

Company Number: 06317313

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

SOUTH ESSEX INSURANCE HOLDINGS LIMITED

(the "Company")

WRITTEN RESOLUTIONS OF THE SHAREHOLDERS  
OF THE COMPANY

Circulation Date: 23<sup>RD</sup> March 2009

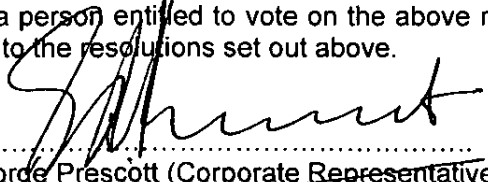
Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act") the Directors of the Company propose that the following resolutions be passed as special resolutions.

- 1 "THAT the Articles attached to this written resolution be adopted as the new Articles of Association of the Company (the "New Articles") in substitution for the Company's existing Articles of Association (the "Old Articles") save that, pending certain provisions of the Act coming into force on 1<sup>st</sup> October 2009, Article 34.1 (no limit or number of the Company's shares) shall be construed as being limited to the Company's authorised share capital from time to time; and Articles 34.2 (directors authority to allot shares) shall be replaced by the Company's equivalent authority (if any) in the Old Articles or otherwise granted by the shareholders, subject as the shareholders may in either case in the meantime by resolution otherwise resolve, and on 1<sup>st</sup> October 2009, unless the shareholders in the meantime otherwise resolve, all share allotment authorities then existing shall lapse."
- 2 "THAT any provisions in the Company's memorandum of association which, by virtue of Section 28 of the Act, are to be treated as part of the Articles of Association be deleted with effect from 1<sup>st</sup> October 2009."

Please read the notes at the end of this document before signing it.

The undersigned, a person entitled to vote on the above resolutions on 23<sup>rd</sup> March 2009, hereby irrevocably agrees to the resolutions set out above.

Signed

  
George Prescott (Corporate Representative for  
Ecclesiastical Insurance Office plc)

Date

23 MARCH 2009

THURSDAY



## NOTES

- 1 If you wish please sign and date this document and return it to the Company using one of the following methods:

- **By Hand:** delivering the signed copy to Wendy Edwards, Ecclesiastical Plc, Beaufort House, Brunswick Rd, Gloucester GL1 1JZ.
- **By Post:** returning the signed copy by post to [as above].
- **By Fax:** faxing the signed copy to 01452 308860 marked "For the attention of Wendy Edwards.
- **By E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [wendy.edwards@ecclesiastical.com](mailto:wendy.edwards@ecclesiastical.com)

If there are no resolutions you agree with, you do not need to do anything. You will not be deemed to agree if you fail to reply.

- 2 Once you have indicated your agreement to a resolution, you may not revoke your agreement.
- 3 Where, by 14 days after the Circulation Date insufficient agreement has been received for a resolution to pass, such resolution will lapse. If you agree to all or any of the resolutions, please ensure that your agreement reaches us before or during this date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

Company Number: 06317313

**THE COMPANIES ACT 2006**

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**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION  
OF  
SOUTH ESSEX INSURANCE HOLDINGS LIMITED**

**(ADOPTED BY WRITTEN RESOLUTION  
ON 23<sup>RD</sup> MARCH 2009)**

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## **PART 1: INTERPRETATION**

### **1. DEFINED TERMS**

In the Articles, unless the context requires otherwise:

#### **Act**

or any numbered section of it, means the Companies Act 2006 or such section as amended, restated or re-enacted from time to time;

#### **Articles**

means the company's articles of association;

#### **chairman**

has the meaning given in Article 10;

#### **chairman of the meeting**

has the meaning given in Article 25;

#### **Companies Acts**

means the Act and every other statute or statutory instrument, law or regulation for the time being in force and concerning companies in so far as they apply to the company;

#### **director**

means a director of the company;

#### **document or notice**

includes, unless otherwise specified, any document or notice sent or supplied by electronic communication;

#### **electronic communication**

means any document or information sent or supplied in electronic form within the meaning of section 1168 of the Act;

#### **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;

**group company**

means any holding company of the company or any subsidiary of such company;

**holder**

in relation to a share means the person whose name is entered in the register of members as the holder of that share;

**ordinary resolution**

has the meaning given in section 282 of the Act and includes such a resolution passed by written resolution;

**proxy notice**

has the meaning given in Article 31;

**secretary**

means the company secretary (if any) and includes any joint, assistant or deputy secretary;

**shareholder**

means a person who is the holder of a share;

**shares**

means shares in the company;

**special resolution**

has the meaning given in section 283 of the Act and includes such a resolution passed by written resolution;

**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.

Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act.

## **PART 2: DIRECTORS**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **2. 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.

#### **3. SHAREHOLDERS' RESERVE POWER**

3.1 The shareholders may, by ordinary resolution, direct the directors to take, or refrain from taking, specified action.

3.2 No such ordinary resolution invalidates anything which the directors have done before the passing of the resolution.

#### **4. DIRECTORS MAY DELEGATE**

4.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

4.1.1 to such person or committee;

4.1.2 by such means (including by power of attorney);

4.1.3 to such an extent;

4.1.4 in relation to such matters or territories; and

4.1.5 on such terms and conditions;

as they think fit.

4.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

4.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

#### **5. COMMITTEES**

5.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

- 5.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

### **6. MEETINGS OF DIRECTORS**

- 6.1 Subject to the provisions of these Articles, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 6.2 At any time any director may, and the secretary on the requisition of a director shall, summon a meeting of the directors.
- 6.3 Any such notice shall specify where, when and how the meeting will be held. Any director may waive notice of any meeting and such waiver may be retrospective.

### **7. QUORUM FOR MEETINGS AND VOTING**

- 7.1 The quorum necessary for the transaction of business of the directors may be fixed from time to time by the directors and, unless so fixed at any other number or there is only one director, shall be two.
- 7.2 A meeting of the directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors.
- 7.3 Questions arising at any meeting of the directors shall be determined by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote.

### **8. MEETINGS BY CONFERENCE TELEPHONE ETC**

- 8.1 All or any of the directors or any committee of the directors may participate in a meeting of the directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting.
- 8.2 A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 8.3 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 then is.

### **9. RESOLUTIONS IN WRITING**

- 9.1 A resolution executed by all the directors, or by all the members of a committee constituted under these Articles, shall be as valid and effectual as if it had been passed at a meeting of the directors, or (as the case may be) at a meeting of that committee, which in every case was duly convened and held.

**9.2 For the purposes of this Article 9:**

- (i) a resolution shall consist of one or more written instruments (including faxes) or one or more electronic communications sent to an address specified for the purpose by the secretary, or a combination of them, provided that each such written instrument and electronic communication (if more than one) is to the same effect;
- (ii) a written instrument is executed when the person executing it signs it;
- (iii) an electronic communication is executed when the person executing it sends it provided that it has been authenticated in such manner (if any) as the secretary shall prescribe;
- (iv) the directors, or (as the case may be) members of a committee constituted under these Articles, need not execute the same written instrument or electronic communication;
- (v) a resolution shall be effective when the secretary certifies that sufficient evidence has been received by him/her that the resolution has been executed in accordance with this Article 9;
- (vi) unless the holders of a majority of the shares or the directors have previously otherwise resolved, such a resolution can be passed by a majority and the chairman shall, in the case of equality of votes, have a second or casting vote; and
- (vii) if no secretary is appointed, the chairman shall perform the functions of the secretary under this Article 9.

**10. CHAIRING OF DIRECTORS' MEETINGS**

- 10.1 The directors may appoint a director to chair their meetings.
- 10.2 The person so appointed for the time being is known as the chairman.
- 10.3 The directors may terminate the chairman's appointment at any time.
- 10.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **11. DIRECTORS' CONFLICTS OF INTEREST**

- 11.1 A director must declare to the other directors any situation of which he is aware in which he has, or could have, a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company unless it relates to a contract, transaction or arrangement with the company or the matter has been authorised by the directors or the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.
- 11.2 The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law any conflict or potential conflict disclosed under Article 11.1. Provided that for this purpose the director in question and any other interested director are not counted in the quorum for any resolution at any board meeting pursuant to which such conflict or potential conflict is authorised and it is agreed to without their voting or would have been agreed to if their votes had not been counted.
- 11.3 Any authorisation given by the directors under Article 11.2 may provide that, where the interested director obtains (other than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose it to the company or to use it in relation to the company's affairs in circumstances where to do so would amount to a breach of that confidence.
- 11.4 Any reference in Article 11 to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 11.5 A director shall not, by reason of his office, be accountable to the company for any benefit which he derives from any matter where the conflict or potential conflict has been authorised by the directors pursuant to Article 11.2 (subject in any such case to any limits or conditions to which such authorisation was subject).

## **12. DIRECTORS' INTEREST IN A CONTRACT WITH THE COMPANY**

- 12.1 A director who becomes aware that he is in any way, directly or indirectly interested in a proposed or existing contract, transaction or arrangement with the company must declare the nature and extent of that interest to the other directors unless it cannot reasonably be regarded as likely to give rise to a conflict of interest.
- 12.2 Save as herein provided, a director shall not vote in respect of any contract, transaction or arrangement or any other proposal whatsoever in which he has an interest which 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. A director shall not be counted in the quorum at the meeting in relation to any resolution on which he is debarred from voting.
- 12.3 Subject to the provisions of the Act and always to the provisions of Article 11, a director shall (in the absence of some other material interest than is indicated below)

be entitled to vote (and be counted in the quorum) in respect of any resolution concerning:

- 12.3.1 the giving to him of any security, guarantee or indemnity in respect of a debt or obligation incurred by him or by any other person at the request of or for the benefit of the company or any subsidiary;
  - 12.3.2 the giving to a third party of any security, guarantee or indemnity in respect of a debt or obligation of the company or any subsidiary for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 12.3.3 any arrangement for the benefit of directors or employees of the company or directors or employees of any subsidiary which does not award him any privilege or benefit not generally awarded to the other persons to whom such arrangement relates; or
  - 12.3.4 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).
- 12.4 If any question shall arise at any time as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or if the director concerned is the chairman to the other directors at the meeting) and his or their ruling (as the case may be) shall be final and conclusive except in a case where the nature or extent of the interests of such director has not been fairly disclosed.
- 12.5 Subject as otherwise provided in the Act or these Articles, a director may be in any way, directly or indirectly, interested in any contract or arrangement or transaction with the company or any group company and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the company or any group company) under the company, any group company or any other company in which the company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the company or any group company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

### **13. MEANS OF DISCLOSURE**

An interest of a director to be disclosed under Articles 11 or 12 may be declared at a meeting of directors, by notice in writing pursuant to section 184 of the Act or by means of a general notice under section 185 of the Act.

### **14. CONNECTED PERSONS AND WAIVER**

14.1 For the purposes of Article 11 and 12 above an interest of a person who is, connected with a director (within the meaning of section 252 of the Act) shall be treated as an interest of the director.

14.2 The company may by ordinary resolution suspend or relax the provisions of Article 12 to any extent or ratify any transaction not duly authorised by reason of a contravention of Article 12.

### **15. RECORDS OF DECISIONS TO BE KEPT**

The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every decision taken by the directors.

## **APPOINTMENT OF DIRECTORS**

### **16. METHODS OF APPOINTING DIRECTORS**

16.1 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:

16.1.1 by ordinary resolution; or

16.1.2 by a decision of the directors; or

16.1.3 by notice or notices in writing to the company's registered office or secretary from the holder or holders of more than 50 per cent. of the shares in the company.

### **17. TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a director as soon as:

17.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law; or

17.2 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; or

- 17.3 a resolution is passed or a document is signed by all the other directors to that effect; or
- 17.4 a notice or notices in writing to that effect is/are delivered to the company's registered office or secretary from the holder or holders of more than 50 per cent. of the shares in the company.

## **18. DIRECTORS' REMUNERATION**

- 18.1 Directors may undertake any services for the company that the directors decide.
- 18.2 Directors are entitled to such remuneration as the directors determine:
  - 18.2.1 for their services to the company as directors; and
  - 18.2.2 for any other service which they undertake for the company.
- 18.3 Subject to the Articles, a director's remuneration may:
  - 18.3.1 take any form; and
  - 18.3.2 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.
- 18.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 18.5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of any other group company or of any other body corporate in which the company is interested.

## **19. DIRECTORS' EXPENSES**

- 19.1 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:
  - 19.1.1 meetings of directors or committees of directors;
  - 19.1.2 general meetings; or
  - 19.1.3 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.

- 19.2 The company may also fund a director's expenditure for the purposes permitted under the Act and may do anything to enable a director to avoid incurring such expenditure as provided in the Act.

### **PART 3: DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

##### **20. GENERAL MEETINGS**

The directors may whenever they think fit convene a general meeting and shall, following requisition in accordance with the Act, proceed to convene a general meeting in accordance therewith.

##### **21. CALLING GENERAL MEETINGS**

- 21.1 A general meeting of the company shall be called by notice of at least such length as is required in the circumstances by the Act.
- 21.2 The company may give such notice by any means or combination of means permitted by the Act.
- 21.3 A general meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 90 per cent. in nominal value of the shares giving that right.

##### **22. NOTICE OF GENERAL MEETINGS**

- 22.1 Every notice calling a general meeting shall specify the place and the day and hour of the meeting.
- 22.2 There shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or (if he holds more than one share) proxies to attend, speak and vote instead of him and that a proxy need not be a member of the company.
- 22.3 The text of each special resolution to be proposed at the general meeting shall be set out in the notice. Either the text of, or sufficient information to enable a shareholder to understand the purpose of, each ordinary resolution shall be set out in the notice.

##### **23. ATTENDANCE BY CONFERENCE TELEPHONE ETC.**

- 23.1 All or any of the shareholders or persons permitted to attend under Article 26 may participate in the meeting by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting.

- 23.2 A shareholder so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in quorum accordingly.

#### **24. QUORUM FOR GENERAL MEETINGS**

The provisions of section 318 of the Act shall apply. No business other than the appointment of the chairman of the meeting will be transacted at a general meeting if the persons attending it do not constitute a quorum.

#### **25. CHAIRING GENERAL MEETINGS**

- 25.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

- 25.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

25.2.1 the directors present; or

25.2.2 (if no directors are present), the meeting;

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

- 25.3 The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting".

#### **26. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

- 26.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

- 26.2 The chairman of the meeting may permit other persons who are not:

26.2.1 shareholders of the company; or

26.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings;

to attend and speak at a general meeting.

#### **27. ADJOURNMENT**

- 27.1 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.

- 27.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- 27.2.1 the meeting consents to an adjournment; or
- 27.2.2 it appears to the chairman of the meeting 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.
- 27.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 27.4 When adjourning a general meeting, the chairman of the meeting must:
  - 27.4.1 either 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, and
  - 27.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 27.5 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):
  - 27.5.1 to the same persons to whom notice of the company's general meetings is required to be given, and
  - 27.5.2 containing the same information which such notice is required to contain.
- 27.6 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**

### **28. 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.

### **29. ERRORS AND DISPUTES**

- 29.1 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.
- 29.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **30. POLL VOTES**

30.1 A poll on a resolution may be demanded:

30.1.1 in advance of the general meeting where it will be put to the vote; or

30.1.2 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.

30.2 A poll may be demanded by:

30.2.1 the chairman of the meeting;

30.2.2 the directors;

30.2.3 two or more persons having the right to vote on the resolution; or

30.2.4 a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

30.3 A demand for a poll may be withdrawn if:

30.3.1 the poll has not yet been taken; and

30.3.2 the chairman of the meeting consents to the withdrawal.

30.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **31. CONTENT OF PROXY NOTICES**

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

31.1.1 states the name and address of the shareholder appointing the proxy;

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

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

31.1.4 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.

31.2 The company may require proxy notices to be delivered in a particular form and, subject to the Act, by a particular time and may specify different forms for different purposes.

31.3 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.

31.4 Unless a proxy notice indicates otherwise, it must be treated as:

31.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

31.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **32. DELIVERY OF PROXY NOTICES**

32.1 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.

32.2 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.

32.3 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.

32.4 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.

## **33. AMENDMENTS TO RESOLUTIONS**

33.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

33.1.1 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 will 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

33.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

33.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

33.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution will be proposed; and

33.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

33.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **PART 4: SHARES AND DISTRIBUTIONS**

### **SHARES**

#### **34. SHARE CAPITAL**

34.1 The company's shares are ordinary shares of £1 each and are unlimited in number.

34.2 The directors of the company may exercise the company's power to allot shares (whether for cash or otherwise) amongst the existing holders in proportion to their existing holdings. All other allotments or grants or exercise of rights to subscribe are subject to sections 551 and 561 of the Act.

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

#### **35. ALL SHARES TO BE FULLY PAID UP**

35.1 Unless the company otherwise resolves by ordinary resolution, no share will 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.

35.2 This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

#### **36. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

36.1 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.

36.2 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.

#### **37. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person will 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.

## **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 in respect of how many shares, of what class, it is issued;
  - 38.2.2 the nominal value of those shares;
  - 38.2.3 whether the shares are fully paid; and
  - 38.2.4 any distinguishing numbers assigned to them.
- 38.3 No one 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 If a certificate issued in respect of a shareholder's shares is:
- 39.1.1 damaged or defaced; or
  - 39.1.2 said to be lost, stolen or destroyed;
- that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 39.2 A shareholder exercising the right to be issued with such a replacement certificate:
- 39.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 39.2.2 must return the certificate to be replaced to the company if it is damaged or defaced; and
  - 39.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

#### **40. SHARE TRANSFERS**

- 40.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 40.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 40.3 The company may retain any instrument of transfer which is registered.
- 40.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 40.5 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 refusal unless they suspect that the proposed transfer may be fraudulent.

#### **41. TRANSMISSION OF SHARES**

- 41.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 41.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
  - 41.2.1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - 41.2.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 41.3 But transmittees do 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 they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

#### **42. EXERCISE OF TRANSMITTEES' RIGHTS**

- 42.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 42.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 42.3 Any transfer made or executed under this Article will 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.

### **43. 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.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **44. PROCEDURE FOR DECLARING DIVIDENDS**

- 44.1 Unless the shareholders by ordinary resolution otherwise resolve, the directors may decide to pay dividends.
- 44.2 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.
- 44.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 44.4 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.
- 44.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 44.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 44.7 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 an interim dividend on shares with deferred or non-preferred rights.

### **45. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 45.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid or settled by one or more of the following means:
  - 45.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - 45.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other

case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

45.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

45.1.4 any other means of payment or settlement as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

45.2 In the Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:

45.2.1 the holder of the share; or

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

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

#### **46. UNCLAIMED DISTRIBUTIONS**

46.1 All dividends or other sums which are:

46.1.1 payable in respect of shares; and

46.1.2 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.

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

46.3 If:

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

46.3.2 the distribution recipient has not claimed it;

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

#### **47. NON-CASH DISTRIBUTIONS**

47.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a

dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

- 47.2 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:

47.2.1 fixing the value of any assets;

47.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

47.2.3 vesting any assets in trustees.

#### **48. WAIVER OF DISTRIBUTIONS**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:

- (a) the share has more than one holder; or
- (b) 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**

#### **49. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

- 49.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:

49.1.1 decide to 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 or capital redemption reserve; and

49.1.2 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.

- 49.2 Capitalised sums must be applied:

49.2.1 on behalf of the persons entitled; and

- 49.2.2 in the same proportions as a dividend would have been distributed to them.
- 49.3 Any capitalised sum may be applied in paying up new shares (or unpaid amounts on existing 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.
- 49.4 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.
- 49.5 Subject to the Articles the directors may:
- 49.5.1 apply capitalised sums in accordance with Articles 49.3 and 49.4 partly in one way and partly in another;
- 49.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
- 49.5.3 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.

## **PART 5: ADMINISTRATIVE ARRANGEMENTS**

### **50. MEANS OF COMMUNICATION TO BE USED**

- 50.1 Subject to the Articles, anything sent or supplied by or to the company under the Articles may be sent or supplied in any way in which Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- 50.2 Any notice, document or other information served, sent or supplied by the company using electronic means shall be deemed to have been received on the day on which it was sent notwithstanding that the company subsequently sends a hard copy of such notice, document or information by post.
- 50.3 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.
- 50.4 A director may agree with the company that notices or documents 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 48 hours.

## **51. COMPANY SEALS**

- 51.1 Any common seal may only be used by the authority of the directors.
- 51.2 The directors may decide by what means and in what form any common seal will be used.
- 51.3 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.
- 51.4 For the purposes of this Article, an authorised person is:
- 51.4.1 any director of the company;
  - 51.4.2 the company secretary (if any); or
  - 51.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **52. 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.

## **53. 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.

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **54. INDEMNITY**

- 54.1 Subject to Article 54.2, a relevant director of the company or an associated company shall be and shall be kept indemnified out of the company's assets against:
- 54.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
  - 54.1.2 any liability incurred by that director in connection with the activities of the company or an associated company in his capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and

54.1.3 any other liability incurred by that director as an officer of the company or an associated company.

54.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

54.3 In this Article:

54.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

54.3.2 a "relevant director" means any director or former director of the company or an associated company.

## **55. INSURANCE**

55.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

55.2 In this Article:

55.2.1 a "relevant director" means any director or former director of the company or an associated company;

55.2.2 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; and

55.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

