

**THE COMPANIES ACT 2006
PUBLIC LIMITED COMPANY**

**Novae Group plc
(registered number 5673306)**

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution on 15 March 2006 and as amended on 10 May 2007, 29 April 2009, 29 April 2010, 20 December 2010, 5 May 2011, 14 May 2012, 1 May 2013, 14 May 2014 ~~and~~, 13 May 2015 and [29 August] 2017)

Table of Contents

	<u>Page</u>
1. Interpretation	1
2. Standard regulations do not apply	3
3. Objects	3
4. Limited liability	3
5. Allotment	3
6. Power to attach rights	4
7. Redeemable shares	4
8. Commission	4
9. Trusts not recognised	4
10. Right to certificate	4
11. Replacement certificates	5
12. Company's lien on shares not fully paid	5
13. Enforcement of lien by sale	6
14. Application of proceeds of sale	6
15. Calls	6
16. Power to differentiate	7
17. Interest on calls	7
18. Payment in advance	7
19. Amounts due on allotment treated as calls	7
20. Notice if call not paid	8
21. Forfeiture for non-compliance	8
22. Notice after forfeiture	8
23. Disposal of forfeited shares	8
24. Arrears to be paid notwithstanding forfeiture	9
25. Surrender	9
26. Power of sale	9
27. Application of proceeds of sale	10
28. Form of transfer	10
29. Right to refuse registration	11
30. Fees on registration	11
31. Suspension of registration and closing of register	12
32. Limitation on shareholdings	12
33. On death	17
34. Election of person entitled by transmission	17
35. Rights on transmission	18
36. Increase, consolidation, sub-division and cancellation	18
37. Fractions	18
38. Annual general meeting	19
39. Extraordinary general meeting	19
40. Convening of extraordinary general meetings	19
41. Length and form of notice	20
42. Omission to send notice	20
43. Special business	21
44. Quorum	21
45. Procedure if quorum not present	21
46. Chairman	22

Table of Contents

(continued)

	<u>Page</u>
47. Director's right to attend and speak	22
48. Power to adjourn	22
49. Notice of adjourned meeting	22
50. Business at adjourned meeting	23
51. Accommodation of members at meeting	23
52. Method of voting	23
53. Procedure on a poll	24
54. Votes of members	24
55. Restriction on voting rights for unpaid calls etc	25
56. Voting by proxy	25
57. Deposit of proxy	27
58. When votes by proxy valid though authority revoked	27
59. Corporate Representative	27
60. Objects to and error in voting	28
61. Amendments to resolutions	28
62. Class meetings	28
63. Failure to disclose interests in shares	29
64. Number of directors	31
65. Power of the Company to appoint directors	31
66. Power of the board to appoint directors	31
67. Appointment of executive directors	31
68. Eligibility of new directors	31
69. Voting on resolution for appointment	32
70. Retirement by rotation	32
71. Directors subject to retirement	32
72. Position of retiring director	32
73. Deemed reappointment	32
74. Removal by ordinary resolution	33
75. Vacation of office by director	33
76. Appointment	34
77. Revocation of appointment	34
78. Participation in board meetings	34
79. Responsibility	35
80. Directors' fees	35
81. Additional remuneration	35
82. Expenses	35
83. Remuneration and expenses of alternate directors	35
84. Directors' pensions and other benefits	36
85. Remuneration of executive director	36
86. Powers of the board	36
87. Powers of directors being less than minimum required number	36
88. Powers of executive directors	37
89. Delegation to committees	37
90. Local management	37
91. Power of attorney	38
92. Associate directors	38

Table of Contents

(continued)

	<u>Page</u>
93. Exercise of voting powers	38
94. Provision for employees	38
95. Overseas register	39
96. Power to change the name of the Company	39
97. Borrowing powers	39
98. Register of charges	43
99. Directors' interest	44
100. Board meetings	47
101. Notice of board meetings	47
102. Quorum	48
103. Chairman of board	48
104. Voting	48
105. Participation by telephone	48
106. Resolution in writing	49
107. Proceedings of committees	49
108. Minutes of proceedings	49
109. Validity of proceedings of board or committee	49
110. Secretary	50
111. Authentication of documents	50
112. Safe custody	50
113. Application of seals	50
114. Declaration of dividends	51
115. Interim dividends	51
116. Entitlement to dividends	51
117. Method of payment	51
118. Dividends not to bear interest	52
119. Calls or debts may be deducted from dividends etc	52
120. Unclaimed dividends etc	52
121. Uncashed dividends	52
122. Payment of dividends in specie	53
123. Payment of scrip dividends	53
124. Capitalisation of profits	55
125. Record dates	56
126. Accounts to be sent to members etc	56
127. Forms of notices	57
128. Manner of giving notices	57
129. Notice by advertisement	58
130. When notice is deemed given	58
131. Record date for giving notices	59
132. Notice to person entitled by transmission	59
133. Returned notices	59
134. Destruction of documents	60
135. Indemnity	61
136. Rights and restrictions attached to the B shares, C shares and Deferred Shares	61
137. Deletion of Article 136 when no B shares in existence	64

Table of Contents
(continued)

	<u>Page</u>
138. Rights and restrictions attached to the C shares.....	65
139. Deletion of Article 138 when no C shares in existence.....	67
140. Rights and restrictions attached to the Deferred Shares.....	67
141. Deletion of Article 140 when no Deferred Shares in existence.....	68
142. Rights and restrictions attached to the Default Share.....	69
143. Deletion of Article 142 when the Default Share is not in existence.....	70
<u>144. Scheme of Arrangement</u>	<u>70</u>

Company No. 5673306

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

Novae Group plc¹

PRELIMINARY

1. Interpretation

(A) In the articles the following definitions apply:

“Act”	the Companies Act 2006, including any statutory modification or re-enactment for the time being in force;
“Articles”	these articles of association as amended from time to time;
“Auditors”	the auditors of the Company;
“board”	the board of directors of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present;
“business day”	a day (not being a Saturday or Sunday) on which clearing banks are open for business in London;
“clear days”	in relation to a period of notice, that period excluding the day when the notice is given or deemed to be

¹ The name of the Company was changed from PLACE Insurance Holdings PLC by special resolution passed on 16 March 2006.

	given and the day for which it is given or on which it is to take effect;
“company”	includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Act;
“the Company”	Novae Group plc;
“director”	unless the context otherwise requires, a director of the Company;
“dividend”	includes bonus;
“entitled by transmission”	in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law;
“executed”	includes, in relation to a document, execution under hand or under seal or by another method permitted by law;
“holder”	in relation to a share, the member whose name is entered in the register as the holder of that share;
“Lloyd’s”	Lloyd’s of London;
“London Stock Exchange”	London Stock Exchange plc;
“member”	unless the context otherwise requires, a member of the Company;
“office”	the registered office of the Company;
“paid, paid up and paid-up”	include credited as paid or paid up;
“financial institution”	means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange which is designated for the purposes of section 778(2) of the Act;
“register”	unless the context otherwise requires, the register of members kept pursuant to section 113 of the Act;
“Regulations”	the Uncertificated Securities Regulations 2001 (as amended);
“seal”	unless the context otherwise requires, the common or official seal kept by the Company as permitted by the Act; and
“secretary”	the secretary of the Company and includes any assistant or deputy secretary and a person appointed by the board to perform the duties of the secretary.

- (B) Words and expressions contained in these articles which are not defined in paragraph (A) have, unless the contrary is indicated, the same meaning as in the Act, but excluding any statutory modification to the Act not in force at the date of adoption of these articles.
- (C) The headings in the articles shall not affect the interpretation of the articles.

2. **Standard regulations do not apply**

None of the regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (or any amendments thereto) or the model articles for public companies set out in Schedule 3 to the Companies (Model Articles) Regulations 2008 shall apply to the Company.

3. **Objects**

Nothing in these articles shall constitute a restriction on the objects of the Company to do (or omit to do) any act and, in accordance with section 31(1) of the Act, the Company's objects are unrestricted.

4. **Limited liability**

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

SHARE CAPITAL

5. **Allotment**

- (A) Subject to the Act and relevant authority of the Company in general meeting required by the Act, the board has general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of unissued shares (whether forming part of the original or any increased capital), or rights to subscribe for or convert any security into shares, to such persons, at such times and on such terms and conditions as the board may decide but no share may be issued at a discount.
- (B) The board may at any time after the allotment of a share but before a person has been entered in the register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on the terms and conditions the board thinks fit.

6. **Power to attach rights**

Subject to the Act and to the rights attached to existing shares, new shares may be allotted or issued with or have attached to them such special rights or

restrictions as the Company may by ordinary resolution decide, or, if no resolution is passed, as the board may decide.

7. **Redeemable shares**

Subject to the Act and to the rights attached to existing shares, shares may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed.

8. **Commission**

The Company may exercise all powers conferred or permitted by the Act of paying commission or brokerage. Subject to the Act, commission or brokerage may be satisfied by the payment of cash or the allotment of fully- or partly-paid shares or the grant of an option to call for an allotment of shares or by any combination of these methods.

9. **Trusts not recognised**

Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not recognise a person as holding a share on trust and is not bound by or otherwise compelled to recognise (even if it has notice of it) an equitable, contingent, future, partial or other claim to or interest in a share other than an absolute right in the holder of the whole of the share.

SHARE CERTIFICATES

10. **Right to certificate**

- (A) Subject to the Act and the requirements of the London Stock Exchange, a person on becoming the holder of a share in certificated form is entitled, without charge, to one certificate for all the shares of a class registered in his name or, in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares.
- (B) Where a member transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of shares retained by him.
- (C) The Company is not bound to issue more than one certificate for shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.
- (D) A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares. It shall be issued under a seal, which may be affixed to or printed on it, or in such other manner having the same effect as if issued under a seal as the board may approve.

- (E) The Directors may implement arrangements as they think fit in relation to the evidencing and transfer of shares in uncertificated form. Conversion of certificated shares into uncertificated shares and vice versa may be made in such manner as is permitted by the Regulations. The Company shall enter in the register of members the number of shares that are held by each member in uncertificated form and certificated form and shall maintain the register in each case as required by the Regulations. Notwithstanding any provision of these articles, a class of share shall not be treated as two classes by virtue only of that class comprising both shares in certificated form and shares in uncertificated form or as the result of any provision of these articles or the Regulations which apply only in respect of shares in certificated form or shares in uncertificated form.

11. **Replacement certificates**

- (A) Where a member holds two or more certificates for shares of one class, the board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate.
- (B) At the request of a member, the board may cancel a certificate and issue two or more in its place (representing shares in such proportions as the member may specify), on surrender of the original certificate and on payment of such reasonable sum as the board may decide.
- (C) Where a certificate is worn out, defaced, lost or destroyed, the board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out-of-pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity and security as the board may decide, and on surrender of the original certificate (where it is worn out or defaced).

LIEN

12. **Company's lien on shares not fully paid**

- (A) The Company has a first and paramount lien on every share (other than a fully-paid share) registered in the name of a member (whether solely or jointly with another person) for an amount payable in respect of the share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared or other amounts payable in respect of the share.
- (B) The board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this article. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

13. Enforcement of lien by sale

- (A) For the purpose of enforcing the lien, the board may sell shares subject to the lien in such manner as it may decide, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 clear days after the service of a notice in writing (stating, and demanding payment of, the amounts and giving notice of the intention to sell in default of payment) on the member concerned (or to a person entitled by transmission to the shares).
- (B) To give effect to a sale, the board may authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder of or the person entitled by transmission to the shares to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the sale.

14. Application of proceeds of sale

The net proceeds of a sale effected under the previous article, after payment of the costs of the sale, shall be applied by the Company in or towards satisfaction of the amount in respect of which the line exists. Any residue shall (on surrender to the Company for cancellation of the certificate for the shares sold, or the provision of any indemnity (with or without security) as to any lost or destroyed certificate required by the board and subject to a like lien for amounts not presently payable as existed on the shares before the sale) be paid to the member or a person entitled by transmission to the shares immediately before the sale.

CALLS ON SHARES

15. Calls

Subject to the terms of allotment of shares, the board may make calls on members in respect of amounts unpaid on the shares or a class of shares held by them respectively (whether in respect of nominal value or a premium) and not payable on a date fixed by or in accordance with the terms of issue. Each member shall (on receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called as required by the notice. A call may be made payable by instalments and may, at any time before receipt by the Company of an amount due, be revoked or postponed in whole or in part as the board may decide. A call is deemed made at the time when the resolution of the board authorising it is passed. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made. The joint holders of a share are jointly and severally liable for payment of a call in respect of that share.

16. **Power to differentiate**

The board may make arrangements on the allotment or issue of shares for a difference between the allottees or holders in the amounts and times of payment of a call on their shares.

17. **Interest on calls**

If the whole of the amount called is not paid on or before the date fixed for payment, the person by whom it is payable shall pay interest on the unpaid amount at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20% per annum) as the board may decide, from and including the date fixed for payment until but excluding the date of actual payment and all costs, charges and expenses incurred by the Company by reason of the non-payment. The board may waive payment of the interest in whole or in part.

18. **Payment in advance**

The board may, if it thinks fit, receive from a member all or part of the amounts uncalled and unpaid on shares held by him. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made. The Company may pay interest on the amount paid in advance, or on so much of it as from time to time exceeds the amount called on the shares in respect of which the payment in advance has been made, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20% per annum) as the board may decide.

19. **Amounts due on allotment treated as calls**

An amount which becomes payable in respect of a share on allotment or on a date fixed pursuant to the terms of allotment (whether in respect of nominal value or a premium) or as an instalment of a call, is deemed to be a call. In case of non-payment, the provisions of the articles as to payment of interest and costs, charges and expenses, forfeiture or otherwise apply as if that amount has become payable by virtue of a call.

FORFEITURE

20. **Notice if call not paid**

If a member fails to pay the whole of a call or an instalment of a call on or before the date fixed for payment, the board may serve notice on the member or on a person entitled by transmission to the share in respect of which the call was made demanding payment, on a date not less than 14 clear days from the date of the notice, of the amount of the call outstanding and any interest that

may have accrued on it and all costs, charges and expenses incurred by the Company by reason of the non-payment.

The notice shall state (i) the place where payment is to be made, and (ii) that if the notice is not complied with the share in respect of which the call was made will be liable to be forfeited.

21. Forfeiture for non-compliance

If the notice referred to in the previous article is not complied with, a share in respect of which it is given may, at any time before payment required by the notice has been made, be forfeited by a resolution of the board. The forfeiture includes all dividends declared or other amounts payable in respect of the forfeited share and not paid before the forfeiture.

22. Notice after forfeiture

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share but no forfeiture is invalidated by an omission to give notice. An entry of the fact and date of forfeiture shall be made in the register.

23. Disposal of forfeited shares

- (A) Until cancelled in accordance with the Act, a forfeited share and all rights attaching to it are deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before the forfeiture the holder or to another person, on such terms and in such manner as the board may decide. Where for this purpose a forfeited share is to be transferred, the board may authorise a person to execute an instrument of transfer of the share to the transferee. The Company may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.
- (B) The board may before a forfeited share has been cancelled, sold, re-allotted or otherwise disposed of annul the forfeiture on such conditions as it thinks fit.
- (C) A statutory declaration by a director or the secretary that a share has been forfeited on the date stated in the declaration is conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. The declaration (subject if necessary to the execution of an instrument of transfer) constitutes good title to the share and the person to whom the share is disposed of is not bound to see to the application of the consideration (if any). His title to the share is not affected by an irregularity in or invalidity of the proceedings connected with the forfeiture or disposal.

24. **Arrears to be paid notwithstanding forfeiture**

A person whose share has been forfeited ceases on forfeiture to be a member in respect of it and shall surrender to the Company for cancellation the certificate for the forfeited share or shares. He remains liable to pay, and shall immediately pay to the Company, all calls, interest, costs, charges and expenses owing in respect of the share at the time of forfeiture, with interest, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20% per annum) as the board may decide. The board may if it thinks fit enforce payment without allowance for the value of the share at the time of forfeiture or for consideration received on disposal.

25. **Surrender**

The board may accept the surrender of a share liable to be forfeited and in that case references in the articles to forfeiture include surrender.

UNTRACED SHAREHOLDERS

26. **Power of sale**

(A) The Company is entitled to sell a share if:

- (i) for a period of not less than 12 years before the date of publication of the advertisements referred to in paragraph (A)(ii) (or, if published on two different dates, the first date) (the “**relevant period**”), and during the relevant period the Company has paid at least three dividends (whether interim or final), (a) no cheque, order or warrant sent by the Company by post in a pre-paid envelope addressed to the holder of the share, or to the person entitled by transmission to the share, at his address on the register or other last-known address given by the member or other person has been claimed, and (b) no communication has been received by the Company from the member or person entitled by transmission (in his capacity as member or person entitled by transmission);
- (ii) on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in a leading daily newspaper with a national circulation and in a newspaper circulating in the area of the address referred to in paragraph (A)(i);
- (iii) the Company has not during a further period of three months after the date of the advertisements referred to in paragraph (A)(ii) (or the later advertisement if the advertisements are published on different dates) and before the exercise of the power of sale received a communication

from the member or person entitled by transmission (in his capacity as member or person entitled by transmission); and

- (iv) the Company has first given notice in writing to the Quotations Department of the London Stock Exchange of its intention to sell the share.
- (B) In addition to the power of sale conferred by paragraph (A), if during the relevant period or a further period ending on the date when all the requirements of paragraphs (A)(i) to (iv) have been satisfied an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods and all the requirements of paragraphs (A)(i) to (iv) have been satisfied in respect of the additional share, the Company is entitled to sell the additional share.
- (C) To give effect to a sale pursuant to paragraphs (A) or (B), the board may authorise a person to execute an instrument of transfer of the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity or invalidity in the proceedings connected with the sale of the share.

27. Application of proceeds of sale

The Company shall account to the member or other person entitled by transmission to the share for the net proceeds of sale by carrying all amounts received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of those amounts for the member or other person. Amounts carried to the separate account may either be employed in the business of the Company or invested as the board may think fit. No interest is payable on those amounts and the Company is not required to account for money earned on them.

TRANSFER OF SHARES

28. Form of transfer

- (A) A member may transfer all or any of his shares held in certificated form by instrument of transfer in writing in any usual form or in another form approved by the board, and the instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.
- (B) Transfers of shares in uncertificated form shall be made in accordance with and subject to the Regulations and the facilities and requirements of the

relevant system, and subject to and in accordance with arrangements made by the directors under article 10(E).

29. Right to refuse registration

- (A) Subject to articles 32 and 63, the board may, in its absolute discretion and without giving a reason, refuse to register the transfer of shares which are not fully paid (provided that the refusal does not prevent dealings in the shares from taking place on an open and proper basis). They may also refuse to register a transfer of shares in certified form unless:
- (i) it is in respect of shares on which the Company has no lien;
 - (ii) it is in respect of only one class of shares;
 - (iii) it is in favour of not more than four transferees;
 - (iv) it is duly stamped (if required); and
 - (v) it is delivered for registration to the office or such other place as the board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

In the case of shares in uncertificated form, the directors may decline to register a transfer in the circumstances permitted by the Regulations and the requirements of the relevant system.

- (B) If the board refuses to register the transfer of a share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it, subject to article 133. All instruments of transfer which are registered may be retained by the Company.

30. Fees on registration

No fee may be charged by the Company for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

31. **Suspension of registration and closing of register**

The registration of transfers may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may decide and either generally or in respect of a particular class of shares.

32. **Limitation on shareholdings**

(A) The purpose of this article 32 is to prevent any person (other than a Permitted Person as defined below) having the right, either alone or with any Associates, to exercise, or to control the exercise of a Controlling Interest in the Company.

(B) In this article 32:

(i) “**Associates**” in relation to any person means:

(a) that person’s spouse and children (including step-children and adopted children) under the age of 18 years;

(b) any body corporate of which that person or their spouse is a director;

(c) any person who is an employer, employee or partner of the person or of their spouse;

(d) any body corporate of which the person or their spouse, either alone or with any connected person, is controller; and

(e) if that person is a body corporate, any subsidiary undertaking of that body corporate and any employee of any such subsidiary undertaking.

(ii) “**Companies Act**” means the Companies Act 2006 as in force at the date of adoption of this article 32 and notwithstanding any repeal, modification or re-enactment thereof after that date.

(iii) “**Controlling Interest**” in relation to a body corporate means an interest held by any person either alone or with any Associate(s):

(a) which entitles that person either alone or with any Associate(s) to exercise, or to control the exercise of, a Relevant Percentage or more of the voting power at any general meeting of the body corporate; or

(b) as a consequence of which the directors of the body corporate are accustomed to act in accordance with the directions or instructions of that person (either alone or with those of any Associate(s)); or

(c) which entitles that person either alone or with any Associate(s) to receive a Relevant Percentage or more of the amount distributed if

the whole of the income of the body corporate or of its parent undertaking were in fact distributed among its shareholders; or

(d) which entitles that person either alone or with any Associate(s) to receive a Relevant Percentage or more of the assets available for distribution amongst shareholders in the event of a winding up of the body corporate or of its parent undertaking;

and “control” shall be construed accordingly.

- (iv) “**interest**”, in relation to shares, means any interest which would be taken into account in determining for the purposes of the Disclosure and Transparency Rules whether a person has a notifiable interest (including any interest which he would be taken as having for those purposes) and “interested” shall be construed accordingly;
- (v) “**Disclosure and Transparency Rules**” means the disclosure and transparency rules and regulations made by the UK Listing Authority;
- (vi) “**Permitted Person**” means any person who has the prior written consent of Lloyd’s to hold a Controlling Interest;
- (vii) “**Relevant Percentage**” means 10 per cent, 20 per cent, 33 per cent or 50 per cent as relevant, or such other percentage as Lloyd’s (or any relevant successor body) shall prescribe from time to time in relation to control of a Lloyd’s corporate member and/or managing agent at Lloyd’s;
- (viii) “**Relevant Person**” means any person (whether or not identified) who has, or who appears to the board to have, at any particular time the right, either alone or with any Associate(s), a Controlling Interest attaching to Relevant Share Capital of all classes (taken as a whole) and capable of being cast on a poll at a general purpose meeting of the Company convened at such time, or who is deemed for the purposes of this article 32 to be a Relevant Person;
- (ix) “**Relevant Share Capital**” means the issued share capital of the Company carrying rights to vote in any circumstances at general meetings of the Company;
- (x) “**Relevant Shares**” means all shares comprised in the Relevant Share Capital in which a Relevant Person has, or appears to the board to have, an interest or which are deemed for the purposes of this article 32 to be Relevant Shares; and
- (xi) “**Required Disposal**” means a disposal or disposals of such a number of Relevant Shares (or interests therein) as will cause a Relevant Person to cease to be a Relevant Person, not being a disposal to another

Relevant Person (other than Permitted Person) or a disposal which constitutes any other person (other than a Permitted Person) a Relevant Person;

and, for the purposes of this article 32, where the board resolves that it has made reasonable enquiries and that it is unable to determine:

- (1) whether or not a particular person has an interest in any particular shares comprised in Relevant Share Capital; or
- (2) who is interested in any particular shares so comprised

the shares concerned shall be deemed to be Relevant Shares and all persons interested in them to be Relevant Persons.

- (C) Subject to article 32(D) and without prejudice to article 64, the provisions of the Disclosure and Transparency Rules shall apply in relation to the Company as if those provisions extended to all interests and accordingly the rights and obligations arising under the Disclosure and Transparency Rules shall apply in relation to the Company, its members and all persons interested in Relevant Share Capital; but so that notifications received by the Company under DTR 5.1.2 of the Disclosure and Transparency Rules shall be entered in a separate register kept by the Company for that purpose. The rights and obligations created by this article 32(C) in respect of interests in shares are in addition to and separate from those arising under Part 17 of the Act.
- (D) If, to the knowledge of the board, any person other than a Permitted Person is or becomes a Relevant Person (including, without limitation, by virtue of being deemed to be one), the board shall give notice to all persons (other than persons referred to in article 32(I)) who appear to the board to have interests in the Relevant Shares and, if different, to the registered holders of those shares. The notice shall set out the restrictions referred to in article 32(G) and call for a Required Disposal to be made within twenty-one days of the giving of the notice to the holder or such longer period as the board considers reasonable. The board may extend the period in which any such notice is required to be complied with and may withdraw any such notice (whether before or after the expiration of the period referred to) if it appears to it that there is no Relevant Person in relation to the shares concerned. After the giving of such notice, and save for the purpose of a Required Disposal under this article 32(D) or article 32(E), no transfer of any of the Relevant Shares may be registered until either the notice is withdrawn or a Required Disposal has been made to the satisfaction of the board and registered.
- (E) If a notice given under article 32(D) has not been complied with in all respects to the satisfaction of the board and has not been withdrawn, the board shall, so far as it is able, make a Required Disposal (or procure that a Required Disposal is made) and shall give written notice of the disposal to those persons on whom the notice was served. The Relevant Person(s) and the registered

holder(s) of the shares duly disposed of shall be deemed irrevocably and unconditionally to have authorised the board to make such Required Disposal. The manner, timing and terms of any such Required Disposal made or sought to be made by the board (including, but not limited to, the price or prices at which the same is made and the extent to which assurance is obtained that no transferee, except a Permitted Person, is or would become a Relevant Person) shall be such as the board determines, based on advice from bankers, brokers, or other persons as the board considers it appropriate to consult for the purpose, to be reasonably practicable having regard to all the circumstances, including, but not limited to, the number of shares to be disposed of and the requirement that the disposal be made without delay; and the board shall not be liable to any person (whether or not a Relevant Person) for any of the consequences of reliance on such advice. If, in relation to a Required Disposal to be made by the board, Relevant Shares are held by more than one holder (treating joint holders of any Relevant Shares as a single holder) the board shall cause as nearly as practicable the same proportion of each holding (so far as known to it) of the Relevant Shares to be sold.

- (F) For the purpose of effecting any Required Disposal, the board may authorise in writing any officer or employee of the Company to execute any necessary transfer on behalf of any holder and may enter the name of the transferee in the register of members in respect of the transferred shares notwithstanding the absence of any share certificate and may issue a new certificate to the transferee and an instrument of transfer executed by such person shall be as effective as if it had been executed by the registered holder of the transferred shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of the disposal shall be received by the Company whose receipt shall be a good discharge for the purchase money, and shall be paid (without any interest being payable in respect of it and after deduction of any expenses incurred by the board in the sale) to the former holder (or in the case of joint holders, the first of them named in the register) together with, if appropriate, a new certificate in respect of the balance of the Relevant Shares to which he is entitled upon surrender by him or on his behalf of any certificate in respect of the Relevant Shares sold and formerly held by him.
- (G) A holder of a Relevant Share on whom a notice has been given under (and complying with) article 32(D) shall not in respect of that share be entitled, until such time as the notice has been complied with to the satisfaction of the board or withdrawn, to attend or vote at any general meeting of the Company or meeting of the holders of Relevant Share Capital or of any class thereof, or to exercise any other rights conferred by membership in relation to any such meeting; and the rights to attend (whether in person or by representative or proxy), to speak and to demand and vote on a poll which would have attached to the Relevant Share had it not been a Relevant Share shall vest in the chairman of any such meeting. The manner in which the chairman exercises or refrains from exercising any such rights shall be entirely at his discretion.

The chairman of any such meeting shall be informed by the board of any share becoming or being deemed to be a Relevant Share.

- (H) Without prejudice to the provisions of the Act and subject to the provisions of this article 32, the board may assume without enquiry that a person is not a Relevant Person unless the information contained in the registers kept by the Company under Part 17 of the Companies Act (as applied and extended by this article), including the separate register to be kept under article 32(C), appears to the board to indicate to the contrary or the board has reason to believe otherwise, in which circumstances the board shall make reasonable enquiries to discover whether any person is a Relevant Person.
- (I) The board shall not be obliged to give any notice required under this article 32 to be given to any person if it does not know either his identity or his address. The absence of such a notice in such circumstances and any accidental error in or failure to give any notice to any person to whom notice is required to be given under this article 32 shall not prevent the implementation of, or invalidate, any procedure under this article 32.
- (J) Save as otherwise provided in this article 32(J), the provisions of the articles applying to the giving of notice of meetings to members shall apply to the giving to a member of any notice required by this article 32. Any notice required by this article 32 to be given to a person who is not a member, or who is a member (or, in the case of joint holders, who is the person first named in the register) whose registered address is not within the United Kingdom and who has not given to the Company an address within the United Kingdom at which notices may be given to him, shall be deemed validly served if it is sent through the post in a pre-paid envelope addressed to that person at the address (or if more than one, at one of the addresses) if any, at which the board believes him to be resident or carrying on business or to his last known address as shown on the register. The notice shall in such a case be deemed to have been given on the second day after posting. Proof that the envelope was properly addressed, pre-paid and posted shall be conclusive evidence that the notice was given.
- (K) Any resolution or determination of, or decision or exercise of any discretion or power by, the board or any director or by the chairman of any meeting under or pursuant to the provisions of this article 32 (including, without prejudice to the generality of the foregoing, as to what constitutes reasonable enquiry or as to the manner, timing and terms of any Required Disposal made by the board under article 32(E) shall be final and conclusive; and any disposal or transfer made, or other thing done, pursuant to this article 32 shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever.

The board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this article 32.

- (L) Article 32(C) shall not apply to a financial institution acting in its capacity as such. Where in that capacity interests in shares in the Company are held by a financial institution under arrangements recognised by the Company for the purposes of this article 32 any person who has rights in relation to shares in the Company in which such a financial institution holds such an interest shall be deemed to be interested in the number of shares in the Company for which such a financial institution is or may become liable to account to him and any interest which (by virtue of his being a tenant in common in relation to interests in shares in the Company so held by such a financial institution) he would otherwise be treated for the purposes of this article 32 as having in a larger number of shares in the Company shall (in the absence of any other reason why he should be so treated) be disregarded. For the purposes of this article 32(L), a nominee of the London Stock Exchange shall be deemed to hold interests in shares in the Company if those shares are for the time being deposited in the London Stock Exchange's Talisman Settlement System.
- (M) Notwithstanding articles 29 and 63 the board may refuse to register the transfer of a share to a Relevant Person (other than a Permitted Person) or to a person (other than a Permitted Person) if the registration of that transfer would constitute that person a Permitted Person.
- (N) This article shall apply notwithstanding any provisions in any other of the articles which is inconsistent with or contrary to it.

TRANSMISSION OF SHARES

33. On death

- (A) The Company may recognise only the personal representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held jointly by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.
- (B) Nothing in the articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him.

34. Election of person entitled by transmission

- (A) A person becoming entitled by transmission to a share may, on production of any evidence the board may require, elect either to be registered as a member or to have a person nominated by him registered as a member.
- (B) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of the articles relating to the transfer of shares apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by

the member and his death, bankruptcy or other event giving rise to a transmission of entitlement had not occurred.

- (C) The board may give notice requiring a person to make the election referred to in article 34(A). If that notice is not complied with within 60 days the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

35. Rights on transmission

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may, however, give a good discharge for dividends and other amounts payable in respect of the share and, subject to articles 34 and 117, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however, before he is registered as the holder of the share, entitled in respect of it to receive notice of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

ALTERATION OF SHARE CAPITAL

36. Increase, consolidation, sub-division and cancellation

The Company may exercise the powers conferred by the Act and the Regulations, if applicable, to:

- (i) increase its share capital by a sum to be divided into shares of an amount prescribed by the resolution;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (iii) subject to the Act, sub-divide all or any of its shares into shares of a smaller amount and may by the resolution decide that the shares resulting from the sub-division have amongst themselves a preference or other advantage or be subject to a restriction; and
- (iv) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by a person and diminish the amount of its share capital by the amount of the shares so cancelled.

37. Fractions

Whenever as the result of consolidation and division or sub-division of shares members become entitled to fractions of a share, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, the board may:

- (i) sell fractions of a share to a person (including, subject to the Act, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company). To give effect to a sale the board may authorise a person to execute an instrument of transfer of shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or
- (ii) subject to the Act, issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to article 124. In relation to the capitalisation the board may exercise all the powers conferred on it by article 124 without an ordinary resolution of the Company.

GENERAL MEETINGS

38. Annual general meeting

The Company shall hold annual general meetings, which shall be convened by the board, in accordance with the Act.

39. Extraordinary general meeting

All general meetings of the Company other than annual general meetings are called extraordinary general meetings.

40. Convening of extraordinary general meetings

The board may convene an extraordinary general meeting whenever it thinks fit. The board must convene an extraordinary general meeting immediately on receipt of a requisition from members made in accordance with the Act and in default a meeting may be convened by requisitionists as provided in the Act.

At a meeting convened on a requisition or by requisitionists no business may be transacted except that stated by the requisition or proposed by the board.

41. Length and form of notice

- (A) An annual general meeting shall be called by not less than 21 clear days' notice. All extraordinary general meetings shall be called by not less than 14 clear days' notice.
- (B) Subject to the Act, and although called by shorter notice than that specified in paragraph (A), a general meeting is deemed to have been duly called if it is so agreed:
 - (i) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
 - (ii) in the case of another meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- (C) The notice of meeting shall specify:
 - (i) whether the meeting is an annual general meeting or an extraordinary general meeting;
 - (ii) the place, the date and the time of the meeting;
 - (iii) in the case of special business, the general nature of that business;
 - (iv) if the meeting is convened to consider a special or an extraordinary with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, and on a poll, vote instead of him and that a proxy need not also be a member.
- (D) The notice of meeting shall be given to the members (other than any who, under the provisions of the articles or restrictions imposed on shares, are not entitled to receive notice), to the directors and to the auditors.

42. Omission to send notice

The accidental omission to send a notice of meeting or, in cases where it is sent out with the notice, an instrument of proxy to, or the non-receipt of either by, a person entitled to receive it does not invalidate the proceedings at a general meeting.

43. **Special business**

All business transacted at a general meeting is deemed special except the following business at an annual general meeting:

- (i) the receipt and consideration of the annual accounts, the report and auditors' report on those accounts;
- (ii) the appointment of directors and other officers in place of those retiring by rotation or otherwise ceasing to hold office;
- (iii) the declaration of dividends;
- (iv) the appointment of the auditors (when special notice of the resolution for appointment is not required by the Act) and the fixing, or determination of the manner of the fixing, of their remuneration; and
- (v) the renewal of the authorities of the Company in general meeting required by the Act and the articles in relation to the allotment of shares.

PROCEEDINGS AT GENERAL MEETINGS

44. **Quorum**

- (A) No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with the articles, which is not treated as part of the business of the meeting.
- (B) The quorum for a general meeting is for all purposes two members present in person or by proxy and entitled to vote.

45. **Procedure if quorum not present**

- (A) If a quorum is not present within five minutes (or such longer period as the chairman in his absolute discretion thinks fit) from the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the meeting, if convened by or on the requisition of members, is dissolved. In any other case it stands adjourned for ten clear days (or, if that day is a Saturday, a Sunday or a holiday, to the next working day) to be held at the same time and place as the original meeting, or to such other day, and at such other time and place, as the board may decide.
- (B) At an adjourned meeting the quorum is two members present in person or by proxy and entitled to vote. If a quorum is not present within five minutes (or such longer period as the chairman in his absolute discretion thinks fit) from

the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the adjourned meeting is dissolved.

- (C) The Company shall give not less than seven clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

46. **Chairman**

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at a general meeting. If there is no chairman or deputy chairman, or if at a meeting neither is present within five minutes after the time fixed for the start of the meeting, or neither is willing to act, the directors present shall select one of their number to be chairman, and if only one director is present and willing to act, he shall be chairman. In default, the members present in person and entitled to vote shall choose one of their number to be chairman.

47. **Director's right to attend and speak**

A director is entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares or debentures whether or not he is a member.

48. **Power to adjourn**

- (A) The chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn a meeting from time to time and from place to place or for an indefinite period.
- (B) Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order (i) to secure the proper and orderly conduct of the meeting, or (ii) to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting, or (iii) to ensure that the business of the meeting is properly disposed of.

49. **Notice of adjourned meeting**

Without prejudice to article 45(C), whenever a meeting is adjourned for 28 days or more or for an indefinite period, at least seven clear days' notice specifying the place, the date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of the articles or restrictions imposed on any shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances, and subject to article 45(C), it is not

necessary to give notice of an adjourned meeting or of the business to be transacted at the adjourned meeting.

50. **Business at adjourned meeting**

No business may be transacted at an adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

51. **Accommodation of members at meeting**

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a member who is unable to be accommodated is able (i) to participate in the business for which the meeting has been convened, and (ii) to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and (iii) to be heard and seen by all other persons present in the same way.

VOTING

52. **Method of voting**

- (A) At a general meeting, a resolution put to the vote of the meeting is decided by a show of hands unless (before or on the declaration of the result of the show of hands) a poll is duly demanded.
- (B) Subject to the Act, a poll may be demanded on any question by:
- (i) the chairman of the meeting; or
 - (ii) not less than five members present in person or by proxy and entitled to vote; or
 - (iii) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (iv) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a proxy is deemed to be a demand by the member appointing the proxy.

- (C) Unless a poll is demanded and the demand is not withdrawn, a declaration by the chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

53. Procedure on a poll

- (A) If a poll is properly demanded, it shall be taken in such manner (including by electronic means) as the chairman of the meeting directs. He may appoint scrutineers, who need not be members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- (B) A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time and place as the chairman decides, either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand).
- (C) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- (D) The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. In the case of a poll demanded before the declaration of the result of a show of hands, the meeting shall continue as if the demand has not been made.
- (E) The demand for a poll (other than on the election of the chairman of the meeting or on a question of adjournment) does not prevent the meeting continuing for the transaction of business other than the question on which a poll has been demanded.
- (F) On a poll, votes may be given in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

54. Votes of members

- (A) Subject to paragraph (B) below, to special terms as to voting on which shares have been issued, or to a suspension or abrogation of voting rights pursuant to the articles, at a general meeting every member present in person or by proxy has on a show of hands one vote and every member present in person or by proxy has on a poll one vote for every ordinary share of which he is the holder.

- (B) On a vote on a resolution on a show of hands at a general meeting, a proxy has one vote for and one vote against the resolution if:
- (i) the proxy has been duly appointed by more than one member entitled to vote on the resolution; and
 - (ii) the proxy has been instructed by, or exercises his discretion given by, one or more of those members to vote for the resolution and has been instructed by, or exercises his discretion given by, one or more other of those members to vote against it.
- (C) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority is determined by the order in which the names of the holders stand in the register.
- (D) A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator bonis or other person may, whether on a show of hands or on a poll, vote by proxy if evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is deposited at the office (or at another place specified in accordance with the articles for the deposit of instruments of proxy) within the time limits prescribed by the articles for the deposit of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

55. Restriction on voting rights for unpaid calls etc

Unless the board otherwise decides, no member is entitled in respect of a share held by him to be present or to vote, either in person or by proxy, at a general meeting or at a separate meeting of the holders of class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, if a call or other amount due and payable in respect of the share is unpaid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of the non-payment.

56. Voting by proxy

- (A) An instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the board) executed by the appointor or his duly constituted attorney or, if the appointor is a company, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign.

- (B) Without limiting the provisions of these articles, the Board may from time to time in relation to uncertificated shares approve the appointment of a proxy by means of an electronic communication in the form of an “uncertificated proxy instruction” (that is, a properly authenticated dematerialised instruction and/or other instruction or notification, which is sent by means of the relevant system and received by such participant in that system acting on behalf of the Company as the Board may from time to time prescribe (subject always to the facilities and requirements of the relevant system)); and may in a similar manner approve supplements to, or amendments or revocations of, any such uncertificated proxy instruction made by the same means. In addition, the Board may prescribe the method of determining the time at which any such uncertificated proxy instruction is to be treated as received by the Company or such participant and may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.
- (C) An instrument of proxy is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to vote on a resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.
- (D) A proxy need not be a member.
- (E) A member may appoint more than one proxy to attend on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share held by such member. When two or more valid but differing instruments of proxy are delivered for the same share for use at the same meeting, the one which is last validly delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share.
- (F) Deposit of an instrument of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- (G) An instrument of proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. An instrument of proxy is valid for 12 months from the date of execution.
- (H) Subject to the Act, the Company may send an instrument of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting. If sent the instrument shall provide for two-way voting (without prejudice to a right to abstain) on all resolutions set out in the notice of meeting.

57. **Deposit of proxy**

An instrument of proxy, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, shall be:

- (i) deposited at the office, or another place in the United Kingdom specified in the notice convening the meeting or in an instrument of proxy or other accompanying document sent by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote; or
- (ii) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, deposited as required by paragraph (i) not less than 24 hours (excluding weekends and bank holidays) before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- (iii) in the case of a meeting adjourned for less than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the secretary or to a director.

An instrument of proxy not deposited or delivered in accordance with this article is invalid. In calculating the periods mentioned, no account shall be taken of any part of a day that is not a working day.

58. **When votes by proxy valid though authority revoked**

A vote given or poll demanded by a proxy or authorised representative of a company is valid despite termination of his authority unless notice of termination is received by the Company at the office (or other place specified for depositing the instrument of proxy) at least one hour before the time for holding the meeting or adjourned meeting at which the vote is given or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

MISCELLANEOUS

59. **Corporate Representative**

A company which is a member may, by resolution of its directors or other governing body, authorise a person to act as its representative at a meeting or at a separate meeting of the holders of a class of shares (the “**representative**”).

The representative is entitled to exercise on behalf of such company (in respect of that part of such company's holding of shares to which the authorisation relates) those powers that such company could exercise if it were an individual member. Such company is for the purposes of the articles deemed to be present in person at a meeting if the representative is present. All references to attendance and voting in person shall be construed accordingly. A director, the secretary or other person authorised for the purpose by the secretary may require the representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

60. **Objects to and error in voting**

No objection may be made to the qualification of a voter or to the counting of, or failure to count, a vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. An objection properly made shall be referred to the chairman of the meeting and only invalidates the result of the voting if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman is conclusive and binding on all concerned.

61. **Amendments to resolutions**

If an amendment proposed to a resolution under consideration is ruled out of order by the chairman of the meeting the proceedings on the substantive resolution are not invalidated by an error in his ruling.

62. **Class meetings**

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as an extraordinary general meeting, except that:

- (i) no member, other than a director, is entitled to notice of it or to attend unless he is a holder of shares of that class;
- (ii) no vote may be given except in respect of a share of that class;
- (iii) the quorum at the meeting is two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of that class;
- (iv) the quorum at an adjourned meeting is two persons holding shares of that class who are present in person or by proxy; and
- (v) a poll may be demanded in writing by a member present in person or by proxy and entitled to vote at the meeting and on a poll each member has one vote for every share of that class of which he is the holder.

63. **Failure to disclose interests in shares**

- (A) Where notice is served by the Company under section 793 of the Act (a “section 793 notice”) on a member, or another person appearing to be interested in shares held by that member and the member or other person has failed in relation to any shares (the “**default shares**”, which expression includes any shares issued after the date of the section 793 notice in right of those shares) to give the Company the information required within the prescribed period from the date of the section 793 notice, the following sanctions apply, unless the board otherwise decides:
- (i) the member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll; and
 - (ii) where the default shares represent at least 0.25% in nominal value of the issued shares of their class:
 - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member is not entitled to elect, pursuant to article 123, to receive shares instead of a dividend; and
 - (b) no transfer of any share held by the member shall be registered unless the transfer is an excepted transfer or:
 - (1) the member is not himself in default in supplying the information required; and
 - (2) the member proves to the satisfaction of the board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.
- (B) The sanctions under paragraph (A) cease to apply:
- (i) on registration of an excepted transfer, but only in relation to the shares transferred; and
 - (ii) in relation to other shares, five business days after receipt by the Company, in a form satisfactory to the board, of all the information required by the section 793 notice.
- (C) Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 notice to the member,

but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of paragraph (A).

- (D) For the purposes of this article 63:
- (i) a person, other than the member holding a share, is treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;
 - (ii) “interested” is construed as it is for the purpose of section 820 of the Act;
 - (iii) reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
 - (iii) the “**prescribed period**” is fourteen days from the date when the section 793 notice is given;
 - (iv) an “**excepted transfer**” means, in relation to shares held by a member:
 - (a) a transfer pursuant to acceptance of a take-over offer for the Company (within the meaning of Part V of the Criminal Justice Act 1993); or
 - (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or
 - (c) a transfer which is shown to the satisfaction of the board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
- (E) The provisions of this article are in addition and without prejudice to the provisions of the Act.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

64. **Number of directors**

Unless and until otherwise decided by the Company by ordinary resolution the number of directors is not subject to a maximum but must not be less than two.

65. **Power of the Company to appoint directors**

Subject to the articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed a maximum number fixed in accordance with the articles.

66. **Power of the board to appoint directors**

Without prejudice to the power of the Company to appoint a person to be a director pursuant to the articles, the board may appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed a maximum number fixed in accordance with the articles. A director appointed in this way may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting. He is not required, and is not taken into account in determining the number of directors who are, to retire by rotation at the meeting.

67. **Appointment of executive directors**

Subject to the Act, the board may appoint one or more of its body to hold employment or executive office (including that of managing director) with the Company for such term (subject to the Act) and on any other conditions the board thinks fit. The board may revoke or terminate an appointment, without prejudice to a claim for damages for breach of contract.

68. **Eligibility of new directors**

(A) No person other than a director retiring (by rotation or otherwise) may be appointed or reappointed a director at a general meeting unless:

- (i) he is recommended by the board; or
- (ii) not less than seven nor more than 28 days before the date fixed for the meeting, notice has been given to the Company by a member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall (a) state the particulars which would, if the proposed director were appointed or reappointed, be required to be included in the Company's register of directors, (b) be accompanied by notice given by the proposed director of his willingness to be appointed or reappointed, and (c) be lodged at the office.

(B) A director need not be a member.

69. **Voting on resolution for appointment**

A resolution for the appointment of two or more persons as directors by a single resolution is void unless an ordinary resolution that the resolution for appointment is proposed in this way has first been agreed to by the meeting without a vote being given against it.

70. **Retirement by rotation**

At each Annual General Meeting no less than one-third of the directors (or, if their number is not three or a multiple of three, the number nearest to one-third, so as to ensure that each director shall retire from office pursuant to this article at an interval or intervals of no more than three years) shall retire from office by rotation. If there are fewer than three directors, one shall retire from office.

71. **Directors subject to retirement**

Subject to the Act and the articles, the directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a director who wishes to retire and not offer himself for reappointment, and, second, those directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the director to retire shall, in default of agreement between them, be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined on the basis of the composition of the board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the directors after that time but before the close of the meeting.

72. **Position of retiring director**

A director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

73. **Deemed reappointment**

At a general meeting at which a director retires by rotation the Company may fill the vacancy and, if it does not do so, the retiring director is, if willing, deemed reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

74. **Removal by ordinary resolution**

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove a director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract) and may (subject to the articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. A person appointed in this way is treated, for the purposes of determining the time at which he or another director is to retire, as if he had become a director on the date on which the person in whose place he is appointed was last appointed or reappointed a director.

75. **Vacation of office by director**

(A) Without prejudice to the provision for retirement (by rotation or otherwise) contained in the articles, the office of a director is vacated if:

- (i) he resigns by notice delivered to the secretary at the office or tendered at a board meeting;
- (ii) he ceases to be a director by virtue of a provision of the Act, is removed from office pursuant to the articles or becomes prohibited by law from being a director;
- (iii) he becomes bankrupt, has an interim receiving order made against him, makes an arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (iv) a registered medical practitioner who has examined him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a director and may remain so for more than three months; or by reason of his mental health a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have and, in either case, the board resolves that his office be vacated
- (v) both he and his alternate director appointed pursuant to the provisions of the articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated; or
- (vi) he is removed from office by notice addressed to him at his last known address and signed by all his co-directors (without prejudice to a claim for damages for breach of contract).

- (B) A resolution of the board declaring a director to have vacated office under the terms of this article is conclusive as to the fact and grounds of vacation stated in the resolution.

ALTERNATE DIRECTORS

76. Appointment

- (A) A director (other than an alternate director) may by notice delivered to the secretary at the office, or in any other manner approved by the board, appoint as his alternate director:

- (i) another director, or
- (ii) another person approved by the board and willing to act.

No appointment of an alternate director who is not already a director is effective until his consent to act as a director in the form prescribed by the Act has been received at the office.

- (B) An alternate director need not be a member and is not counted in reckoning the number of directors for the purpose of article 64.

77. Revocation of appointment

A director may by notice delivered to the secretary at the office revoke the appointment of his alternate director and, subject to the provisions of the preceding article, appoint another person in his place. If a director ceases to hold the office of director or if he dies, the appointment of his alternate director automatically ceases. If a director retires but is reappointed at the meeting at which his retirement takes effect, a valid appointment of an alternate director which was in force immediately before his retirement continues to operate after his reappointment as if he has not retired. The appointment of an alternate director ceases on the happening of an event which, if he were a director otherwise appointed, would cause him to vacate office.

78. Participation in board meetings

An alternate director is, if he gives the Company an address in the United Kingdom at which notices may be served on him, entitled to receive notice of all meetings of the board and all committees of the board of which his appointor is a member and, in the absence from those meetings of his appointor, to attend and vote at the meetings and to exercise all the powers, rights, duties and authorities of his appointor. A director acting as alternate director has a separate vote at meetings of the board and committees of the board for each director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

79. **Responsibility**

A person acting as an alternate director is an officer of the Company, is alone responsible to the Company for his acts and defaults, and is not deemed to be the agent of his appointor.

REMUNERATION, EXPENSES AND PENSIONS

80. **Directors' fees**

Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the directors (but not alternate directors) for their services as directors such amount of aggregate fees as the board decides (not exceeding in aggregate the sum of £400,000 per annum or such larger amount as the Company may by ordinary resolution decide). The aggregate fees shall be divided among the directors in such proportions as the board decides or, if no decision is made, equally. A fee payable to a director pursuant to this article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the articles and accrues from day to day.

81. **Additional remuneration**

A director who, at the request of the board, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the board may decide.

82. **Expenses**

A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director, including expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures.

83. **Remuneration and expenses of alternate directors**

An alternate director is not entitled to a fee from the Company for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor. The Company shall, however, repay to an alternate director reasonable expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him under the preceding article had he been a director.

84. Directors' pensions and other benefits

- (A) The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for a person who is or has at any time been a director of (i) the Company, or (ii) a company which is or was a subsidiary of the Company, or (iii) a company which is or was allied to or associated with the Company or a subsidiary of the Company, or (iv) a predecessor in business of the Company or of a subsidiary of the Company (and for any member of his family, including a spouse or former spouse, or a person who is or was dependent on him). For this purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may arrange for this to be done by the Company alone or in conjunction with another person.
- (B) A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under paragraph (A) and is not obliged to account for it to the Company.

85. Remuneration of executive director

The salary or remuneration of a director appointed to hold employment or executive office in accordance with the articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the board, and may be in addition to or instead of a fee payable to him for his services as director pursuant to the articles.

POWERS AND DUTIES OF THE BOARD

86. Powers of the board

Subject to the Act, the articles and to directions given by special resolution of the Company, the business of the Company is managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association or of the articles and no direction given by the Company invalidate a prior act of the board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of the articles giving specific powers to the board do not limit the general powers given by this article.

87. Powers of directors being less than minimum required number

If the number of directors is less than the minimum prescribed by the articles or decided by the Company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or

directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office (subject to the articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

88. Powers of executive directors

The board may delegate to a director holding executive office (including a managing director) any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. The board may at any time revoke the delegation or alter its terms and conditions.

89. Delegation to committees

The board may delegate any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more directors and (if thought fit) one or more other persons, but only if a majority of the members of the committee are directors or alternate directors. No resolution of a committee is effective unless a majority of those present when it is passed are directors or alternate directors. In particular, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter its terms and conditions or discharge the committee in whole or in part. Where a provision of the articles refers to the exercise of a power, authority or discretion by the board and that power, authority or discretion has been delegated by the board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

90. Local management

The board may establish local or divisional boards or agencies for managing the affairs of the Company in a specified locality, either in the United Kingdom or elsewhere, and may appoint persons to be members of a local or divisional board or agency, and may fix their remuneration. The board may delegate to a local or divisional board or agency any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, the board may grant the power to sub-delegate, may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional board or agency and may authorise the members of a local or divisional board or agency (or any of them) to fill a vacancy or to act despite a vacancy. The board may at any time

revoke or alter the terms and conditions of the appointment or delegation. Subject to terms and conditions imposed by the board, the proceedings of a local or divisional board or agency with two or more members are governed by those articles that regulate the proceedings of the board, so far as applicable.

91. **Power of attorney**

The board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation.

92. **Associate directors**

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word “director” or attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word “director” in the designation or title of an office or employment does not imply that the person is, or is deemed to be, or is empowered to act as, a director for any of the purposes of the Act or the articles.

93. **Exercise of voting powers**

Subject to article 97, the board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in such manner as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

94. **Provision for employees**

The board may exercise the powers conferred upon the Company by the Act to make provision for the benefit of a person employed or formerly employed by the Company or any of its subsidiaries (or any member of his family, including a spouse or former spouse, or any person who is or was dependent on him) in connection with the cessation or the transfer to a person of the whole or part of the undertaking of the Company or the subsidiary.

95. **Overseas register**

Subject to the Act, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas or local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register.

96. **Power to change the name of the Company**

The board may change the name of the Company.

97. **Borrowing powers**

(A) Subject as provided in this article, the board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(B) The board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to procure (as regards such subsidiaries, in so far as it can procure by such exercise) that the aggregate principal amount outstanding in respect of moneys borrowed by the group (exclusive of moneys borrowed by one group company from another and after deducting cash deposited) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to one and three-quarters times the adjusted total of capital and reserves.

(C) In this article, the following expressions shall have the following meanings:

(i) **“adjusted total of capital and reserves”** means a sum equal to the aggregate of:

(a) the amount paid-up on the allotted or issued share capital of the Company; and

(b) the amount standing to the credit of the reserves of all group undertakings whether distributable or undistributable, and including any share premium account, capital redemption reserve, property revaluation reserve after adding thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account

all as shown in the relevant balance sheet but after:

(c) making such adjustments as may be appropriate in respect of:

- (1) any variations in the amount of the paid-up share capital, the share premium account or the capital redemption reserve of the Company since the date of the relevant balance sheet and so that for this purpose if any proposed allotment of shares by the Company for cash has been underwritten then such shares shall be deemed to have been allotted and the amount (including any premium) of the subscription monies payable in respect thereof (not being monies payable later than 6 months after the date of allotment) shall be deemed to have been paid up to the extent so underwritten on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, the date on which it became unconditional);
 - (2) any undertaking which was not a group undertaking at the date of the relevant balance sheet but which would be a group undertaking if group accounts were prepared as at the relevant time (and as if such time were the end of the Company's financial year) or any undertaking which was a group undertaking but which would no longer be so if group accounts were to be so prepared at the relevant time;
 - (d) excluding (so far as not already excluded):
 - (1) amounts attributable to the share capital of any undertaking not owned by a group company;
 - (2) any sum set aside for taxation (other than deferred taxation);
 - (e) deducting:
 - (1) sums equivalent to the book values of goodwill and other intangible assets (other than goodwill arising only on consolidation) shown in the relevant balance sheet (as adjusted pursuant to the foregoing provisions of this paragraph); and
 - (2) the amount of any distribution declared, recommended or made by any group undertaking to a person other than a group undertaking out of profits accrued up to and including the date of (and not provided for in) the relevant balance sheet);
 - (f) making such other adjustments (if any) as the auditors may consider appropriate or necessary;
- (ii) “**cash deposited**” means an amount equal to the aggregate for the time being outstanding of all cash deposits or balances on each current account of the group with any bank (not being a group company), the realisable value of certificates of deposit and securities of governments and companies or other readily realisable deposits owned by any group company which is not a wholly-owned subsidiary, only that portion which is equal to the proportion of that company's issued and paid-up

equity share capital which is owned, directly or indirectly, by a group company shall be taken into account;

- (iii) “**group**” means the Company and its subsidiaries from time to time;
- (iv) “**group company**” means any company in the group;
- (v) “**group undertaking**” means the Company or any other undertaking included in consolidated group accounts of the Company in which the relevant balance sheet is comprised;
- (vi) “**moneys borrowed**” shall be deemed to include the following except insofar as otherwise taken into account:
 - (a) the nominal amount of any issued share capital of any person other than a member of the group and the principal amount of any moneys borrowed from any such person, the beneficial interest in which or right to repayment to which is not for the time being owned by a group company but the payment or repayment of which is the subject of a guarantee or indemnity by a group company or is secured on the assets of any group company;
 - (b) the outstanding amount raised by acceptances under any acceptance credit opened on behalf of and in favour of any group company by any bank or accepting house not being acceptances of, or acceptance credits in relation to, trade bills for purchases of goods or services in the ordinary course of business and outstanding for six months or less;
 - (c) the principal amount of any loan capital (whether secured or unsecured) of any group company owned otherwise than by any group company;
 - (d) the nominal amount of any share capital (not being equity share capital) of any subsidiary not owned beneficially by any group company;
 - (e) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but so that any premium payable on final repayment of an amount not to be taken into account as moneys borrowed shall not be taken into account); and
 - (f) amounts raised under any transaction (including, without limitation, forward sale or purchase agreements) having the commercial effect of borrowings entered into to enable the finance of operations or capital requirements

but shall be deemed not to include:

(g) borrowings made for the purpose of repaying the whole or any part of borrowings falling to be taken into account for the purposes of this article within six months of being first borrowed, pending their application for such purpose within such period;

(h) borrowings for the purpose of financing any contract in respect of which any part of the price receivable under such contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other institution fulfilling a similar function, to the amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured;

(i) such proportion of the borrowings of any non-wholly-owned subsidiary as that part of its issued and paid-up equity share capital which is not beneficially owned, directly or indirectly, by a group company bears to the whole its issued and paid-up equity share capital (but an equivalent proportion of moneys borrowed from one such non-wholly-owned subsidiary by any other group company which would otherwise fall to be excluded shall nevertheless be included);

(j) an amount equal to the borrowings of any company outstanding immediately after it becomes a group company;

(k) the amount of any monies borrowed which are for the time being deposited with any governmental authority in any part of the world in connection with import deposits or any similar governmental scheme to the extent that the group company making such deposit retains its interest in such deposit;

(l) any sum advanced or paid to any group company (or its agents or nominees) by customers of any group company as unexpended customer receipts or progress payments pursuant to any contract between such customer and a group company; and

(m) sums which fall to be treated as monies borrowed by any group company by reason only of any current statement of standard accounting practice or other accounting principle or practice;

(vii) “**relevant balance sheet**” means the consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings comprised in the latest group accounts prepared and approved by the board on which the auditors have made their report pursuant to the Act.

(D) When the aggregate amount of moneys borrowed required to be taken into account for the purposes of this article on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other

than sterling shall be converted for the purpose of calculating the sterling equivalent either:

- (i) at the rate of exchange used for the conversion of that currency in the relevant balance sheet; or
- (ii) if no rate was so used, at the rate of exchange prevailing at the close of business in London on the date of that balance sheet; or
- (iii) where the repayment of such moneys is expressly covered by a forward purchase contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risk associated with fluctuations in exchange rates, at the rate of exchange specified in that document;

but, if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

- (E) A report or certificate of the auditors as to the amount of the adjusted total of capital and reserves and as to the aggregate amount of moneys borrowed falling to be taken into account for the purposes of or in compliance with this article shall be conclusive and binding on all concerned. Nevertheless the board may at any time act in reliance on a bona fide estimate of the amount of the adjusted total of capital and reserves and if in consequence the limit on borrowings set out in this article is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of 90 days after the date on which by reason of a determination of the auditors or otherwise the board became aware that such a situation has or may have arisen.
- (F) No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this article shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded but no lender to other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

98. **Register of charges**

The Company shall keep a register of charges in accordance with the Act and the fee to be paid by a person other than a creditor or member for each inspection of the register of charges is the maximum sum prescribed by the Act or, failing which, decided by the board.

99. **Directors' interest**

- (A) Subject to the Act and paragraph (B), a director, notwithstanding his office:
- (i) may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit or as vendor, purchaser or otherwise;
 - (ii) may hold another office or place of profit with the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company, and in that case on such terms as to remuneration and otherwise as the board may decide either in addition to or instead of remuneration provided for by another article;
 - (iii) may be a director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment; and
 - (iv) is not liable to account to the Company for a profit, remuneration or other benefit realised by such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.
- (B) A director who, to his knowledge, is in any way (directly or indirectly) interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board after he knows that he is or has become interested. For the purposes of this article:
- (i) a general notice given to the board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in a contract, transaction, arrangement or proposal in which a specified person or class of persons is interested is a sufficient disclosure under this article in relation to that contract, transaction, arrangement or proposal;
 - (ii) an interest of a person or body corporate that is connected (within the meaning of sections 252 to 256 of the Act) with, or controlled by (as the case may be), a director shall be treated as an interest of the director; and

- (iii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.
- (C) Except as provided in this article, a director may not vote on, or be counted in the quorum in relation to, a resolution of the board or of a committee of the board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is, to his knowledge, materially interested directly or indirectly (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company), but this prohibition does not apply to a resolution concerning any of the following matters:
- (i) the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
 - (iii) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting;
 - (iv) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary of the Company) in which he is interested (directly or indirectly) and whether as an officer or shareholder, creditor or otherwise (a “**relevant company**”), if he is not the holder of or beneficially interested in one per cent. or more of the capital of the relevant company. For the purposes of this paragraph (iv):
 - (a) a director is deemed to have an interest in one per cent. or more of the capital of a relevant company if (directly or indirectly) he is the holder of or beneficially interested in one per cent. or more of a class of equity share capital of the relevant company or of the voting rights available to members of the relevant company or if he can cause one per cent. or more of those voting rights to be cast at his direction;
 - (b) shares held by a director as bare or custodian trustee and in which he has no beneficial interest, shares comprised in a trust in which the director’s interest is in reversion or is in remainder (if and so long as another person is entitled to receive the income from the trust)

and shares comprised in an authorised unit trust scheme in which the director is interested only as a unit holder are disregarded;

(c) where a relevant company in the capital of which a director is deemed for the purposes of this paragraph (iv) to be interested in one per cent. or more is materially interested in a contract, the director is also deemed to be materially interested in that contract;

(v) a contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension fund, retirement, death or disability benefits scheme or personal pension plan under which he may benefit and which either (a) has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes, or (b) relates to both employees and directors of the Company (or any of its subsidiaries) and does not accord to a director as such a privilege or advantage not accorded to the employees to whom the scheme or fund relates;

(vi) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries under which the director benefits in a similar manner to employees and which does not accord to a director as such a privilege or advantage not accorded to the employees to whom it relates; and

(vii) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.

(D) A director may not vote or be counted in the quorum on a resolution of the board or committee of the board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each director. In such case each of the directors concerned (if not otherwise debarred from voting under this article) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(E) If a question arises at a meeting as to the materiality of a director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a director (other than the chairman) to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman

and his ruling in relation to the director concerned is conclusive and binding on all concerned.

- (F) If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.
- (G) Subject to the Act, the Company may by ordinary resolution suspend or relax the provisions of this article either generally or in respect of a particular matter or ratify any transaction not authorised by reason of a contravention of this article.
- (H) For the purposes of this article, the interest of a person or body corporate that is connected (within the meaning of sections 252 to 256 of the Act) with, or controlled by (as the case may be), a director is treated as the interest of the director and, in relation to an alternate director, the interest of his appointor shall be treated as the interest of the alternate director in addition to an interest which the alternate director otherwise has. This article applies to an alternate director as if he were a director otherwise appointed.

PROCEEDINGS OF DIRECTORS AND COMMITTEES

100. Board meetings

Subject to the articles, the board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

101. Notice of board meetings

A director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last-known address or another address given by him to the Company for that purpose. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. In this article the reference to “in writing” includes the use of electronic communications subject to such terms and conditions as the board may resolve from time to time.

102. Quorum

The quorum necessary for the transaction of business may be decided by the board and until otherwise decided is two directors present in person or by alternate director. A duly convened meeting of the board at which a quorum is

present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board.

103. **Chairman of board**

The board may appoint one of its body as chairman to preside at every board meeting at which he is present and one or more deputy chairmen and decide the period for which he is or they are to hold office (and may at any time remove him or them from office). If no chairman or deputy chairman is elected, or if at a meeting neither the chairman nor a deputy chairman is present within five minutes of the time fixed for the start of the meeting, the directors and alternate directors (in the absence of their appointors) present shall choose one of their number to be chairman. If two or more deputy chairmen are present, the senior of them shall act as chairman, seniority being determined by length of office since their last appointment or reappointment. As between two or more who have held office for an equal length of time, the deputy chairman to act as chairman shall be decided by those directors and alternate directors (in the absence of their appointors) present. A chairman or deputy chairman may hold executive office or employment with the Company.

104. **Voting**

Questions arising at a meeting of the board are determined by a majority of votes. In case of an equality of votes the chairman has a second or casting vote.

105. **Participation by telephone**

A director or his alternate director may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the board or a committee of the board is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

106. **Resolution in writing**

A resolution in writing executed by all directors for the time being entitled to receive notice of a board meeting and not being less than a quorum or by all members of a committee of the board is as valid and effective for all purposes as a resolution passed at a meeting of the board (or committee, as the case may

be). The resolution in writing may consist of several documents in the same form each executed by one or more of the directors or members of the relevant committee. The resolution in writing need not be signed by an alternate director if it is signed by his appointor and a resolution signed by an alternate director need not be signed by his appointor. In this article references to “in writing” include the use of electronic communications subject to such terms and conditions as the board may resolve from time to time.

107. Proceedings of committees

- (A) Proceedings of committees of the board shall be conducted in accordance with regulations prescribed by the board (if any). Subject to those regulations and article 107(B), proceedings shall be conducted in accordance with applicable provisions of the articles regulating the proceedings of the board.
- (B) Where the board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed directors, it is not necessary to give notice of a meeting of that committee to directors other than the director or directors who form the committee.

108. Minutes of proceedings

- (A) The board shall cause minutes to be made in books kept for the purpose of:
 - (i) all appointments of officers and committees made by the board and of any remuneration fixed by the board; and
 - (ii) the names of directors present at every meeting of the board, committees of the board, the Company or the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.
- (B) If purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, minutes are receivable as prima facie evidence of the matters stated in them.

109. Validity of proceedings of board or committee

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director, alternate director or member of a committee are, notwithstanding that it is afterwards discovered that there was a defect in the appointment of a person or persons acting, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a director, alternate director or member of a committee and entitled to vote.

SECRETARY AND AUTHENTICATION OF DOCUMENTS

110. Secretary

- (A) Subject to the Act, the board shall appoint a secretary or joint secretaries and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including remuneration) as it thinks fit. The board may remove a person appointed pursuant to this article from office and appoint another or others in his place.
- (B) Any provision of the Act or of the articles requiring or authorising a thing to be done by or to a director and the secretary is not satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

111. Authentication of documents

A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including the memorandum of association and the articles) and resolutions passed by the Company or holders of a class of shares or the board or a committee of the board and books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts.

SEALS

112. Safe custody

The board shall provide for the safe custody of every seal.

113. Application of seals

A seal may be used only by the authority of a resolution of the board or of a committee of the board. The board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share certificate, on which the seal is printed) either generally or in relation to a particular instrument or type of instrument. The board may also decide, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical means. Unless otherwise decided by the board:

- (i) share certificates and certificates issued in respect of debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed; and

- (ii) every other instrument to which a seal is affixed shall be signed by at least one director and the secretary or by at least two director or by one director in the presence of a witness who attests the signature.

DIVIDENDS AND OTHER PAYMENTS

114. Declaration of dividends

- (A) Subject to the Act and the articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the board.

115. Interim dividends

Subject to the Act, the board may declare and pay such interim dividends (including a dividend payable at a fixed rate) as appear to it to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on shares with preferred rights, unless at the time of payment a preferential dividend is in arrear. If the board acts in good faith, it does not incur any liability to the holders of shares conferring preferred rights for a loss they may suffer by the lawful payment of an interim dividend on shares ranking after those with preferred rights.

116. Entitlement to dividends

Except as otherwise provided by the rights attached to shares, a dividend shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this article as paid up on the share. Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

117. Method of payment

- (A) The Company may pay a dividend, interest or another amount payable in respect of a share in cash or by cheque, dividend warrant or money order, or by a bank or other funds transfer system. Any joint holder or other person jointly entitled to a share may give an effective receipt for a dividend, interest or other amount paid in respect of the share.
- (B) The Company may send a cheque, warrant or order by post (i) in the case of a sole holder, to his registered address, or (ii) in the case of joint holders, to the registered address of the person whose name stands first in the register, or (iii) in the case of a person or persons entitled by transmission to a share, as if it

were a notice given in accordance with article 132, or (iv) in any case, to a person and address that the person or persons entitled to the payment may in writing direct.

- (C) Every cheque, warrant or order is sent at the risk of the person entitled to the payment and shall be made payable to the order of the person or persons entitled. The payment of the cheque, warrant or order is a good discharge to the Company. If payment is made by a bank or other funds transfer, the Company is not responsible for amounts lost or delayed in the course of the transfer or in carrying out such directions.
- (D) Without prejudice to article 63, the board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the board may reasonably require.

118. Dividends not to bear interest

No dividend or other amount payable by the Company in respect of a share bears interest as against the Company unless otherwise provided by the rights attached to the share.

119. Calls or debts may be deducted from dividends etc

The board may deduct from a dividend or other amounts payable to a person in respect of a share amounts due from him to the Company on account of a call or otherwise in relation to a share.

120. Unclaimed dividends etc

All unclaimed dividends, interest or other amounts payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. Dividends unclaimed for a period of 12 years after having been declared are forfeited and cease to remain owing by the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

121. Uncashed dividends

If, in respect of a dividend or other amount payable in respect of a share, on two consecutive occasions:

- (i) a cheque, warrant or order is returned undelivered or left uncashed, or
- (ii) a transfer made by a bank or other funds transfer system is not accepted, the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to the person entitled to it

until he notifies the Company of an address or account to be used for that purpose.

122. **Payment of dividends in specie**

Without prejudice to article 63, the board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Where a difficulty arises in connection with the distribution, the board may settle as it thinks fit and in particular may issue fractional certificates (or ignore fractions), may fix the value for distribution of the specific assets (or any part of them), may decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution, and may vest assets in trustees on trust for the persons entitled to the dividend as may seem expedient to the board.

123. **Payment of scrip dividends**

- (A) (A) Subject to the Act, but without prejudice to article 63, the board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or ordinary shares, in either case credited as fully paid, (“**new shares**”) instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the board may in its absolute discretion deem necessary or expedient to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory.
- (B) Where a resolution under article 123(A) is to be proposed at a general meeting and the resolution relates in whole or in part to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting.
- (C) A resolution under article 123(A) may relate to a particular dividend or to all or any dividends declared or paid within a specified period, but that period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed.
- (D) The board shall determine the basis of allotment of new shares so that, as nearly as may be considered convenient without involving rounding up of fractions, the value of the new shares (including a fractional entitlement) to be allotted (calculated by reference to the average quotation, or the nominal value of the new shares, if greater) equals (disregarding an associated tax credit) the amount of the dividend which would otherwise have been received by the holder (the “**relevant dividend**”). For this purpose the “average quotation” of each of the new shares is the average of the middle-market quotations for a fully-paid share of the Company of that class derived from the Daily Official

List of the London Stock Exchange on the business day on which the relevant class of shares is first quoted “ex” the relevant dividend (or such other date as the board may deem appropriate to take account of any subsequent issue of shares by the Company) and the four subsequent business days or shall be as determined by or in accordance with the ordinary resolution.

- (E) The board may make any provision it considers appropriate in relation to an allotment made pursuant to this article, including but not limited to:
- (i) the giving of notice to holders of the right of election offered to them;
 - (ii) the provision of forms of election (whether in respect of a particular dividend or dividends generally);
 - (iii) determination of the procedure for making and revoking elections;
 - (iv) the place at which, and the latest time by which, forms of election and other relevant documents must be lodged in order to be effective; and
 - (v) the disregarding or rounding up or down or carrying forward of fractional entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the holders concerned).
- (F) The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made (the “**elected shares**”); instead new shares are allotted to the holders of the elected shares on the basis of allotment calculated as in paragraph (D). For that purpose, the board may resolve to capitalise out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to article 124. In relation to the capitalisation the board may exercise all the powers conferred on it by article 124 without an ordinary resolution of the Company.
- (G) The new shares rank pari passu in all respects with each other and with the fully-paid shares of the same class in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other distribution or entitlement which has been declared or paid by reference to that record date.

124. Capitalisation of profits

Subject to the Act, the board may, with the authority of an ordinary resolution of the Company:

- (i) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;
- (ii) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of ordinary shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
 - (a) paying up the amounts (if any) for the time being unpaid on shares held by them respectively, or
 - (b) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (iii) make any arrangements if it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, where shares or debentures become distributable in fractions, the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceed of the sale in due proportion amongst the members (except that if the amount due to a member is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);
- (iv) authorise a person to enter (on behalf of all the members concerned) an agreement with the Company providing for either:
 - (a) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or
 - (b) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves resolved to

be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,

an agreement made under the authority being effective and binding on all those members; and

(v) generally do all acts and things required to give effect to the resolution.

125. **Record dates**

Notwithstanding any other provision of the articles, but without prejudice to the rights attached to shares, the Company or the board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

ACCOUNTS

126. **Accounts to be sent to members etc**

(A) In respect of each financial year, a copy of the Company's annual accounts, directors' report and auditors' report on those accounts shall be sent by post or delivered to:

- (i) every member (whether or not entitled to receive notices of general meetings),
- (ii) every holder of debentures (whether or not entitled to receive notices of general meetings), and
- (iii) every other person who is entitled to receive notices of general meetings,

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Act. This article does not require copies of the documents to which it applies to be sent or delivered to:

(a) a member or holder of debentures of whose address the Company is unaware, or

(b) more than one of the joint holders of shares or debentures.

(B) Where permitted by the Act, a summary financial statement derived from the Company's annual accounts and the directors' report in the form and containing the information prescribed by the Act may be sent or delivered to a member in place of the documents required to be sent or delivered by the preceding article.

- (C) For the purpose of this article sending includes using electronic communications and publication on a website in accordance with the Act.

NOTICES

127. Forms of notices

- (A) Except where otherwise expressly stated, any notice to be given to or by any person under these articles shall be in writing or, to the extent permitted by statute and subject to paragraph (B) below, contained in an electronic communication.
- (B) The Board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as it thinks fit for verifying the authenticity or integrity of any such electronic communication. A notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Board.

128. Manner of giving notices

- (A) A notice in writing, document or other communication may be given or served by the Company to any member either personally or by sending it through the post addressed to the member at his registered address or by leaving it at that address.
- (B) Subject to statute, a notice, document or other communication may be given by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a web site and notifying the member concerned, in such manner as he may from time to time authorise, that it has been so published.
- (C) In the case of joint holders of a share, any notice, document or other communication given or served by the Company in any manner permitted by these articles to the joint holder who is named first in the register in respect of the joint holding shall be deemed to be given to all other holders of the share.
- (D) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address but, unless he does so, shall not be entitled to receive any notice from the Company.

129. Notice by advertisement

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a

general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper. In any such case the Company shall send confirmatory copies of the notice by post to those members to whom notice cannot be given by electronic means if at least six clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

130. When notice is deemed given

- (A) Any notice in writing, document or other communication, if sent by first class post, shall be deemed to have been given on the day following that on which the envelope containing it is put into the post, or, if sent by second class post, shall be deemed to have been given on the second day following that on which the envelope containing it is put into the post and in proving such delivery it shall be sufficient to prove that the letter, envelope or wrapper containing the notice, document or other communication was properly addressed, prepaid and put into the post.
- (B) Any notice in writing, document or other communication not sent by post but left at a registered address at which a notice, document or other communication may be given shall be deemed to have been given on the day it was so left.
- (C) Any notice, document or other communication, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company.
- (D) Where notice is given by way of newspaper advertisement, such notice shall be deemed to have been duly given to each member or person entitled to receive it at noon on the day when the advertisement appears or, if it appears on different days, at noon on the first of the days when it appears.
- (E) A member present, either in person or by proxy, at any meeting of the Company or class of members of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which the meeting was convened.
- (F) Every person who becomes entitled to a share shall be bound by every notice (other than a notice in accordance with section 793 of the Act) in respect of that share which before his name is entered in the register was given to the person from whom he derives his title to the share.

131. Record date for giving notices

- (A) For the purposes of giving notices of meetings, documents or other communications, whether under section 310 of the Act, any other statute, a provision in these articles or any other instrument, the Company may

determine that persons entitled to receive such notices, documents or other communications are those persons entered on the register at the close of business on a day determined by it.

- (B) The day determined by the Company under paragraph (A) above may not be more than twenty-one days before the day that the notice of the meeting, document or other communication is given.
- (C) For the purposes of determining which persons are entitled to attend or vote at a meeting, and how many votes such persons may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend or vote at the meeting. In calculating the period mentioned, no account shall be taken of any part of a day that is not a working day.
- (D) Changes to entries on the register after the time specified by virtue of paragraph (C) above shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in the Statutes or these articles of association to the contrary.

132. Notice to person entitled by transmission

Where a person is entitled by transmission to a share, any notice or other communication shall be given to him, as if he were the holder of that share and his address noted in the register were his registered address. In any other case, any notice or other communication given to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly given in respect of any share registered in the name of that member as sole or joint holder.

133. Returned notices

A member shall not be entitled to receive any communication from the Company if two consecutive communications addressed to him, and properly given under these articles, have been returned to the Company undelivered but he shall again become entitled to receive communications following notice from him to the Company of a new or corrected registered address (or, in the case of a member whose registered address is not within the United Kingdom, a new address at which notices may be given). For the purposes of this article, references to a communication include (without limitation) notices of general meetings and any cheque or other instrument of payment or attempted payment by a funds transfer system; but nothing in this article shall entitle the Company to cease sending any cheques, dividend warrants or money orders or otherwise to cease making any payments for dividends or other moneys payable in respect of shares, unless it is so entitled under article 121.

MISCELLANEOUS

134. Destruction of documents

- (A) The Company may destroy:
- (i) a share certificate which has been cancelled at any time after one year from the date of cancellation;
 - (ii) a mandate for the payment of dividends or other amounts or a variation or cancellation of a mandate or a notification of change of name or address at any time after two years from the date the mandate, variation, cancellation or notification was recorded by the Company;
 - (iii) an instrument of transfer of shares (including a document constituting the renunciation of an allotment of shares) which has been registered at any time after six years from the date of registration; and
 - (iv) any other document on the basis of which any entry in the register is made at any time after six years from the date an entry in the register was first made in respect of it.
- (B) It is presumed conclusively in favour of the Company that every share certificate destroyed was a valid certificate validly cancelled, that every instrument of transfer destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company, but:
- (i) the provisions of this article apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document is relevant to a claim;
 - (ii) nothing contained in this article imposes on the Company liability in respect of the destruction of a document earlier than provided for in this article or in any case where the conditions of this article are not fulfilled; and
 - (iii) references in this article to the destruction of a document include reference to its disposal in any manner.

135. Indemnity

- (A) Subject to the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) may at the discretion of the board be indemnified out of the assets of the Company against any liability incurred by him for negligence, default,

breach of duty or breach of trust in relation to the affairs of the Company, provided that this article 135(A) shall be deemed not to provide for, or entitle any person to, indemnification to the extent that it would cause this article 135(A) or any element of it to be treated as void under the Act.

- (B) The board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

136. **Rights and restrictions attached to the B shares, C shares and Deferred Shares**

Notwithstanding the provisions of these articles which relate to shares, the following articles 136 to 141 comprise all the rights and restrictions relating to the non-cumulative redeemable preference shares of the Company of 45 pence each (“B Shares”), the non-cumulative irredeemable preference shares of the Company of 1.0 pence each (“C Shares”) and the Deferred Shares.

136.1 **Election Form**

136.1.1 Together with a circular to all Shareholders dated 3 December 2010 (the “**Circular**”), Shareholders who held their Existing Ordinary Shares (being ordinary shares then in issue) in certificated form were sent a form of election (“**Election Form**”) relating to the B Shares and C Shares proposed to be issued by the Company, as more fully described in the Circular. Pursuant to the Election Form or, where Shareholders held their Existing Ordinary Shares in uncertificated form, by following the instructions set out in the Circular, Shareholders could elect (an “**Election**”), among other things, to receive B Shares to be redeemed by the Company pursuant to the Proposals (as defined and described in the Circular) (the “**Capital Alternative**”). Under the Proposals, holders of Existing Ordinary Shares who made a valid election could elect, in relation to any B Shares to be issued to them, to:

- (a) have some or all of their B Shares redeemed by the Company on 17 January 2011 (“**Initial Redemption Date**”) or such other date as the directors may determine; and/or
- (b) hold some or all of their B Shares to be redeemed subsequently on 16 January 2012 (“**Final Redemption Date**”) or such other date as the directors may determine.

Elections made by Shareholders in respect of B Shares will not take effect until 3.00 p.m. on 14 January 2011 or such other time and/or date as the Directors may determine.

136.1.2 Shareholders who do not validly complete and return their Election Form or, in the case of Shareholders who hold their Existing Ordinary Shares in uncertificated form, do not send a valid USE instruction by 3.00 p.m. on 14 January 2011 (or such later time and/or date as the Directors may determine in their absolute discretion), will be deemed to have elected for the Dividend Alternative (as defined and described in the Circular) in respect of each Existing Ordinary Share held by them.

136.1.3 The Directors, in their absolute discretion, shall determine all questions as to the form and validity (including time and place of receipt) of any Election Form or USE instruction, which determination shall be final and binding. The Directors also reserve the absolute right to waive any defect or irregularity in relation to, or in relation to the receipt of, any Election Form or USE instruction completed by or on behalf of any Shareholder and such determination will be binding on such Shareholder.

136.2 **Income**

The B Shares shall confer no right to participate in the profits of the Company save for the right to redemption under Article 136.6 below.

136.3 **Capital**

136.3.1 Except as provided in Article 136.5, on a return of capital on winding-up (excluding any intra-group reorganisation on a solvent basis) but not any other return of capital the holders of B Shares shall be entitled, in priority to any payment to the holders of every other class of share in the capital of the Company (except the C Shares) but *pari passu* with any payment to the holders of C Shares, to 45 pence for each B Share held by them.

136.3.2 On a winding-up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 136.3.1 above. In the event that there is a winding-up to which Article 136.3.1 applies and the amounts available for payment are insufficient to pay the amounts due on all the B Shares in full, the holders of the B Shares shall be entitled to their prorata proportion of the amounts to which they would otherwise be entitled.

136.3.3 The aggregate entitlement of each holder of B Shares on a winding-up in respect of all of the B Shares held by him shall be rounded down to the nearest penny.

136.3.4 The holders of the B Shares shall:

- (i) not be entitled to any further right of participation in the assets of the Company; and
- (ii) be deemed if and so far as necessary to have consented to the cancellation of the share premium account referred to in the

Circular and to the reserve thereby arising being treated as distributable.

136.4 Voting and general meetings

The holders of B Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting.

136.5 Class rights

136.5.1 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.

136.5.2 A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.

136.5.3 Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such reduction (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares.

136.5.4 If at any time a currency other than sterling is accepted as legal tender in the United Kingdom in place of or in addition to sterling, the Directors shall be entitled, without the consent of holders of ordinary shares, B Shares or C Shares, to make such arrangements and adjustments in respect of the method of calculation and payment of any of the entitlements of holders of B Shares under these Articles as the Directors consider necessary, fair and reasonable in the circumstances to give effect to the rights of the B Shares. Any such arrangements and adjustments shall not involve a variation of rights attaching to the B Shares for any purpose.

136.6 Redemption

Subject to the provisions of the Act and these Articles, the Company shall redeem, out of the profits available for distribution, the B Shares as follows:

136.6.1 the B Shares in respect of which a valid Election has been made in accordance with the terms described in the Circular and the Election Form shall be redeemed on the Initial Redemption Date and/or the Final Redemption Date (depending on the terms of the Election or the application of these Articles) or on such other date as the Directors may in their absolute discretion decide;

- 136.6.2 on redemption of a B Share on either the Initial Redemption Date or the Final Redemption Date or on any other date applicable under these Articles (a “Redemption Date”), the Company will be liable to pay to a holder of B Shares 45 pence (the “Redemption Amount”) for each B Share in respect of which a valid Election has been made in accordance with the terms described in the Circular and the Election Form or in respect of which redemption is otherwise effected in accordance with these Articles. The Company’s liability to pay to such holder the Redemption Amount for each such B Share shall be discharged by the Company by a payment to such holder of the Redemption Amount for each such B Share within 21 days of the applicable Redemption Date;
- 136.6.3 neither the Company nor any of its Directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the choice of the Redemption Date in accordance with this Article 136.6;
- 136.6.4 all B Shares redeemed shall be cancelled and the Company shall not be entitled to reissue them;
- 136.6.5 holders of B Shares who do not elect to have all of their B Shares redeemed on the Initial Redemption Date will not be entitled to receive further notice from the Company in advance of any subsequent redemption of their B Shares by the Company on the Final Redemption Date or any other date on which the Company may effect redemption in accordance with these Articles;
- 136.6.6 payment in respect of B Shares being redeemed may be made by cheque or by crediting the accounts in a relevant clearing system (e.g. CREST), or otherwise as the directors may determine; and
- 136.6.7 upon or after the Final Redemption Date and in accordance with these Articles and as may be permitted by the Act, the Directors may reclassify the authorised B Share capital of the Company existing following such redemption (including any unissued B Share capital) into unclassified shares.

137. Deletion of Article 136 when no B shares in existence

Article 136 shall remain in force until there are no longer any B Shares in existence notwithstanding any provision in the Articles to the contrary. Thereafter Article 136 shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 136 are referred to in other Articles) and shall be deleted and replaced with the wording ‘Article 136 has been deleted’, and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 136 before that date shall not otherwise be affected and any actions taken under Article 136 before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

138. Rights and restrictions attached to the C shares

138.1 Election Form

- 138.1.1 Together with the Circular, Shareholders who held their Existing Ordinary Shares in certificated form were sent an Election Form relating to the B Shares and C Shares proposed to be issued by the Company, as more fully described in the Circular. Pursuant to the Election Form or, where Shareholders held their Existing Ordinary Shares in uncertificated form, by following the instructions set out in the Circular, Shareholders could make an Election, among other things, to receive C Shares in respect of which the Special Dividend (as defined in Article 138.2.1 below) would be paid.
- 138.1.2 Shareholders who do not validly complete and return their Election Form or, in the case of Shareholders who hold their Existing Ordinary Shares in uncertificated form, do not send a valid USE instruction by 3.00 p.m. on 14 January 2011 (or such later time and/or date as the Directors may determine in their absolute discretion), will be deemed to have elected for the Dividend Alternative (as defined and described in the Circular) in respect of each Existing Ordinary Share held by them.
- 138.1.3 The Directors, in their absolute discretion, shall determine all questions as to the form and validity (including time and place of receipt) of any Election Form or USE instruction, which determination shall be final and binding. The Directors also reserve the absolute right to waive any defect or irregularity in relation to, or in relation to the receipt of, any Election Form or USE instruction completed by or on behalf of any Shareholder and such determination will be binding on such Shareholder.

138.2 **Income**

- 138.2.1 Out of the profits available for distribution, a special dividend of 45 pence per C Share (the "Special Dividend") shall, subject to such conditions as the Directors may determine, become payable to the holders of C Shares in priority to any other classes of shares.
- 138.2.2 The Company's liability to pay the Special Dividend to such holder of C Shares shall be discharged by the Company by a payment of the Special Dividend to such holder within 21 days of the Initial Redemption Date.
- 138.2.3 Each C Share in respect of which the Special Dividend becomes payable shall immediately thereupon (but without prejudice to the accrued right to receive such dividend) be reclassified as a Deferred Share with the rights and restrictions described in Article 140.
- 138.2.4 Neither the Company nor any of its Directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the choice of the Redemption Date in connection with Article 138.2.2 above.
- 138.2.5 Neither the Company nor any of its Directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the choice of the date on which the Special Dividend is declared or paid.

138.3 **Capital**

The holders of the C Shares will not be entitled to be paid any amount on a return of capital on a winding-up or otherwise, and shall be deemed if and so far as necessary to have consented to the cancellation of the share premium account referred to in the Circular and to the reserve thereby arising being treated as distributable.

138.4 Voting and general meetings

The holders of C Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting.

138.5 Class rights

138.5.1 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the C Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the C Shares) shall be treated as being in accordance with the rights attaching to the C Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the C Shares.

138.5.2 A reduction by the Company of the capital paid up or credited as paid up on the C Shares without the payment of any amount to holders of the C Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the C Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the C Shares.

138.5.3 Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such reduction (or purchase) shall not involve a variation of any rights attaching to the C Shares for any purpose or require the consent of the holders of the C Shares.

138.5.4 If at any time a currency other than sterling is accepted as legal tender in the United Kingdom in place of or in addition to sterling, the Directors shall be entitled, without the consent of holders of ordinary shares, B Shares or C Shares, to make such arrangements and adjustments in respect of the method of calculation and payment of any of the entitlements of holders of C Shares under these Articles as the Directors consider necessary, fair and reasonable in the circumstances to give effect to the rights of the C Shares. Any such arrangements and adjustments shall not involve a variation of rights attaching to the C Shares for any purpose.

139. Deletion of Article 138 when no C shares in existence

Article 138 shall remain in force until there are no longer any C Shares in existence notwithstanding any provision in the Articles to the contrary. Thereafter Article 138 shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 138 are referred to in other Articles)

and shall be deleted and replaced with the wording 'Article 138 has been deleted', and the separate register for the holders of C Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 138 before that date shall not otherwise be affected and any actions taken under Article 138 before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

140. Rights and restrictions attached to the Deferred Shares

140.1 Income

The Deferred Shares shall confer no right to participate in the profits of the Company.

140.2 Capital

On a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis) there shall be paid to the holders of the Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares after:

140.2.1 firstly, paying to the holders of the B Shares 45.0 pence per B Share held by them; and

140.2.2 secondly, paying to the holders of every other class of share in the capital of the Company (other than the B Shares, C Shares and the default share) the nominal capital paid up or credited as paid up on such shares held by them respectively, together with the sum of £100,000,000,000 to each holder of such shares.

The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

140.3 Voting and general meetings

The holders of the Deferred Shares shall not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.

140.4 Transferability

The Deferred Shares shall not be transferable except in accordance with Article 140.5 below or with the written consent of the Directors.

140.5 Class rights

140.5.1 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the Deferred Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a

variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.

140.5.2 A reduction by the Company of the capital paid up or credited as paid up on the Deferred Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.

140.5.3 Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such reduction (or purchase) shall not involve a variation of any rights attaching to the Deferred Shares for any purpose or require the consent of the holders of the Deferred Shares.

140.6 Purchase

140.6.1 The Company may at any time (and from time to time), subject to the provisions of the Act, without obtaining the sanction of the holder or holders of the Deferred Shares appoint any person to execute on behalf of any holder of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine (whether or not an officer of the Company), and any such transfer shall be for not more than 1.0 pence for all the Deferred Shares then being purchased.

140.6.2 All Deferred Shares purchased by the Company shall be cancelled.

141. Deletion of Article 140 when no Deferred Shares in existence

Article 140 shall remain in force until there are no longer any Deferred Shares in existence notwithstanding any provision in the Articles to the contrary. Thereafter Article 140 shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 140 are referred to in other Articles) and shall be deleted and replaced with the wording 'Article 140 has been deleted', and the separate register for the holders of Deferred Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 140 before that date shall not otherwise be affected and any actions taken under Article 140 before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

142. Rights and restrictions attached to the Default Share

142.1 Income

The default share shall confer no right to participate in the profits of the Company.

142.2 Capital

On a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis) there shall be paid to the holder(s) of the

default share the nominal capital paid up or credited as paid up on such default share after:

- 142.2.1 firstly, paying to the holders of the B Shares 45.0 pence per B Share held by them; and
- 142.2.2 secondly, paying to the holders of every other class of share in the capital of the Company the nominal capital paid up or credited as paid up on such shares held by them respectively, together with the sum of £100,000,000,000 to each holder of such shares.

The holder(s) of the default share shall not be entitled to any further right of participation in the assets of the Company.

142.3 **Voting and general meetings**

The holder(s) of the default share shall not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.

142.4 **Transferability**

The default share shall not be transferable except in accordance with Article 142.5 below or with the written consent of the Directors.

142.5 **Class rights**

- 142.5.1 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the default share. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the default share) shall be treated as being in accordance with the rights attaching to the default share and shall not involve a variation of such rights for any purpose or require the consent of the holder(s) of the default share.
- 142.5.2 A reduction by the Company of the capital paid up or credited as paid up on the default share and the cancellation of such default share shall be treated as being in accordance with the rights attaching to the default share and shall not involve a variation of such rights for any purpose or require the consent of the holder(s) of the default share.
- 142.5.3 Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such reduction (or purchase) shall not involve a variation of any rights attaching to the default share for any purpose or require the consent of the holder(s) of the default share.

142.6 **Purchase**

- 142.6.1 The Company may at any time (and from time to time), subject to the provisions of the Act, without obtaining the sanction of the holder(s) of the default share appoint any person to execute on behalf of the holder(s) of the default share a transfer of the default share (and/or an agreement to transfer the same) to the Company or

to such person as the Directors may determine (whether or not an officer of the Company), and such transfer shall be for a consideration of 1.0 pence.

142.6.2 The default share, when purchased by the Company, shall be cancelled.

143. **Deletion of Article 142 when the Default Share is not in existence**

Article 142 shall remain in force until the default share is no longer in existence notwithstanding any provision in the Articles to the contrary. Thereafter Article 142 shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 142 are referred to in other Articles) and shall be deleted and replaced with the wording “Article 142 has been deleted”, and the separate register for the holder(s) of the default share shall no longer be required to be maintained by the Company; but the validity of anything done under Article 142 before that date shall not otherwise be affected and any actions taken under Article 142 before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

144. **Scheme of Arrangement**

- (A) In this Article 144, references to the “**Scheme**” are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 2 August 2017 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and AXIS Specialty UK Holdings Limited (“**AXIS**”)) and (save as defined in this Article) terms defined in the Scheme shall have the same meanings in this Article.
- (B) Notwithstanding any other provisions in these Articles, if the Company issues any Novae Shares (other than to AXIS, any subsidiary of AXIS, any parent undertaking of AXIS or any subsidiary of such parent undertaking, or any nominee of AXIS (each an “**AXIS Company**”)) on or after the date of the adoption of this Article and prior to the Scheme Record Time such Novae Shares shall be issued subject to the terms of the Scheme and the holder or holders of such Novae Shares shall be bound by the Scheme accordingly.
- (C) Notwithstanding any other provision of these Articles, subject to the Scheme becoming effective, any shares issued, or transferred pursuant to Article 144(D) below, to any person (other than an AXIS Company) after the Scheme Record Time (a “**New Member**”) (each a “**Post-Scheme Share**”) shall be issued on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue (but subject to the terms of Articles 144(D) and 144(E) below)), be immediately transferred to AXIS (or such person as it may direct) (the “**Purchaser**”), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of AXIS to the New Member of an amount in cash for each Post-Scheme Share

equal to the consideration to which a New Member would have been entitled had such Post-Scheme Share been a Scheme Share.

- (D) Any New Member (other than, for the avoidance of doubt, a person who becomes a New Member by virtue of a transfer pursuant to this Article 144(D)) may, prior to the issue of Post-Scheme Shares to him or her pursuant to the exercise of an option or satisfaction of an award under one of the Novae Share Plans, give not less than two business days' written notice to the Company in such manner as the board shall prescribe of his or her intention to transfer some or all of such Post-Scheme Shares to his or her spouse or civil partner and may, if such notice has been validly given, on such Post-Scheme Shares being issued to him or her, immediately transfer to his or her spouse or civil partner any such Post-Scheme Shares, provided that such Post-Scheme Shares will then be immediately transferred by that spouse or civil partner (as applicable) to the Purchaser pursuant to Article 144(C) above. If notice has been validly given pursuant to this Article 144(D) but the New Member does not immediately transfer to his or her spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares will be transferred to the Purchaser and/or its nominee(s) pursuant to Article 144(C) above.
- (E) On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date (as defined in the Scheme), the value of the consideration per Post-Scheme Share to be paid under Article 144(C) shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article to such shares shall, following such adjustment, be construed accordingly.
- (E) To give effect to any transfer of Post-Scheme Shares required pursuant to Article 144(C), the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser

shall settle the consideration due to the New Member pursuant to Article 144(C) above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares as soon as practicable and in any event no later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.

(G) If the Scheme shall not have become effective by the applicable date referred to in (or otherwise set in accordance with) paragraph 6(B) of the Scheme, this Article 144 shall cease to be of any effect.

(H) Notwithstanding any other provision of these Articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominees pursuant to the Scheme.

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Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	21
Deletions	4
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	25