

58 5 3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article 58

Part 4

Decision-Making by Shareholders

Organisation of General Meetings

59 Attendance and speaking at general meetings

59.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

59.2 A person is able to exercise the right to vote at a general meeting when

59.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

59.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting

59.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it

59.4 In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other

59.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

60 Quorum for general meetings

No business other than the appointment of the Chairman of the Meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum

61 Chairing general meetings

61.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so

61.2 If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within 10 minutes of the time at which a meeting was due to start

61.2.1 the Directors present, or

61.2.2 (if no Directors are present), the meeting,

must appoint a Director or shareholder to chair the meeting, and such appointment must be the first business of the meeting

61.3 The person chairing a meeting in accordance with this Article 61 is referred to as the "Chairman of the Meeting"

62 Attendance and speaking by Directors and non-shareholders

62.1 Directors may attend and speak at general meetings, whether or not they are shareholders

62.2 The Chairman of the Meeting may permit other persons who are not

62.2.1 shareholders of the Company, or

62.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting

63 Adjournment

- 63.1** If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it
- 63.2** The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if
- 63.2.1** the meeting consents to an adjournment, or
 - 63.2.2** the Chairman of the Meeting considers that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- 63.3** The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting
- 63.4** When adjourning a general meeting, the Chairman of the Meeting must specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors
- 63.5** If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
- 63.5.1** to the same persons to whom notice of the Company's general meetings is required to be given, and
 - 63.5.2** containing the same information which such notice is required to contain
- 63.6** No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

Voting at General Meetings

64 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles

65 Errors and disputes

- 65.1** No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- 65.2** Any such objection must be referred to the Chairman of the Meeting, whose decision is final

66 Poll votes

- 66.1** A poll on a resolution may be demanded
- 66.1.1** in advance of the general meeting where it is to be put to the vote, or

66.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

66.2 A poll may be demanded by

66.2.1 the Chairman of the Meeting,

66.2.2 the Directors,

66.2.3 two or more persons having the right to vote on the resolution, or

66.2.4 a person or persons representing not less than 10 per cent of the total voting rights of all the shareholders having the right to vote on the resolution

66.3 A demand for a poll may be withdrawn if

66.3.1 the poll has not yet been taken, and

66.3.2 the Chairman of the Meeting consents to the withdrawal

66.4 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs

67 Content of proxy notices

67.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which

67.1.1 states the name and address of the shareholder appointing the proxy,

67.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,

67.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine, and

67.1.4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate

67.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

67.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions

68 Delivery of proxy notices

68.1 Proxy notices in hard copy form must be received at such place and by such deadline specified in the notice convening the meeting. If no place is specified, then the proxy notice must be received at the registered office of the Company for the time being. If no deadline is specified, proxy notices must be received, before the start of the meeting or adjourned meeting or, if a poll is taken otherwise than at or on the same day as the meeting or adjourned meeting, at the time for the taking of the poll at which it is to be used

68.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person

- 68.3** An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
- 68.4** A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
- 68.5** If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf
- 68.6** Any vote cast or poll demanded by a proxy shall not be invalidated by the previous death or insanity of the shareholder or by the revocation or termination of the appointment of the proxy or of the authority under which the appointment was made unless notice of such death, insanity, revocation or termination was received in writing at the place specified in the notice of meeting for the receipt of proxy notices (or, if no place is specified, the registered office for the time being) before the start of the meeting or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll
- 69 Amendments to resolutions**
- 69.1** An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- 69.1.1** notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine), and
- 69.1.2** the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution
- 69.2** A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
- 69.2.1** the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 69.2.2** the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- 69.3** If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman of the Meeting's error does not invalidate the vote on that resolution

Part 5

Administrative Arrangements

70 Means of communication to be used

- 70.1** Any notice, document or information (including a share certificate) which is sent or supplied by the Company in hard copy form, or in electronic form but to be delivered other than by electronic means, which is

70.1.1 sent by hand and properly addressed shall be deemed to have been received by the intended recipient on the day of delivery,

70.1.2 sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours (or, where first class mail is not employed, 48 hours) after the time it was posted,

and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed and, in the case of post, pre-paid and posted

70.2 Any notice, document or information which is sent or supplied by the Company by electronic means shall be deemed to have been received by the intended recipient 24 hours after it was transmitted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed

70.3 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding

70.4 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being

70.5 A Director may agree with the Company that notices, documents or information sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than that provided in this Article 70

71 Joint holders

71.1 Except as otherwise specified in the Articles, anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the register of members in respect of the share

71.2 Except as otherwise specified in the Articles, any notice, document or information which is authorised or required to be sent or supplied to joint holders of a share may be sent or supplied to the joint holder whose name stands first in the register of members in respect of the share, to the exclusion of the other joint holders

71.3 The provisions of this Article 71 shall have effect in place of the provisions of Schedule 5 of the Companies Act 2006 regarding joint holders of shares

72 Company seals

72.1 Any common seal may only be used by the authority of the Directors

72.2 The Directors may decide by what means and in what form any common seal is to be used

72.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature

72.4 For the purposes of this Article 72, an authorised person is

72.4.1 any Director of the Company,

72.4.2 the Secretary (if any), or

72.4.3 any person authorised by the Directors for the purpose of signing documents to which the common seal is applied

72.5 The Company may exercise all powers conferred by the Companies Act 2006 with regard to having an official seal for use abroad and such powers shall be vested in the Directors

73 No right to inspect accounts and other records

Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder

74 Provision for employees on cessation of business

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

75 Bank mandates

The Directors may by majority decision or written resolution authorise such person or persons as they think fit to act as signatories to any bank account of the Company and may amend or remove such authorisation from time to time by resolution

76 Authentication of documents

76.1 Any Director or the Secretary (if any) or any person appointed by the Directors for the purpose shall have power to authenticate

76.1.1 any document affecting the constitution of the Company,

76.1.2 any resolution passed at a general meeting or at a meeting of the Directors or any committee, and

76.1.3 any book, record, document or account relating to the business of the Company, and to certify copies or extracts as true copies or extracts

76.2 A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified shall be conclusive evidence in favour of all persons dealing with the Company 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

77 Winding up

77.1 If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by law, divide among the members (other than the Preference Shareholders) in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be

carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members (other than the Preference Shareholders) as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

77.2 In the event of the Company being wound up, policyholders shall be admitted as creditors of the Company and their rights in respect of their policies shall rank equally with the other unsecured debts of the Company in such winding up.

77.3 The provisions of Article 77.2 above shall be subject to any provision made by or under any enactment:

77.3.1 requiring the assets of the Company which are available for meeting the liabilities of the Company attributable to business of different classes to be applied in discharge of those liabilities as though those assets and those liabilities were the assets and liabilities of a separate company, or

77.3.2 regarding the priority of ranking of preferential or insurance debts in a winding up, and shall be subject to the express terms of any policy.

77.4 Nothing in Article 77.2 above shall preclude any debts of the Company from time to time being subordinated or postponed in right of payment to claims of unsecured and unsubordinated creditors.

77.5 If the Company is wound up, any assets which are surplus after meeting all claims (including the claims of the holders of any policies) shall be distributed among the members holding policies which entitle them to participate in the profits of the Company in the same manner and proportions as if the surplus had been declared to be a distributable surplus in accordance with the regulations relating to the distribution of profits immediately before the commencement of the winding up, provided that if the whole or any part of such surplus is attributable to any separate fund established in accordance with these Articles, this section shall apply as if the surplus or part thereof had been declared to be distributable in relation to the separate fund in question.

Directors' Liabilities

78 Indemnity

78.1 Subject to Article 78.2 a Relevant Director may be indemnified out of the Company's assets against:

78.1.1 any liability incurred by or attaching to that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an Associated Company,

78.1.2 any liability incurred by or attaching to that Director in connection with the activities of the Company or an Associated Company in its capacity as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Companies Act 2006),

78.1.3 any other liability incurred by or attaching to that Director as an officer of the Company or an Associated Company.

78.2 This Article 78 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

78.3 Where a Relevant Director is indemnified against any liability in accordance with this Article, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto

79 Insurance

79.1 The Directors shall have the power to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any relevant loss

79.2 In this Article 79, a “**relevant loss**” means any loss or liability which has been or may be incurred by a Relevant Director in connection with that Director’s duties or powers in relation to the Company, any Associated Company or any pension fund or employees’ share scheme of the Company or Associated Company

80 Defence expenditure

80 1 So far as may be permitted by the Companies Acts, the Company shall

80 1 1 provide a Relevant Director with funds to meet expenditure incurred or to be incurred by him in

(i) defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company, or

(ii) in connection with any application for relief under the provisions mentioned in Section 205(5) of the Companies Act 2006, and

80 1 2 do anything to enable any such Relevant Director to avoid incurring such expenditure

80 2 The terms set out in Section 205(2) of the Companies Act 2006 shall apply to any provision of funds or other things done under Article 80 1

80 3 So far as may be permitted by the Companies Acts, the Company

80 3 1 shall provide a Relevant Director with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company, and

80 3 2 may do anything to enable any such Relevant Director to avoid incurring such expenditure

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