

THE COMPANIES (GUERNSEY) LAW, 2008, AS AMENDED

NON-CELLULAR COMPANY LIMITED BY SHARES

ARTICLES OF INCORPORATION

of

**FRIENDS LIFE GROUP LIMITED<sup>1</sup>**

Registered on the 4th day of December 2008  
(as amended and restated on 20 March 2013 and 16 May 2013)

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<sup>1</sup> Company name changed from Resolution Limited to Friends Life Group Limited on 8 May 2014

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1. **DEFINITIONS**

In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:-

<b>Words</b>	<b>Meanings</b>
<b>Approved Operator</b>	The official operator of an Uncertificated System.
<b>Articles</b>	These Articles of Incorporation as now framed and at any time altered.
<b>Auditor</b>	The auditor for the time being of the Company.
<b>Board</b>	The Directors at any time or the Directors present at a duly convened meeting at which a quorum is present or, as the case may be, the Directors assembled as a duly formed committee of such Board, as the context so requires.
<b>Business Day</b>	A weekday (other than a Saturday or Sunday) on which the majority of banks in London and Guernsey are open for normal banking business.
<b>Certificated</b>	A unit of a security which is not an Uncertificated unit.
<b>clear days</b>	In relation to a period of notice, shall mean that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect.
<b>Companies Law</b>	The Companies (Guernsey) Law, 2008 as amended.
<b>Company</b>	Friends Life Group Limited, a company incorporated with limited liability in Guernsey under the Companies Laws on 9 October 2008, with registered number 49558.
<b>CREST Guernsey Requirements</b>	CREST Rule 8 and/or such other of the rules and requirements of CRESTCo as may be applicable to issuers registered in Guernsey as from time to time specified in the CREST Manual.
<b>CREST Manual</b>	The compendium of documents entitled CREST Manual issued by CRESTCo from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms.

<b>CREST Regulations</b>	The UK Uncertificated Securities Regulations 2001 (as amended from time to time) and such other regulations as are applicable to the Company, CRESTCo and/or the CREST UK system from time to time.
<b>CREST Rules</b>	The rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK system.
<b>CREST UK system</b>	The facilities and procedures of the relevant system of which CRESTCo is the Approved Operator pursuant to the CREST Regulations.
<b>CRESTCo</b>	Euroclear UK and Ireland Limited, the operator of the CREST UK system or such other person as may for the time being be approved by H.M. Treasury as operator under the CREST Regulations.
<b>Default Shares</b>	As defined in Article 6.9.
<b>Dematerialised Instruction</b>	An instruction sent or received by means of the CREST UK system.
<b>direction notice</b>	As defined in Article 6.8.
<b>Director</b>	A director of the Company for the time being.
<b>EEA States</b>	A state which is a contracting party to the Agreement on the European Economic Area signed at Oporto on 2 May 1992 (as it has effect from time to time).
<b>Elected Shares</b>	As defined in Article 34.16.8.
<b>employee share scheme</b>	Has the meaning given to it by the UK Companies Act 2006.
<b>equity securities</b>	Means Ordinary Shares in the Company or rights to subscribe for, or to convert securities into, Ordinary Shares in the Company.
<b>Executor</b>	Includes administrator.
<b>Gazette</b>	Means the London Gazette and the Gazette Officielle in Guernsey or any replacement publications.
<b>Group Company</b>	Any parent company of the Company and any subsidiary undertaking of such parent company and any subsidiary undertaking of the Company and for this purpose the expression 'subsidiary undertaking' and 'parent company' shall have the meaning given in the UK Companies Act 2006.
<b>Interested Party</b>	As defined in Article 6.1.
<b>Laws</b>	Every Act, Order in Council, Ordinance or regulation for the time being in force concerning companies registered in Guernsey and affecting the Company.
<b>Liquidator</b>	Any liquidator of the Company appointed at any time under the Laws.
<b>London Stock Exchange</b>	London Stock Exchange plc.
<b>Member</b>	In relation to shares means the person whose name is entered in the Register as the holder of the shares.
<b>Memorandum</b>	The Memorandum of Incorporation of the Company.

<b>Offer Notice</b>	As defined in Article 4.12.2.
<b>Office</b>	The registered office at any time of the Company.
<b>Official List</b>	The official list of the Financial Services Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of Part 6 of the UK Financial Services and Markets Act 2000, as amended.
<b>Ordinary Resolution</b>	An ordinary resolution of the Members, or of a class of Members, passed in accordance with the Companies Law (provided that anything required to be authorised by Ordinary Resolution under the provisions of these Articles may also be authorised by Special Resolution).
<b>Ordinary Share</b>	An ordinary share of no par value in the capital of the Company, and references to " <b>Ordinary Shares</b> " shall be construed accordingly.
<b>Recognised Investment Exchange</b>	As defined in Article 6.15.3(c).
<b>Register</b>	The register of Members kept pursuant to the Laws which shall, unless the context otherwise requires, include the register required to be kept by the Company under the CREST Guernsey Requirements in respect of securities in Uncertificated form.
<b>Relevant Holder</b>	As defined in Article 4.12.2.
<b>Relevant Securities</b>	As defined in Article 4.12.1.
<b>relevant value</b>	As defined in Article 34.16.2.
<b>Friends Life Group Limited Share Account</b>	Means the share account held by Computershare Company Nominees Limited (or other registrar of the Company from time to time) as a nominee for certain beneficial holders of Ordinary Shares.
<b>Secretary</b>	Includes a temporary or assistant secretary and any person appointed by the Board to perform any of the duties of secretary of the Company.
<b>Special Resolution</b>	A special resolution of the Members, or of a class of Members, passed in accordance with the Companies Law.
<b>Sponsor</b>	A company, person or firm admitted by CRESTCo to act as sponsor under the CREST Rules.
<b>transferee</b>	As defined in Article 41.3.
<b>Uncertificated</b>	A unit of a Guernsey security, title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of an Uncertificated System.
<b>Uncertificated System</b>	The CREST UK System or such other transfer, settlement and clearing system for shares as may be approved by the Board from time to time.
<b>United Kingdom or UK</b>	The United Kingdom of Great Britain and Northern Ireland.

## 2. INTERPRETATION

- 2.1 The singular includes the plural and vice versa.
- 2.2 The masculine includes the feminine and neutral genders.

- 2.3 The headings are inserted for convenience only and shall not affect the interpretation of these Articles.
- 2.4 The expression "**officer**" shall include a Director, the Secretary and such other person as the Board from time to time shall think fit but shall not include an auditor.
- 2.5 Any words or expressions defined in the CREST Regulations shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.
- 2.6 The expressions "**communication**", "**electronic communication**", "**electronic form**", "**electronic means**" and "**hard copy form**" shall have the same respective meanings as in the UK Electronic Communications Act 2000, with the term "**electronic communication**" including, without limitation, e-mail, facsimile, CD-Rom, audio tape and telephone transmission and (in the case of electronic communication by the Company in accordance with Article 40.10.) publication on a website.
- 2.7 Expressions referring to "**writing**" include any mode of representing or reproducing words whether sent or supplied in electronic form or otherwise and "**written**" shall be construed accordingly.
- 2.8 References to a document being "**signed**" or to "**signature**" include references to its being signed under hand or under seal or by any other method and, in the case of an electronic communication, such references are to its being authenticated by electronic means as specified in these Articles.
- 2.9 The expression "**address**" shall have the same meaning as in section 1148(1) of the UK Companies Act 2006.
- 2.10 The expression "**at any time**" includes any time or times and includes for the time being and from time to time.
- 2.11 References to "**person**" include references to an individual, a company, a limited liability partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency, or political subdivision thereof, and any other entity.
- 2.12 The expression "**present in person**", in relation to general meetings of the Company and to meetings of the holders of any class of shares, includes present by proxy or, in the case of a corporate Member, by duly appointed representative.
- 2.13 References to enactments shall include references to any modifications or re-enactments thereof for the time being in force.
- 2.14 The word "**may**" shall be construed as permissive and the word "**shall**" shall be construed as imperative.
- 2.15 Subject to the above definitions, any words defined in the Laws shall, if not inconsistent with the subject or context and unless otherwise specified, bear the same meaning in these Articles.

### 3. **STANDARD ARTICLES NOT TO APPLY**

The standard articles prescribed by the State of Guernsey Commerce and Employment Department pursuant to section 16(2) of the Companies Law shall not apply to the Company.

### 4. **SHARES**

- 4.1 Subject to the Laws and the other provisions of these Articles (including Article 4.3), the Directors may exercise the power of the Company to issue shares, to grant rights to subscribe for or convert any security into shares, to issue shares of different types or classes, to issue shares with or without par value and to determine the consideration payable on the issue of such shares.
- 4.2 Subject to the terms and rights attaching to shares already in issue and these Articles, any new shares shall be of such class and amount and have such preference or priority as

regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.

- 4.3 Subject and without prejudice to the other provisions of these Articles (including Article 34.16.6), the Directors are generally and unconditionally authorised to exercise all powers of the Company to issue, or grant rights to subscribe for or to convert any securities into, up to such number of shares as from time to time determined by the Company by Ordinary Resolution (whether before or after the date of adoption of these Articles of Incorporation).
- 4.3A Article 4.3 shall not apply with respect to the exercise by the Directors of the power of the Company to issue, or grant of rights to subscribe for or to convert any securities into, shares which may be granted or issued in accordance with the Company's employees' share schemes or any employees' share scheme of a company that is or becomes a Group Company.
- 4.4 Any shares may, with the sanction of the Board, be issued or created on terms that they are, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner as the Board may determine.
- 4.5 The Company may from time to time, subject to the provisions of the Laws, purchase its own shares (including any redeemable shares) in any manner authorised by the Laws and may hold any such shares as treasury shares provided that the number of shares held as treasury shares shall not at any time exceed any limits set out in the Laws.
- 4.6 Subject to the Laws, the Company and any other Group Company may give financial assistance directly or indirectly for the purpose of, or in connection with, the acquisition of its shares, or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company.
- 4.7 If at any time the shares of the Company are divided into different classes, all or any of the rights for the time being attached to any share or class of shares (and notwithstanding that the Company may, or may be about to, be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-fourths in number of the issued shares of that class or with the consent of a Special Resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles, but so that the quorum at such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third of the issued shares of the class in question (excluding any shares of that class held as treasury shares) (and so that at any adjourned meeting one holder entitled to vote and present in person or by proxy (whatever the number of shares held by him) shall be a quorum).
- 4.8 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by (a) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto or (b) the purchase or redemption by the Company of any of its own shares (or the holding of such shares as treasury shares).
- 4.9 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the exercise of any powers under Article 6.
- 4.10 The Company may pay commission in money or shares to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares in the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in the Company provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Laws. The Company may also pay brokerages.



- 4.11 The Board may at any time after the conditional issue of, or agreement to issue, any share but before any person has been entered in the Register as the holder:-
- 4.11.1 recognise a renunciation thereof by the person conditionally issued with any shares in favour of some other person and accord to the former a right to effect such renunciation; and/or
- 4.11.2 allow the rights represented thereby to relate to one or more shares,  
in each case upon and subject to such terms and conditions as the Board may think fit to impose.
- 4.12 Subject to Article 4.13 and Article 4.14 below or unless otherwise authorised by the Company by way of a Special Resolution, no unissued equity securities in the capital of the Company shall be issued or granted wholly for cash, and no Ordinary Shares in the Company that immediately prior to the sale are held as treasury shares shall be sold wholly for cash, unless the following provisions are complied with:
- 4.12.1 all equity securities to be issued (or granted or sold) (the "**Relevant Securities**") shall first be offered on the same or more favourable terms to the holders of Ordinary Shares of the Company (excluding any Ordinary Shares held by the Company as treasury shares) in the same proportion (as nearly as practicable) to their existing holdings of such Ordinary Shares on a fixed record date, subject to such exclusions or other arrangements as the Board, in its absolute discretion, deems necessary or expedient to deal with fractional entitlements, and/or legal, regulatory or practical problems arising in connection with the laws of, or the requirements of any regulatory or governmental body or stock exchange in, any territory outside the UK and/or Guernsey, and/or the rights attaching to any other class of shares;
- 4.12.2 such offer shall be made by written notice or in electronic form (the "**Offer Notice**") from the Board specifying the number and price of the Relevant Securities and shall invite each relevant holder of Ordinary Shares (a "**Relevant Holder**") to state in writing within a period, which shall not be less than 14 days commencing with the date on which the Offer Notice is sent or supplied, whether they are willing to accept any of the Relevant Securities and, if so, the maximum number of Relevant Securities they are willing to accept;
- 4.12.3 at the expiration of the period during which each Relevant Holder may accept the Relevant Securities as specified in the Offer Notice (or at the date on which the Company has received notice of the acceptance or refusal of every offer so made, if earlier), the Board shall allocate the Relevant Securities to or amongst the Relevant Holders who have notified to the Board their willingness to accept any of the Relevant Securities (or to any person in whose favour such rights have been renounced), but so that no Relevant Holder shall be obliged to take more than the maximum number of Relevant Securities notified by him (or his renounce) under Article 4.12.2 above; and
- 4.12.4 if, at the date referred to in Article 4.12.3 above, any of the Relevant Securities are not accepted and remain unallocated pursuant to the offer under Article 4.12.1 above, the Board shall be entitled to issue, grant or otherwise dispose of such securities to any person in such manner as it sees fit PROVIDED THAT the Board shall not be entitled to issue, grant or otherwise dispose of those securities on terms which are more favourable than the terms of the offer pursuant to Article 4.12.1 above.
- 4.13 Article 4.12 shall not apply with respect to:-
- 4.13.1 any equity securities which may be granted in accordance with the Company's employee share schemes or any employee share scheme of a company that is or becomes a Group Company; or

- 4.13.2 the issue of shares pursuant to the exercise or conversion of any rights attaching to equity securities which were themselves issued in compliance with these Articles; or
  - 4.13.3 the issue of shares pursuant to any scrip dividend scheme implemented by the Company in accordance with these Articles, or any bonus issue of shares; or
  - 4.13.4 the issue of any Relevant Securities or the sale of any treasury shares for a consideration that is wholly or partly otherwise than in cash and the Board may, subject to Article 4.3 and/or the terms of any other authority to issue shares granted to the Board, issue, grant or otherwise dispose of any Relevant Securities in the capital of the Company or sell any shares out of treasury for a consideration that is wholly or partly otherwise than in cash to such persons at such time and generally on such terms as it sees fit.
- 4.14 If a Relevant Holder has no registered address in an EEA State and has not given to the Company an address in an EEA State for the service of notices on him, the Offer Notice may be deemed supplied by causing it, or a notice specifying where a copy of it can be obtained or inspected, to be published in the Gazette. The Company shall only be liable for a breach of the provisions of Article 4.12 where proceedings are commenced before the expiration of two years from the date of issue, grant or other disposal of such equity securities.
- 4.15 For the purpose of any authorisation under Article 4.3 and/or any disapplication of Article 4.12 by way of a Special Resolution, equity securities which grant rights to subscribe for, or convert into, Ordinary Shares shall be deemed to relate to such number of Ordinary Shares into which such equity securities may convert pursuant to their initial terms of issue, notwithstanding any terms providing for subsequent adjustment of that number.

## 5. **COMPANY NOT OBLIGED TO RECOGNISE ANY TRUST**

Except as ordered by a court of competent jurisdiction or as required by law and save for any trusts established pursuant to Article 13.23, the Company shall not be affected or bound by or be compelled in any way to recognise (even when having notice of) any equitable, contingent, future or partial interest in any share or fraction or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety in the registered holder and whether or not such share shall be entered in the Register as held in trust, nor shall the Company be bound to see to the execution of any trust to which any share may be subject.

## 6. **DISCLOSURE OF BENEFICIAL INTERESTS**

- 6.1 The Board shall have power by notice in writing to require any Member to disclose to the Company the identity of any person other than the Member (an "**Interested Party**") who has any interest (whether direct or indirect) in the shares held by the Member and the nature of such interest. For these purposes, a person shall be treated as having an interest in shares if they have any interest in them whatsoever, including but not limited to any interest acquired by any person as a result of:
- 6.1.1 entering into a contract to acquire them;
  - 6.1.2 being entitled to exercise, or control the exercise of, any right conferred by the holding of the shares;
  - 6.1.3 having the right to call for delivery of the shares; or
  - 6.1.4 having the right to acquire an interest in shares or having the obligation to acquire such an interest.
- 6.2 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Board shall determine subject to Article 6.15.2.
- 6.3 The Company shall maintain a register of Interested Parties and whenever in pursuance of a requirement imposed on a shareholder as aforesaid the Company is informed of an

Interested Party, the identity of the Interested Party and the nature of the interest shall be promptly inscribed therein together with the date of the request. At no time shall the Company permit the register of Interested Parties to be kept or maintained in the United Kingdom.

- 6.4 The Board shall be required to exercise its powers under Article 6.1 above if requisitioned to do so in accordance with Article 6.5 by Members holding at the date of the deposit of the requisition not less than one-tenth of the paid-up issued shares of the Company (being shares that carry a right to vote at general meetings of the Company, but excluding shares held as treasury shares).
- 6.5 A requisition under Article 6.4 must:-
- 6.5.1 state that the requisitionists are requiring the Company to exercise its powers under this Article;
  - 6.5.2 specify the manner in which they require those powers to be exercised;
  - 6.5.3 give reasonable grounds for requiring the Company to exercise those powers in the manner specified; and
  - 6.5.4 be signed by the requisitionists and deposited at the Office or, if an electronic address has been specified by the Company for such purposes, authenticated in accordance with these Articles and sent to the Company's electronic address.
- 6.6 A requisition may consist of several documents in like form each signed by one or more requisitionists.
- 6.7 On the deposit of a requisition complying with this Article 6 it is the Board's duty to exercise its powers under Article 6.1 in the manner specified in the requisition.
- 6.8 If any Member has been duly served with a notice given by the Board in accordance with Article 6.1 and is in default after the prescribed deadline (as determined by the Board in accordance with Article 6.2) in supplying to the Company the information thereby required, then the Board may in its absolute discretion at any time thereafter serve a notice (a "**direction notice**") upon such Member.
- 6.9 A direction notice may direct that, in respect of:-
- 6.9.1 any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "**Default Shares**"); and
  - 6.9.2 any other shares held by the Member (excluding, in relation to a nominee CREST Member or the nominee for the Friends Life Group Limited Share Account, any shares held by such nominee for a beneficiary who is not the subject of the direction notice),
- the Member shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company.
- 6.10 Where the Default Shares represent at least 0.25% of the number of shares in issue of the class of shares concerned, the direction notice may additionally direct that in respect of the Default Shares:-
- 6.10.1 any dividend or the proceeds of any repurchase or repayment on the Default Shares or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Member; and
  - 6.10.2 no transfer other than an approved transfer (as set out in Article 6.15.3) of the Default Shares held by such Member shall be registered unless:-
    - (a) the Member is not himself in default as regards supplying the information requested; and

- (b) when presented for registration, the transfer is accompanied by a certificate by the Member in a form satisfactory to the Board to the effect that after due and careful enquiry the Member is satisfied that no person who is in default as regards supplying such information is interested in any of the shares the subject of the transfer.
- 6.11 The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.
- 6.12 If shares are issued to a Member as a result of that Member holding other shares in the Company and if the shares in respect of which the new shares are issued are Default Shares in respect of which the Member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that Member as such Default Shares. For this purpose, shares which the Company procures to be offered to Members pro rata (or pro rata ignoring fractional entitlements, and shares not offered to certain Members by reason of legal or practical problems associated with offering shares outside the United Kingdom or Guernsey) shall be treated as shares issued as a result of a Member holding other shares in the Company.
- 6.13 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such Member by means of an approved transfer as set out in Article 6.15.3(c). As soon as practicable after the direction notice has ceased to have effect (and in any event within seven days thereafter) the Board shall procure that the restrictions imposed by Articles 6.9 and 6.10 shall be removed and that dividends withheld pursuant to Article 6.10.1 are paid to the relevant Member.
- 6.14 For the purpose of enforcing the restrictions referred to in Article 6.10.2 and to the extent permissible under the CREST Guernsey Requirements, the Board may give notice to the relevant Member requiring the Member to change any Default Shares held in Uncertificated form to Certificated form by the time stated in the notice. The notice may also state that the Member may not change any of the Default Shares held in Certificated form to Uncertificated form. If the Member does not comply with the notice, the Board may authorise any person to instruct the Approved Operator of the Uncertificated System to change the Default Shares held in Uncertificated form to Certificated form.
- 6.15 For the purpose of this Article:-
  - 6.15.1 a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification which either (a) names such person as being so interested; or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and
  - 6.15.2 the prescribed deadline in respect of any particular Member is 14 days from the date of service of the said notice in accordance with Article 6.1;
  - 6.15.3 a transfer of shares is an "approved transfer" if but only if:-
    - (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the offeror or connected person of the offeror in respect of the Company; or
    - (b) the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares which are the subject of the transfer to a party unconnected with the Member and with other persons appearing to be interested in such shares; or
    - (c) the transfer results from a sale made through a recognised investment exchange (as defined in the UK Financial Services and Markets Act

2000, as amended), or any stock exchange outside the United Kingdom, in each case on which the Company's shares are listed or normally traded (a "**Recognised Investment Exchange**").

For the purposes of this Article 6.15.3, any person referred to in Article 6.17 in relation to a Director shall, mutatis mutandis, be included amongst the persons who are connected with the Member or any person appearing to be interested in such shares.

- 6.16 Any Member who has been given notice of an Interested Party in accordance with Article 6.1 who subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Board shall promptly amend the register of Interested Parties accordingly.
- 6.17 For the purposes of this Article a person shall be treated as being connected with a Director if that person is:-
- 6.17.1 a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or
  - 6.17.2 an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20% or more of the nominal value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20% of the voting power at general meetings; or
  - 6.17.3 a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within Article 6.17.1 or 6.17.2 above, excluding trustees of an employees' share scheme or pension scheme; or
  - 6.17.4 a partner (acting in that capacity) of the Director or persons described in Articles 6.17.1 to 6.17.3 above.

## 7. **INFORMATION RIGHTS**

A Member shall have the right to nominate another person, on whose behalf he holds shares, to enjoy information rights (as such term is defined in section 146 of the UK Companies Act 2006). The nominated person shall have the same rights as those contained in the provisions of sections 146 to 149 (other than the second sentence of section 146(4)) of the UK Companies Act 2006, and the Company shall comply with all its obligations in respect of such information rights granted to a nominated person as if it were a company incorporated in the United Kingdom to which such provisions of the UK Companies Act 2006 apply, provided that:

- (A) references to accounts, reports or other documents shall be construed as references to the corresponding documents (if any) under the Laws;
- (B) references to section 1145 of the UK Companies Act 2006 shall not include sections 1145(4) and 1145(5); and
- (C) section 147(4) shall be replaced by the provisions of Article 40.9 with the reference to "Member" in Article 40.9 being replaced by "nominated person".

## 8. **CERTIFICATES AND REGISTER OF MEMBERS**

- 8.1 Subject to the Laws, shares shall be issued in registered form and may be issued as Certificated or Uncertificated, as the Board may in its absolute discretion determine.
- 8.2 Subject to Article 8.1, the Company shall issue:-
- 8.2.1 without payment, one certificate to each person for all his Certificated shares of each class and, when part only of the shares comprised in a certificate is sold or transferred, a balance certificate; or

- 8.2.2 upon payment of such sum as the Board may determine, several certificates each for one or more Certificated shares of any class.
- 8.3 Any certificate issued shall specify the shares to which it relates and the amount paid up and the distinguishing numbers (if any).
- 8.4 All forms of certificate for shares or any other form of security may if determined by the Board be issued under the common signature of the Company and may be signed mechanically or printed on the certificate.
- 8.5 If a share certificate is issued and is defaced, lost or destroyed it may be replaced or renewed on such terms (if any) as to evidence and indemnity as the Board thinks fit and, where it is defaced or worn out, after delivery of the old certificate to the Company. Any two or more certificates representing Certificated shares of any one class held by any Member shall at his request be cancelled and a single new certificate for such shares issued in lieu. Any certificate representing Certificated shares of any one class held by any Member may at his request be cancelled and two or more certificates for such shares may be issued instead. The Board may require the payment of any out-of-pocket expenses of the Company incurred in connection with the issue of any certificates under this Article. Any one of two or more joint holders may request replacement certificates under this Article.
- 8.6 Shares of any class may be traded through an Uncertificated System and held in Uncertificated form in accordance with such arrangements as may from time to time be permitted by any statute, regulation, order, instrument or rule in force affecting the Company. Amendments to these Articles which may be necessary or expedient for this purpose may be made by Special Resolution but will not be deemed to vary the rights of any class of shares.
- 8.7 The Company shall keep the Register at the Office in accordance with the Laws and shall maintain it in accordance with the Laws and CREST Guernsey Requirements. The Company shall not at any time cause or permit to be kept in the United Kingdom any branch register or other register of the Members.
- 8.8 The Company shall not be bound to register more than four persons as the joint holders of any share or shares. In the case of a share held jointly by several persons in Certificated form, the Company shall not be bound to issue more than one certificate thereof and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.
- 8.9 Every share certificate sent in accordance with these Articles will be sent at the risk of the Member or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.
9. **NOT USED**  
*[Not used]*
10. **LIEN**
- 10.1 The Company shall have a first and paramount lien (extending to all dividends and distributions payable) on all shares (not being fully paid) for all moneys, whether presently payable, or not called, or payable at a fixed time in respect of those shares and for all the debts and liabilities of the holder to the Company, whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not, and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Member or not), save that any shares held in an Uncertificated System must be fully paid up. The Board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Article.
- 10.2 For the purpose of enforcing such lien, the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the

expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares. For the purpose of giving effect to any such sale the Board may authorise some person to transfer to the purchaser thereof the shares so sold.

- 10.3 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the person entitled to the shares at the time of the sale. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

## 11. **CALLS ON SHARES**

- 11.1 The Board may at any time make calls upon the Members in respect of any unpaid premium on their shares and each Member shall (subject to the Company serving upon him at least 14 days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be made payable by instalments and may be revoked or postponed. A person upon whom a call is made shall remain liable jointly and severally with the successors in title to his shares for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 11.2 Joint holders shall be jointly and severally liable to pay calls.
- 11.3 If a sum called in respect of a share is not paid before or on the day appointed, the person from whom the sum is due shall pay interest from the day appointed to the time of actual payment at such rate (not exceeding 15 per cent. per annum) as the Board may determine, but the Board shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- 11.4 Any sum which by the terms of issue of a share becomes payable on issue or at any fixed date shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 11.5 The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as the Member paying such sum and the Board agree upon PROVIDED THAT any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.
- 11.6 The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.

## 12. **FORFEITURE AND SURRENDER OF SHARES**

- 12.1 If a Member fails to pay any call or instalment of a call on the day appointed, the Board may at any time during such period as any part remains unpaid serve notice requiring

payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.

- 12.2 The notice shall state a further day (not being less than 14 clear days from the date of the notice) on or before which the payment required by the notice is to be made and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. If the requirements of any such notice are not complied with any share in respect of which the notice has been given may at any time before payment has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- 12.3 Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.
- 12.4 *[Not used]*
- 12.5 Until cancelled in accordance with a resolution of the Directors, a forfeited share shall be deemed to be the property of the Company and may be sold, re-issued or otherwise disposed of on such terms as the Board shall think fit with or without all or any part of the amount previously paid on the share being credited as paid and at any time before a sale or disposition the forfeiture may be cancelled. The Board may for the purposes of the disposal authorise some person to sign an instrument of transfer to the designated transferee. The Company may receive the consideration (if any) given for the share on its disposal.
- 12.6 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon from the date of forfeiture until payment at such rate (not exceeding 15 per cent. per annum) as the Board may determine and the Board may enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 12.7 The Board may accept from any Member on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.
- 12.8 A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.
- 12.9 The Company may receive the consideration (if any) given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture, sale, re-issue or disposal.

### **13. TRANSFER AND TRANSMISSION OF SHARES**

- 13.1 The Board shall have power to implement such arrangements as it may, in its absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where it does do so, the provisions of this Article 13 shall commence to have effect immediately prior to the time at which CRESTCo admits the class to settlement by means of the CREST UK system.
- 13.2 In relation to any class of shares which, for the time being, CRESTCo has admitted to settlement by means of the CREST UK system, and for so long as such class remains so



admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:-

- 13.2.1 the holding of shares of that class in Uncertificated form;
- 13.2.2 the transfer of title to shares of that class by means of the CREST UK system;  
or
- 13.2.3 the CREST Guernsey Requirements.

13.3 Without prejudice to the generality of Article 13.2 and notwithstanding anything contained in these Articles, where any class of shares is, for the time being, admitted to settlement by means of the CREST UK system:-

- 13.3.1 such securities may be issued in Uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;
- 13.3.2 unless the Board otherwise determines, such securities held by the same holder or joint holder in Certificated form and Uncertificated form shall be treated as separate holdings;
- 13.3.3 such securities may be changed from Uncertificated to Certificated form, and from Certificated to Uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;
- 13.3.4 title to such of the shares as are recorded on the Register as being held in Uncertificated form may be transferred only by means of the CREST UK system and as provided in the CREST Guernsey Requirements and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that such provision requires or contemplates the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;
- 13.3.5 the Company shall comply in all respects with the CREST Guernsey Requirements;
- 13.3.6 no provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in Uncertificated form;
- 13.3.7 the maximum permitted number of joint holders of a share shall be four;
- 13.3.8 every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from CRESTCo pursuant to a settled stock withdrawal instruction; and the member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein;
- 13.3.9 where a Dematerialised Instruction is expressed to have been sent on behalf of a person by a Sponsor or by CRESTCo:-
  - (a) the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee (1) that the instruction was sent with his authority or (2) that the information contained in it is correct; and
  - (b) the Sponsor or CRESTCo, as the case may be, shall not be able to deny to the addressee (1) that he had authority to send the Dematerialised Instruction or (2) that he had sent the Dematerialised Instruction;

- 13.3.10 where a Dematerialised Instruction is expressed to have been sent by a person, and it is not expressed to have been sent on behalf of another person, the first person shall not be allowed to deny to the addressee:-
- (a) that the information contained in the instruction is correct; or
  - (b) that he has sent it;
- 13.3.11 an addressee who received a Dematerialised Instruction (whether directly, or by means of the facilities of a Sponsor acting on his behalf) may (subject to Articles 13.3.12 and 13.3.13) accept that at the time when it was sent:-
- (a) the information contained in the instruction was correct;
  - (b) the user or authorised operator identified in the instruction as having sent the instruction did send it; and
  - (c) if the instruction was expressed to have been sent on behalf of a person, it was sent with the authority of that person;
- 13.3.12 subject to Article 13.3.14, an addressee shall not be allowed to accept any of the matters specified in Article 13.3.11 where, at the time when he received the Dematerialised Instruction, he was a person who was not either the Company or a Sponsor receiving (in either case) Dematerialised Instructions on behalf of the Company, and he had actual notice:-
- (a) that any information contained in it was incorrect;
  - (b) that the user or CRESTCo expressed to have sent the instruction did not send it; or
  - (c) if the instruction was expressed to have been sent on behalf of a person, that the person had not given to CRESTCo or the Sponsor identified in the instruction as having sent it his authority to send the instruction on his behalf;
- 13.3.13 an addressee shall not be allowed to accept any of the matters specified in Article 13.3.11 where, at the time when he received the Dematerialised Instruction, he was either the Company or a Sponsor receiving Dematerialised Instructions on behalf of the Company, and:-
- (a) he had actual notice from CRESTCo of any of the matters specified in 13.3.12; and
  - (b) the instruction was an instruction from CRESTCo requiring the registration of title in the circumstances specified in any of subparagraphs 8.11 and/or 8.1.2 of the CREST Guernsey Requirements;
- 13.3.14 however, where an addressee has received actual notice of a kind to which this Article refers in respect of a properly authenticated Dematerialised Instruction, he may accept the matters specified in Article 13.3.11 if at the time when he received the actual notice it was not practicable for him to halt his processing of the instruction;
- 13.3.15 a person who is permitted by Articles 13.3.11 or 13.3.14 to accept any matter shall not be liable in damages or otherwise to any person by reason of his having relied on the matter that he was permitted to accept; and
- 13.3.16 except as provided in Article 13.3.15, this Article 13.3.16 does not affect any liability of a person for causing or permitting a Dematerialised Instruction:-
- (a) to be sent without authority;
  - (b) to contain information that is incorrect; or
  - (c) to be expressed to have been sent by a person who did not send it.
- 13.4 Articles 13.3.11 to 13.3.16 are to be construed in accordance with the CREST Manual.

- 13.5 Words and expressions not specifically defined in this Article shall bear the same meaning as those words and expressions defined in the CREST Manual.
- 13.6 Subject to such of the restrictions of these Articles as may be applicable (including for the avoidance of doubt, Article 6.14):-
- 13.6.1 without prejudice to any arrangements made in accordance with Article 13.1 any Member may transfer all or any of his Uncertificated shares by means of an Uncertificated System authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Laws or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any Uncertificated System and accordingly no provision of these Articles shall apply in respect of an Uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;
- 13.6.2 any Member may transfer all or any of his Certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
- 13.6.3 an instrument of transfer of a Certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a Certificated share need not be under seal.
- 13.7 Every instrument of transfer of a Certificated share shall be left at the Office or such other place as the Board may prescribe with the certificate of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares, and the transfer and certificate (if any) shall remain in the custody of the Board (subject to the provisions of Article 45). A new certificate shall be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing.
- 13.8 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in Certificated form which is not fully paid or on which the Company has a lien; provided, in the case of a share that has been admitted to the Official List and to trading on the London Stock Exchange's Main Market for Listed Securities, that this would not prevent dealings in the share from taking place on an open and proper basis on the London Stock Exchange. In addition, in the case of a transfer of any share in Certificated form, the Board may refuse to register a transfer of shares if:-
- 13.8.1 it is in respect of more than once class of shares;
- 13.8.2 it is in favour of more than four joint transferees; and/or
- 13.8.3 having been delivered for registration to the Office or such other place as the Board may decide, it is not accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove 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.
- 13.9 The Board may decide to register a transfer of an Uncertificated share which is traded through the CREST UK System and in accordance with the CREST Rules, where, in the case of a transfer to joint holders, the number of joint holders to whom the Uncertificated share is to be transferred exceeds four.
- 13.10 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.
- 13.11 The registration of transfers may be suspended at such times and for such periods as the Board may decide either generally or in respect of a particular class of share except that, in respect of any shares which are participating shares held in an Uncertificated System, the

registration of transfers may not be suspended without the consent of the Approved Operator.

- 13.12 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- 13.13 On the death of a Member, the survivors where the deceased was a joint holder and the Executor of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- 13.14 A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Member or otherwise by operation of law (subject as hereinafter provided), upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to any of the rights or privileges of a Member unless and until he shall be registered as a Member in respect of the share PROVIDED ALWAYS that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.

#### 14. **ALTERATION OF CAPITAL**

- 14.1 Subject as provided elsewhere in these Articles, the Company may by Ordinary Resolution:-
- 14.1.1 consolidate or consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- 14.1.2 subdivide or divide and consolidate all or any of its shares into shares of smaller amounts so that, however, in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more of the shares may have such preferred, deferred or other rights over the others as the Company has power to attach to unissued or new shares;
- 14.1.3 cancel any shares which at the date of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- 14.1.4 convert the whole, or any particular class, of its shares into redeemable shares;
- 14.1.5 redesignate the whole, or any particular class, of its shares into shares of another class;
- 14.1.6 convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other date as may be specified therein; or
- 14.1.7 authorise the Directors to do any of the above.
- 14.2 The Board on any subdivision and consolidation of shares may deal with fractions of shares in any manner it thinks fit in its absolute discretion, including by aggregating and selling them. For the purposes of effecting any such sale, the Board may arrange for the shares representing the fractions to be entered in the Register as Certificated shares. The

shares representing fractions may be sold to any person, including the Company, and the Board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of the proceedings relating to the sale.

## **15. GENERAL MEETINGS**

- 15.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Laws and thereafter general meetings (which are annual general meetings) shall be held at least once in each subsequent calendar year (provided that not more than 15 months have elapsed since the last such meeting).
- 15.2 A Member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting shall be treated as forming part of the quorum of that meeting, provided that the Members present at the meeting can hear and speak to the participating Member.
- 15.3 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Members participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the chairman is present unless the Members resolve otherwise.
- 15.4 If the Board, in its absolute discretion, considers that it is impractical or undesirable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone or move the general meeting to another date, time and/or place. The Board shall take reasonable steps to ensure that details of the date, time and place of the rearranged meeting are made available to any Member trying to attend the meeting at the original time and place. Notice of the business to be transacted at such rearranged meeting shall not be required. If a meeting is rearranged in this way, the appointment of a proxy will be valid if it is received as required by these Articles not less than 48 hours before the time appointed for holding the rearranged meeting. The Board may also postpone or move the rearranged meeting under this Article.
- 15.5 The Board may whenever it thinks fit, and shall on the requisition in writing of one or more holders representing more than one-tenth of the capital of the Company as carries the right to voting at general meetings of the Company (excluding any capital held as treasury shares) upon which all calls or other sums then due have been paid, forthwith proceed to convene a general meeting.
- 15.6 The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists. If an electronic address has been specified by the Company for such purpose, the requisition, authenticated by the requisitionists in accordance with these Articles, may be sent to such electronic address.
- 15.7 If the Board does not proceed to convene a meeting within 21 days (after the date on which it becomes subject to such requirement) and/or fails to hold the meeting so requisitioned within 28 days after the date of the notice convening the meeting then such meeting may be convened by such requisitionists in such manner as provided by the Laws.
- 15.8 Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.

## **16. NOTICE OF GENERAL MEETINGS**

- 16.1 Unless special notice is required under the Companies Law, and subject to Article 16.1A, any general meeting shall be convened by giving at least 10 clear days' notice. The notice shall specify the date, time and place of any general meeting and the text of any proposed Ordinary Resolutions and Special Resolutions and shall be given by the Secretary or other officer of the Company or any other person appointed on their behalf by the Board to such Members as are entitled to receive notices.

- 16.1A Notwithstanding article 16.1, the Company shall not, unless otherwise determined by the Company by Special Resolution and permitted by the Laws and these Articles, convene any general meeting for a date where the period commencing on the date on which notice is deemed to have been served, sent or supplied in accordance with article 40.2 (ignoring for this purpose any mandatory period which may from time to time be specified by the Laws) and ending on the date of the general meeting convened in accordance with the notice requirements specified in article 16.1 is less than 21 clear days. Notwithstanding the provisions of article 16.1 and this article 16.1A, with the consent in writing of all the Members entitled to receive notices of such meeting, a meeting may be convened by a shorter notice or at no notice and in any manner they think fit
- 16.2 The accidental omission to give notice of any meeting to, or the non-receipt (even if the Company becomes aware of such non-receipt) of such notice by, any Member shall not invalidate any resolution (or any proposed resolution otherwise duly approved) passed or any proceedings at any meeting.
- 16.3 Any Member attending a general meeting in person or by proxy shall be deemed to have received due notice of such meeting and the business to be conducted thereat.
- 16.4 Members representing at least five per cent. of the total voting rights of all Members who have a right to vote on the resolution at the annual general meeting to which the request relates, or not less than 100 Members who have a relevant right to vote, may require the Company to circulate to Members of the Company entitled to receive notice of the next annual general meeting, notice of a resolution which may be properly moved and is intended to be moved at that meeting, and if so required the Company shall, unless the resolution:
- 16.4.1 would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise);
  - 16.4.2 is defamatory of any person; or
  - 16.4.3 is frivolous or vexatious,
- give such notice in the same manner as set out in the provisions of sections 339(1) to 339(3) and section 340 of the UK Companies Act 2006 as if it were a company incorporated in the United Kingdom to which such provisions apply.
- 16.5 A request by the Members under Article 16.4 may be in hard copy or in electronic form and must:
- 16.5.1 identify the resolution of which notice is to be given;
  - 16.5.2 be authenticated by the person or persons making it; and
  - 16.5.3 be received by the Company at least six weeks before the annual general meeting to which the request relates, or if later the time at which notice is given of that meeting.
- 16.6 Members representing at least five per cent. of the total voting rights of all Members who have a right to vote at the annual general meeting to which the request relates, or not less than 100 Members who have a relevant right to vote, may require the Company to circulate to members of the Company entitled to receive notice of the next annual general meeting, notice of any matter (other than a proposed resolution) which may properly be included in the business of the annual general meeting, and if so required the Company shall, unless the matter:
- 16.6.1 is defamatory of any person; or
  - 16.6.2 is frivolous or vexatious,
- give such notice in the same manner as set out in the provisions of sections 340A(1) and 340A(2) and section 340B of the UK Companies Act 2006 as if it were a company incorporated in the United Kingdom to which such provisions apply.
- 16.7 A request by the Members under Article 16.6 may be in hard copy or in electronic form and must:

- 16.7.1 identify the matter to be included in the business;
  - 16.7.2 be accompanied by a statement setting out the grounds for the request;
  - 16.7.3 be authenticated by the person or persons making it; and
  - 16.7.4 be received by the Company at least six weeks before the annual general meeting to which the request relates, or if later the time at which notice is given of that meeting.
- 16.8 Where so requested by Members representing at least five per cent. of the total voting rights of all Members who have a relevant right to vote, or by not less than 100 Members who have a relevant right to vote, the Company shall circulate, to Members of the Company entitled to receive notice of a general meeting, a statement of not more than 1,000 words with respect to:
- 16.8.1 a matter referred to in a proposed resolution to be dealt with at that meeting; or
  - 16.8.2 other business to be dealt with at that meeting.
- in the same manner as set out in the provisions of sections 315(1) and 315(2) and section 316 of the UK Companies Act 2006 as if it were a company incorporated in the United Kingdom to which such provisions apply.
- 16.9 A request by the Members under Article 16.8 may be in hard copy or in electronic form and must:
- 16.9.1 identify the statement to be circulated;
  - 16.9.2 be authenticated by the person or persons making it; and
  - 16.9.3 be received by the company at least one week before the meeting to which it relates.
- 16.10 In Article 16.8, "**relevant right to vote**" means:
- 16.10.1 in relation to a statement with respect to a matter referred to in a proposed resolution, a right to vote on that resolution at a meeting to which the requests relate; and
  - 16.10.2 in relation to any other statement, a right to vote at the meeting to which the requests relate.
- 16.11 Where so requested in the manner set out in section 527(4) of the UK Companies Act 2006 by Members representing at least five per cent. of the total voting rights (excluding treasury shares) of all the Members who have a right to vote at the general meeting at which the Company's annual accounts are laid, or by at least 100 members who have such right to vote, the Company shall publish on its website a statement setting out any matter relating to the audit of the Company's accounts or any circumstances connected with an auditor of the company ceasing to hold office, and the Company shall comply with all the obligations relating to the publication of such statement contained in the provisions of sections 527 to 529 (other than section 527(5)) of the UK Companies Act 2006 as if it were a Company incorporated in the United Kingdom, provided always that the Company shall not be required to comply with the obligation set out in section 527(1) of the UK Companies Act 2006 where the board believes in good faith that the rights conferred by this Article are being abused.

## 17. **PROCEEDINGS AT GENERAL MEETINGS**

- 17.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, the quorum for a general meeting shall be two Members present in person or by proxy.
- 17.2 If within twenty minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) from the time appointed for the meeting a quorum is not

present, the meeting, if convened by or upon a requisition, shall be dissolved. If otherwise convened, it shall stand adjourned to such other day and/or time and/or place as the Board may determine (not being less than 10 days later) and (subject to Article 17.4) no notice of adjournment need be given. On the resumption of an adjourned meeting, one Member present in person or by proxy shall constitute the quorum.

- 17.3 The chairman of any general meeting shall be either:
- 17.3.1 the chairman of the Board;
  - 17.3.2 in the absence of the chairman, or if the Board has no chairman, then the Board shall nominate one of their number to preside as chairman;
  - 17.3.3 if neither the chairman of the Board nor the nominated Director are present at the meeting then the Directors present at the meeting shall elect one of their number to be the chairman;
  - 17.3.4 if only one Director is present at the meeting then he shall be chairman of the general meeting; or
  - 17.3.5 if no Directors are present at the meeting then the Members present shall elect a chairman for the meeting by an Ordinary Resolution.
- 17.4 The chairman may at any time without the consent of the meeting adjourn the meeting to any other date, time and/or place where it appears to him that (a) the Members entitled to vote and wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman of the meeting may at any time with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting to any other date, time and/or place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 Business Days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 17.5 The Board may direct that persons wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to, or to authorise some one or more persons who shall include a director or the secretary or the chairman of the meeting to, refuse entry to, or to eject from, such general meeting any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.
- 17.6 The chairman of the meeting shall take such action or give directions for such action to be taken as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting. The chairman's decision on points of order, matters of procedure or arising incidentally from the business of the meeting shall be final, as shall be his determination as to whether any point or matter is of such a nature.
- 17.7 Each Director shall be entitled to attend and speak at any general meeting of the Company. The chairman of the meeting may invite any person to attend and speak at any general meeting of the Company where he considers that this will assist in the deliberations of the meeting.
- 17.8 In the case of a resolution duly proposed as a Special Resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon. In the case of a resolution duly proposed as an Ordinary Resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon unless either at least two Business Days prior to the date appointed for holding the meeting or adjourned meeting at which such Ordinary Resolution is to be proposed notice in writing



of the terms of the amendment and intention to move the same has been received by the Company or the chairman of the meeting in his absolute discretion decides that it may be considered or voted upon. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is put to the vote.

- 17.9 If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 17.10 At any meeting, a resolution put to the vote shall be decided by a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded. A poll may be demanded by:-
- 17.6.1 the chairman of the meeting; or
  - 17.6.2 any Member or Members present in person or by proxy and representing at least one-tenth of the total voting rights of all the Members having the right to vote on the resolution; or
  - 17.6.3 at least five Members present in person or by proxy.
- 17.11 The demand for a poll (other than on the election of a chairman of the meeting or on a question of adjournment) shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded, and it may be withdrawn with the consent of the chairman of the meeting at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.
- 17.12 Unless a poll be demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.
- 17.13 If a poll is properly demanded, it shall be taken in such manner as the chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may, in the event of a poll, appoint scrutineers.
- 17.14 A poll demanded on the election of a chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded. It shall not be necessary (unless the chairman of the meeting otherwise directs) for notice to be given of a poll.
- 17.15 The members may require the directors to obtain an independent report on any poll taken, or to be taken, at a general meeting of the company in accordance with the provisions of sections 342 to 349 and section 352 of the UK Companies Act 2006 (save for sections 347(1)(d) and (e)), and if so required, the Company shall comply with such provisions as if the company were incorporated in the United Kingdom.
- 17.16 In case of an equality of votes, the chairman shall not have a second or casting vote in addition to any other vote he may have.

## 18. **VOTES OF MEMBERS**

- 18.1 Subject to any rights or restrictions attached to any shares, on a show of hands, every Member present in person or by proxy and entitled to vote shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for each share held by him, but this provision shall be subject to the conditions with respect to any special voting powers or restrictions for the time being attached to any shares which may be subject to special conditions.
- 18.2 Where there are joint registered holders of any share such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to

represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.

- 18.3 A Member shall not, if the Board so determines, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a notice requiring the disclosure of Members' interests and given under the Articles within 14 days from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.
- 18.4 Any Member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote at any general meeting of the Company and may exercise any other right conferred by membership in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote by proxy), provided that evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote or such other right has been received by the Company not later than the last time at which appointments of proxy should have been received in order to be valid for use at that meeting or on the holding of that poll.
- 18.5 On a poll votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be a Member. An instrument of proxy may be valid for one or more meetings and shall, unless stated otherwise, be valid for any adjournment of the meeting as well as for the meeting to which it relates..
- 18.6 No Member shall be entitled to be present or take part in any proceedings or vote either personally or by proxy at any meeting unless all calls due from him have been paid. No Member shall be entitled to vote in respect of any shares unless he has been registered as their holder. For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person 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. The Board may at its discretion determine that in calculating the period mentioned in this Article no account shall be taken of any part of a day that is not a working day.
- 18.7 No objection shall be raised to the qualification of any voter or any error pointed out in relation to any votes that have been counted but ought not have been counted or which might have been rejected or any vote that are not counted but which ought to have been counted except at the meeting or the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs and every vote not disallowed shall be valid for all purposes. Any objection made or error pointed out in due time shall be referred to the chairman whose decision on the matter shall be final and binding.
- 18.8 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised. If a member appoints more than one proxy purporting to relate to different shares and the proxy forms appointing those proxies would give those proxies the apparent right to exercise votes on behalf of the member in a general meeting over more shares than are held by the member, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the relevant general meeting.
- 18.9 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be received at the Office or such other address nominated by the Board (in each case either physically or electronically) not less than 48 hours before the time for holding the meeting

or adjourned meeting at which the person named in the instrument proposes to vote and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid. The Board may at its discretion determine that in calculating periods mentioned in this Article no account shall be taken of any part of a day that is not a working day.

- 18.10 The instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.
- 18.11 When two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting or poll, the one which is last received (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share. The proceedings at a general meeting shall not be invalidated where an appointment of a proxy in respect of that meeting is sent in electronic form as provided in these Articles, but because of a technical problem it cannot be read by the recipient.
- 18.12 The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 18.13 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death, disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.
- 18.14 Subject to the Laws, a resolution in writing signed by or on behalf of the requisite majority of Members (including, for the avoidance of doubt, shareholders of a particular class) who, on the date when the resolution is circulated, would be entitled to vote on the resolution if it were proposed at a meeting, shall be as effective as if the same had been duly passed at a general meeting.
- 18.15 Any corporation which is a Member may by resolution of its board of directors or other governing body authorise any one or more persons as it thinks fit to act as its representative(s) at any meeting of the Company or of any class of Members or to approve any resolution submitted in writing and each person so authorised shall be entitled to exercise on behalf of the corporation which he, she or they represent the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member PROVIDED THAT, except in relation to a vote on a show of hands, if two or more representatives of one Member purport to exercise a power in respect of the same shares, then (i) if they exercise the power in the same manner, it shall be exercised in such manner; but (ii) if they exercise the power in a different manner, it shall be deemed not to have been exercised.

## 19. **NUMBER AND APPOINTMENT OF THE BOARD**

- 19.1 The number of the Directors shall be not less than five and there shall be no maximum number unless otherwise determined by the Company by Ordinary Resolution.
- 19.2 Subject to Article 19.1, the Board shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Board but so that the total number of Directors shall not at any time exceed the number (if any) fixed pursuant to these Articles. Any person so appointed by the Board shall hold office only until the next annual general meeting and shall then be eligible for election in accordance with Article 19.3.
- 19.3 Subject to Article 19.1, at each annual general meeting of the Company, any Director:
- 19.3.1 who has been appointed by the Board since the last annual general meeting; or

- 19.3.2 who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or
- 19.3.3 who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for election or re-election by the Members.
- 19.4 A director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall retain office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the director is put to the meeting and lost.
- 19.5 No person other than a Director retiring at a general meeting shall, unless recommended by the Board, be eligible for election by the Company to the office of Director unless not less than seven nor more than 42 clear days before the date appointed for the meeting there shall have been left at the Office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) a notice in writing signed or authenticated in accordance with these Articles by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected, specifying his tax residency status and containing a declaration that he is not ineligible to be a Director in accordance with the Laws.
- 19.6 The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by Ordinary Resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-election of such Director shall have been put to the meeting and lost.
- 19.7 Without prejudice to the powers of the Board, the Company by Ordinary Resolution may appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of the Board shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Articles (and subject at all times to Articles 19.1 and 19.5).
- 19.8 At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- 20. QUALIFICATION AND REMUNERATION OF DIRECTORS**
- 20.1 A Director need not be a Member.
- 20.2 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine provided that the aggregate amount of such fees (including fees, if any, due to the Directors for attendance at meetings of any committee of the Board) for all the Board collectively shall not exceed £2,000,000 in any financial year, or such higher amount as may be determined from time to time by Ordinary Resolution of the Company. Any fees payable pursuant to this Article shall be distinct from and shall not include any salary, remuneration for any executive or other office or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day.
- 20.3 The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company. If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such reasonable additional remuneration as the Board may determine.

20.4 The Board shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or former Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums, provided that no benefits (except such as may be provided for by any other Article) may be granted to or in respect of a Director or former Director who has not been employed by, or held an executive office or place of profit under, the Company or any body corporate which is or has been its subsidiary undertaking or any predecessor in business of the Company or any such body corporate without the approval of an Ordinary Resolution of the Company. No Director or former Director shall be accountable to the Company or the members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

## 21. **TRANSACTIONS WITH DIRECTORS**

21.1 The Company may not enter into any of the following transactions with Directors or persons connected with the Directors (as defined in sections 252-254 of the UK Companies Act 2006) without the approval of such transactions by Ordinary Resolution by the Members of the Company in a general meeting:

21.1.1 substantial property transactions as described in sections 190 -196 of the UK Companies Act 2006 (excluding section 190(4)(a));

21.1.2 loans, quasi loans and credit transactions as described in sections 197-214 (excluding sections 197(5)(a), 198(6)(a), 200(6)(a), 201(6)(a) and 203(5)(a)),

and the Company shall comply with the above provisions of the UK Companies Act 2006 as if the Company were incorporated in the United Kingdom.

## 22. **ALTERNATE DIRECTORS**

22.1 Any Director may, subject to the Laws and by notice in writing under his hand and deposited at the Office, or delivered at a meeting of the Board, appoint any person who fulfils the criterion contained in Article 22.2 as an alternate Director to attend and vote in his place at any meeting of the Board at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. If the alternate Director is not already a Director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to its being so approved.

22.2 Every alternate Director shall prior to his appointment deliver to the company notice in writing of (a) his consent to being an alternate Director and (b) a declaration that he is not ineligible to be a Director under the Laws, and shall be resident for tax purposes in the same jurisdiction as his appointor.

22.3 Every alternate Director while he holds office as such shall be entitled:-

22.3.1 if his appointor so directs the Secretary, to notice of meetings of the Board or of committees of the Board of which his appointor is a member; and

22.3.2 to attend and to exercise (subject to any restrictions) all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present and generally at such meetings to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meetings the provisions of these Articles shall apply as if he (instead of his appointor) were a Director.

22.4 Every person acting as an alternate Director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall during his appointment be an officer of the Company. An alternate Director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him.

- 22.5 Every alternate Director shall ipso facto vacate office if and when his appointment expires by effluxion of time or his appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand deposited at the Office, or delivered at a meeting of the Board.
- 22.6 No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in the exercise of his duties.
- 22.7 Subject to the foregoing provisions of this Article 22 (including, without limitation, Article 22.2) a Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director. He shall not be counted more than once for the purposes of the quorum.
- 22.8 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be indemnified to the same extent mutatis mutandis as if he were a Director.

### **23. BORROWING POWERS OF THE BOARD**

- 23.1 The Board may exercise all the powers of the Company to borrow money, and to give guarantees or indemnities, and to mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets (present or future) and uncalled capital, and, subject to the provision of the Laws, to issue debentures, loan stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 23.2 Subject to any applicable requirement of law, interest may be charged against the income of the Company or against the capital or partly one and partly the other as the Board may from time to time determine.
- 23.3 Any person lending money to any Group Company shall be entitled to assume that the relevant company is acting in accordance with its constitution and shall not be concerned to enquire whether such provisions have in fact been complied with.

### **24. OTHER POWERS AND DUTIES OF THE BOARD**

The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting; subject nevertheless to these Articles and to any directions given by the Company in general meeting by Special Resolution, but no alteration of these Articles and no Special Resolution shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

### **25. POWERS OF ATTORNEY**

- 25.1 A power of attorney given by the Company shall be valid if executed by the Company under the common signature of the Company.
- 25.2 The Board may at any time by power of attorney appoint any person or any fluctuating body of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers and discretion and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretion.

### **26. DIRECTORS' INTERESTS AND CONFLICTS OF INTEREST**

- 26.1 A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Directors (i) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of

that interest, or (ii) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest, in each case unless the transaction or proposed transaction is between the Director and the Company, and is to be entered into in the ordinary course of the Company's business and on usual terms and conditions. A failure by a Director to comply does not affect the validity of a transaction entered into by the Company or the Director.

- 26.2 Subject to the provisions of the Laws, and provided that he has disclosed to the other Directors the nature and extent of any interest of his in accordance with Article 26.1 above, a Director notwithstanding his office:-
- 26.2.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;
- 26.2.2 may act by himself or through his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,
- 26.2.3 may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or be a shareholder of or otherwise directly or indirectly interested in, any body corporate promoted by the Company, or with which the Company has entered into any transaction, arrangement or agreement or in which the Company is otherwise interested; and
- 26.2.4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 26.3 For the purposes of this Article:-
- 26.3.1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent, including if quantifiable the monetary value of such interest, specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- 26.3.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 26.4 Subject to the Laws and to the provisions of the rules of any Recognised Investment Exchange, a Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest and may vote thereon.
- 26.5 A Director may continue to be or become a director, managing director, manager or other officer, employee or member of any company promoted by the Company or in which the Company may be interested or with which the Company has entered into any transaction, arrangement or agreement, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager, or other officer or member of any such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).
- 26.6 Any Director who, by virtue of office held or employment with any other body corporate, may from time to time receive information that is confidential to that other body corporate (or in respect of which he owes duties of secrecy or confidentiality to that other body corporate) shall be under no duty to the Company by reason of his being a Director to pass such information to the Company or to use that information for the benefit of the Company,

in either case where the same would amount to breach of confidence or other duty owed to that other body corporate.

## 27. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 27.1 The office of a Director shall ipso facto be vacated:
- 27.1.1 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated;
  - 27.1.2 if he becomes bankrupt, or makes any arrangement or composition with his creditors generally;
  - 27.1.3 if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment;
  - 27.1.4 if he becomes ineligible to be a Director in accordance with the Laws;
  - 27.1.5 if he is or has been suffering from mental or physical ill health and the board resolves that his office is vacated;
  - 27.1.6 if he dies;
  - 27.1.7 if he is requested to resign by written notice signed by a majority of his co-Directors (not being less than three in number);
  - 27.1.8 if the Company by Ordinary Resolution shall declare that he shall cease to be a Director;
  - 27.1.9 [*not used*];
  - 27.1.10 if he resigns his office by notice in writing in accordance with the terms of his letter of appointment sent to or received at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a meeting of the Board; or
  - 27.1.11 by notice in writing sent to or received at the office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a meeting of the Board, he offers to resign and the board resolves to accept such offer.
- 27.2 No person shall be or become incapable of being appointed a Director by reason of having attained the age of 70 or any other age and no Director shall be required to vacate his office at any time by reason of the fact that he has attained the age of 70 or any other age.

## 28. **PROCEEDINGS OF DIRECTORS**

- 28.1 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The Board shall meet at least four times a year. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman at the meeting shall not have a second or casting vote.
- 28.2 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting.
- 28.3 A resolution in writing signed by all or a majority of the Directors who are at the relevant time entitled to receive notice of a meeting of the Board and who would be entitled to vote on the resolution at a meeting of the Board (if that number is sufficient to constitute a quorum) shall be as valid and effectual as a resolution passed at a meeting of the Board properly called and constituted.
- 28.4 The Board shall also determine the notice necessary for their meetings and the persons to whom such notice shall be given. Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in



writing to him at his last known address or any other address given by him to the Company for this purpose. A Director may waive his entitlement to notice of any meeting either prospectively or retrospectively and any retrospective waiver shall not affect the validity of the meeting or of any business conducted at the meeting.

- 28.5 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretion exercisable by the Board.
- 28.6 The continuing Directors may act notwithstanding any vacancy but if and so long as their number is reduced below any minimum number fixed pursuant to these Articles the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there are no Directors able or willing to act then any one or more Members holding at least one tenth of the issued shares between them may summon a general meeting for the purpose of appointing a Director.
- 28.7 The Board may elect one of its number as chairman of their meetings and determine the period for which he is to hold office. If no such chairman be elected, or if at any meeting the chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
- 28.8 The Board may delegate any of its powers to committees consisting of two or more Directors as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board. The provisions of these Articles, including Article 28.2, shall apply to meetings of committees as they apply to meetings of the Board. The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.
- 28.9 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. For the purposes of this Article, an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present. Subject to the provisions of these Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

29. **EXECUTIVE DIRECTOR**

- 29.1 The Board may at any time appoint one or more of their body to be holder of any executive office including the office of managing director on such terms and for such periods as they may determine, and may revoke or terminate any appointment so made but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 29.2 The appointment of any Director to any executive office shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 29.3 The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.

30. **SECRETARY**

The Board may appoint a person to fill the office of Secretary and the Secretary shall be appointed (and may be removed) by the Board. Anything required or authorised to be done by or to the Secretary, may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy Secretary or, if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company

authorised generally or specially in that behalf by the Directors PROVIDED THAT any provisions of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

**31. COMMON SIGNATURE**

The common signature of the company may be either:

- (A) "Friends Life Group Limited" with the addition of the signature(s) of one or more Director(s), or of one or more officer(s) of the Company authorised generally or specifically by the Board for such purpose, or such other person or persons as the Board may from time to time appoint, or
- (B) if the Board resolves that the Company shall have a common seal, the common seal of the Company affixed in such manner as these Articles may from time to time provide.

**32. THE SEAL**

If the Board elects to have a common seal, the Board shall provide for the safe custody of the seal which shall only be used pursuant to a resolution passed at a meeting of the Board and every instrument to which the seal is affixed shall be signed in accordance with the provisions of Article 31(A).

**33. AUTHENTICATION OF DOCUMENTS**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having their custody shall be deemed to be a person appointed by the Board as aforesaid.

**34. DIVIDENDS**

- 34.1 The Company may by Ordinary Resolution from time to time declare dividends and the Directors may pay such dividends in accordance with the respective rights of Members, but no dividend shall exceed the amount recommended by the Board.
- 34.2 The Directors may from time to time declare and pay such interim dividends to the Members as appear in accordance with the Laws to be justified.
- 34.3 In computing amounts available for distribution as dividend, the Board may be entitled to charge up to one hundred per cent. of the fees of the Company's service providers and finance costs and other expenses to capital.
- 34.4 The Board may create reserves before recommending or declaring any dividend. The Board may also carry forward any profits which they think prudent not to distribute.
- 34.5 Subject to the Laws, where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company, profits and losses as from such date may at the discretion of the Board in whole or in part be carried to a revenue account and treated for all purposes as profits and losses of the Company. Subject as aforesaid if any shares or securities are purchased cum dividend or interest such dividend or interest may at the discretion of the Board be treated as revenue and it shall not be obligatory to capitalise all or part of the same.
- 34.6 The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

- 34.7 The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- 34.8 Any dividend or other moneys payable on or in respect of a share shall be paid to the Member or to such other person as the Member (or, in the case of joint holders of a share, all of them) may in writing direct. Such dividend or other moneys may be paid (i) by cheque sent by post to the payee or, where there is more than one payee, to any one of them, or (ii) by inter-bank transfer to such account as the payee or payees shall in writing direct, or (iii) using the facilities of the relevant Uncertificated System (subject to the facilities and requirements of the relevant Uncertificated System), or (iv) by such other method of payment as the Member (or in the case of joint holders of a share, all of them) may agree to. Every such cheque shall be sent at the risk of the person or persons entitled to the money represented thereby, and payment of a cheque by the banker upon whom it is drawn, and any transfer or payment within (ii), (iii) or (iv) above, shall be a good discharge to the Company and the Company shall have no responsibility for any sums lost or delayed in the course of payment by any bank or funds transfer system or other means.
- 34.9 Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 34.10 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted as trustee in respect thereof. All dividends unclaimed on the earlier of (a) seven years after the date when it first became due for payment and (b) the date on which the Company is wound up shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.
- 34.11 Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Board may determine, using such exchange rate for currency conversions as the Board may select.
- 34.12 The Company may cease to send any cheque, warrant or order by post for any dividend on any shares which is normally paid in that manner if in respect of at least two consecutive dividends payable on those shares the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these Articles, shall recommence sending cheques, warrants or orders in respect of the dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.
- 34.13 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
- 34.14 Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.
- 34.15 The waiver in whole or in part of any dividend on any share shall be effective only if such waiver is in writing signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 34.16 The Board may, if authorised by an Ordinary Resolution of the Company, offer any holders of Ordinary Shares (excluding any Member holding shares as treasury shares) the right to elect to receive shares instead of cash in respect of the whole (or some part, to be

determined by the Board) of any dividend specified by the Ordinary Resolution. The following provisions shall apply:-

- 34.16.1 an Ordinary Resolution may specify some or all of a particular dividend (whether or not already declared) or may specify some or all of any dividends declared or paid within a specified period;
- 34.16.2 the entitlement of each holder of Ordinary Shares to new shares (or shares transferred out of treasury, as the case may be) shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit, if any) of the dividend that such holder elects to forgo. For this purpose "**relevant value**" shall be calculated by reference to the average of the middle market quotations for the relevant class of the Company's shares on the London Stock Exchange as derived from the Official List (or any other publication of a Recognised Investment Exchange showing quotations for the Company's shares) on such five consecutive dealing days as the Board shall determine, provided that the first of such days shall be on or after the day on which the shares are first quoted "ex" the relevant dividend, or in such other manner as may be determined by or in accordance with the Ordinary Resolution. If considered appropriate by the Board, a certificate or report by the Auditor as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditor may rely on advice or information from brokers or other sources of information as they think fit;
- 34.16.3 no fraction of any share shall be issued. The Board may make such provisions as it thinks fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained without interest and in each case accumulated on behalf of any holder of shares and such accruals or retentions are applied to the issue by way of bonus to or cash subscription on behalf of such holder of shares and/or provisions whereby cash payments may be made to such holders in respect of their fractional entitlements;
- 34.16.4 the Board, if it intends to offer an election in respect of any dividend, shall give notice to the holders of Ordinary Shares of the right of election offered to them, and specify the procedure to be followed which, for the avoidance of doubt, may include an election by means of an Uncertificated System and the place at which, and the latest time by which, elections must be lodged in order for elections to be effective; no such notice need be given to holders of Ordinary Shares who have previously given election mandates in accordance with this Article and whose mandates have not been revoked; the accidental omission to give notice of any right of election to, or the non receipt (even if the Company becomes aware of such non-receipt) of any such notice by, any holder of Ordinary Shares entitled to the same shall neither invalidate any offer of an election nor give rise to any claim, suit or action;
- 34.16.5 the Board shall not proceed with any election unless the Company is solvent;
- 34.16.6 in addition to any other authority conferred by the shareholders in a general meeting, the Board shall have authority to issue sufficient shares to give effect to any election in respect of any dividend covered by an Ordinary Resolution under this Article after the basis of issue is determined;
- 34.16.7 the Board may exclude from any offer or make other arrangement in relation to any holders of Ordinary Shares where the Board believes that such exclusion or arrangement is necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the UK and/or Guernsey, or the Board believes that for any other reason the offer should not be made to them;

- 34.16.8 the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been made (for the purposes of this Article the "**Elected Shares**") and instead additional shares shall be issued to the holders of the Elected Shares on the basis of issue calculated as stated. For such purpose the Board shall capitalise, out of any amount standing to the credit of any reserve or fund (including retained earnings) at the relevant time, whether or not the same is available for distribution, a sum equal to the relevant value per share determined by the Board and apply it in paying up in full the appropriate number of shares for issue and distribution to the holders of the Elected Shares on that basis. The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation;
- 34.16.9 the additional shares when issued (or transferred out of treasury, as the case may be) shall rank pari passu in all respects with the relevant class of shares then in issue except that they will not be entitled to participation in the relevant dividend;
- 34.16.10 unless the Board otherwise determines, or unless the CREST Guernsey Regulations otherwise require, the new share or shares (or the share or shares transferred out of treasury, as the case may be) which a Member has elected to receive instead of cash in respect of the whole (or some part) of the specified dividend declared or paid in respect of his Elected Shares shall be in Uncertificated form (in respect of the Member's Elected Shares which were in Uncertificated form on the date of the Member's election) and in Certificated form (in respect of the Member's Elected Shares which were in Certificated form on the date of the Member's election);
- 34.16.11 the Board may also from time to time establish or vary a procedure for election mandates, which, for the avoidance of doubt, may include an election by means of an Uncertificated System, under which a holder of Ordinary Shares may elect in respect of future rights of election offered to that holder under this Article until the election mandate is revoked or deemed to be revoked in accordance with the procedure;
- 34.16.12 the Board may decide how any costs relating to making new shares (or treasury shares, as the case may be) available in place of a cash dividend will be met, including deciding to deduct an amount from the entitlement of a shareholder under this Article; and
- 34.16.13 at any time before new shares are issued (or shares transferred out of treasury) instead of cash in respect of any part of a dividend, the Board may determine that such new shares will not be issued (or shares will not be transferred out of treasury). Any such determination may be made before or after any election has been made by holders of shares in respect of the relevant dividend.
- 34.17 Any general meeting declaring a dividend may, upon the recommendation of the Board only, by Ordinary Resolution direct, and the Board may in relation to any interim dividend direct, that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares, debentures or other securities of any other company, and where any difficulty arises in regard to the distribution the Board may settle it as it thinks expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any assets or any part thereof to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the Board.

## 35. **RESERVES**

The Directors may (but need not unless required by the Laws) from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the

profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Laws.

## **36. CAPITALISATION OF PROFITS OR RESERVES**

- 36.1 The Board in its absolute discretion may resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the retained earnings account or otherwise available for distribution, and accordingly that the sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares of the Company to be issued and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other.
- 36.2 Whenever such a resolution as aforesaid shall have been passed the Board shall make all the appropriations and applications of the profits resolved to be capitalised thereby, and all issues of fully paid shares, if any, and generally shall do all acts and things required to give effect thereto with full power to the Board to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares becoming distributable in fractions including by aggregating and selling them. For the purposes of effecting any such sale, the Board may arrange for the shares representing the fractions to be entered in the Register as Certificated shares. The shares representing fractions may be sold to any person, including the Company, and the Board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of the proceedings relating to the sale. The Board may also authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the issue to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

## **37. ACCOUNTS**

- 37.1 The Board shall cause proper books of account to be kept with respect to all the transactions assets and liabilities of the Company in accordance with the Laws.
- 37.2 The books of account shall be kept at the Office or at such other place as the Board shall think fit and shall at all times be open to the inspection of the Directors but no person other than a Director or Auditor or other person whose duty requires and entitles him to do so shall be entitled to inspect the books, accounts and documents of the Company except as provided by the Laws or authorised by the Board or by the Company in general meeting.
- 37.3 The most recent accounts of the Company shall be laid before the Company at its annual general meeting and such accounts shall contain a general summary of the assets and liabilities of the Company. The accounts shall be accompanied by a report of the Board as to the state of the Company, as to the amount (if any) which they recommend to be paid by way of dividend and the amount (if any) which they have carried or propose to carry to reserve. The Auditor's report shall be attached to the accounts.

- 37.4 A copy of the Directors' report and balance sheet with the Auditor's report (if any) attached thereto shall be delivered to every Member within twelve months after the end of the financial year to which they relate:
- 37.4.1 by sending it through the post addressed to the Member at his registered address or by leaving it at that address addressed to the Member; or
  - 37.4.2 where appropriate, by sending or supplying it in electronic form to an address notified by the Member to the Company; or
  - 37.4.3 where appropriate, by publishing it on a website in accordance with these Articles.
- 37.5 Without prejudice to Article 37.4, the Company may also send summary financial statements to any member, which comply with the content requirements required by section 428 of the UK Companies Act 2006 and any regulations made under section 428(2) from time to time as if the Company were incorporated in the United Kingdom (but with such amendments as may, in the Board's opinion, be necessary or appropriate as a result of the Company not being incorporated in the United Kingdom). The Company may, in its sole discretion, elect not to produce a summary financial statement in any particular year.

### **38. AUDITORS**

- 38.1 A Director shall not be capable of being appointed as an Auditor.
- 38.2 A person other than a retiring Auditor shall not be capable of being appointed Auditor at a general meeting unless such person is qualified to act as Auditor pursuant to the Laws and notice of intention to nominate that person as Auditor has been given by a Member entitled to vote on the appointment of the Auditor to the Company not less than 28 days before the meeting and the Board shall send a copy of any such notice to the retiring Auditor and shall give notice to the Members in the notice of general meeting in accordance with Article 16.1. Where it is not practicable to give notice to Members in this manner, the Company shall give such notice at least 14 days before the meeting in the Gazette Officielle or by publication on the Company's website.
- 38.3 The first Auditor shall be appointed by the Board before the first annual general meeting and they shall hold office until the first annual general meeting unless previously removed in which case the Members at such meeting may appoint the Auditor.
- 38.4 The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor (if any) may act.
- 38.5 The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Company may determine, except that the remuneration of any Auditor appointed by the Board shall be fixed by the Board.
- 38.6 Every Auditor shall have a right of access at all times to the books, accounts and documents of the Company and shall be entitled to require from the Board such information and explanations as may be necessary for the performance of their duties and the Auditors shall make a report to the Members on the accounts examined by them and the report shall state whether in their opinion the accounts give a true and fair view of the state of the Company's affairs and whether they have been prepared in accordance with the Laws.
- 38.7 Any Auditor shall be eligible for re-election unless such person has ceased to be qualified to act as Auditor pursuant to the Laws.

### **39. UNTRACEABLE MEMBERS**

- 39.1 The Company shall be entitled to sell at the best price reasonably obtainable the shares of a Member or any shares to which a person is entitled by transmission on death or bankruptcy if and provided that:-
- 39.1.1 for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person so entitled

to the share at his address in the Register or otherwise the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person so entitled;

- 39.1.2 the Company has at the expiration of the said period of twelve years by advertisement in a newspaper circulating in the area in which the address referred to in Article 39.1.1 above is located given notice of its intention to sell such shares;
  - 39.1.3 the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person so entitled; and
  - 39.1.4 if the shares are quoted on any stock exchange, the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such shares.
- 39.2 The Company shall also be entitled to sell at the best price reasonably obtainable at the time of sale any additional Certificated shares in the Company issued either in Certificated or Uncertificated form during the period of 12 years immediately preceding the date of publication of the advertisements referred to in Article 39.1.2 above in right of any share to which Article 39.1 applies (or in right of any share so issued), if the criteria in Articles 39.1.1 to 39.1.4 are otherwise satisfied in relation to the additional shares.
- 39.3 To give effect to any such sale the Board may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer of the said shares shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the purchaser or other transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company, which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount unless and until forfeited under this Article. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company) as the Board may from time to time think fit. For the purpose of enforcing its powers under this Article and to the extent permissible under the CREST Guernsey Requirements, the Board may require any relevant shares held in Uncertificated form to be changed into Certificated form. If no valid claim for the money has been received by the Company during a period of six years from the date on which the relevant shares were sold by the Company under this Article, the money will be forfeited and will belong to the Company.

#### 40. **NOTICES**

- 40.1 A notice, document or other information may be given by the Company to any Member either:
- (A) personally; or
  - (B) by sending it by prepaid post addressed to such Member at his registered address; or
  - (C) where appropriate, by sending or supplying it in electronic form to an address notified by the Member for that purpose; or
  - (D) where appropriate, by publication on a website in accordance with these Articles.

Notices to be posted to addresses outside the Channel Islands and the United Kingdom shall so far as practicable be forwarded by prepaid airmail. The Company may at any time and in its sole discretion choose to serve, send or supply notices, documents or other information in hard copy form alone to some or all Members.



- 40.2 Any notice, document or other information, if served, sent or supplied by post, shall be deemed to have been served, sent or supplied (subject to any mandatory period as may from time to time be specified by the Laws) twenty-four hours after the time when the letter containing the same is posted and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. A notice given by advertisement shall be published in at least one UK national newspaper and one daily newspaper circulated widely in each of Guernsey and Jersey and shall be deemed to have been served before noon on the day on which the advertisement appears. A notice given by publication in the Gazette shall also be deemed to have been served before noon on the day on which the notice appears in the Gazette.
- 40.3 Any notice, document or other information may be served, sent or supplied by the Company to the joint holders of a share by serving, sending or supplying the same to the joint holder first named in the Register in respect of the share.
- 40.4 Any notice, document or other information served, sent or supplied by post or in electronic form (including by publications on a website in accordance with these Articles) to, or left at the registered address of, any Member shall notwithstanding the death, disability or insolvency of such Member and whether the Company has notice thereof be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice, document or other information on all persons interested (whether jointly with or as claiming through or under him) in any such share.
- 40.5 Any document notice, document or other information which, in accordance with these Articles and subject to Article 40.9, may be sent by the Company by electronic communication shall, if so sent, be deemed to be received at the expiration of twenty-four hours after the time it was sent. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators) that an electronic communication was sent by the Company shall be conclusive evidence of such sending.
- 40.6 Any notice, document or other information made available on a website shall be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to this Article.
- 40.7 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.
- 40.8 A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law, upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, and upon supplying also a postal address or an address for the purposes of communications by electronic means for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice, document or other information to which the said Member would have been entitled or, where applicable, may be notified at that address of the availability of the notice or document on a website, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice, document or other information on all persons interested (whether jointly with or as claiming through or under him) in the share.
- 40.9 If there is a suspension or curtailment of postal services within the United Kingdom or some part of the United Kingdom, the Company need only give notice of a general meeting to those Members with whom the Company can communicate by electronic means and who have provided the Company with an address for this purpose. The Company shall also advertise the notice in at least one newspaper with a national circulation in the United Kingdom and one daily newspaper circulated widely in each of Guernsey and Jersey, and make it available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof. If, at least six clear days prior to the meeting, the sending or supply of notices by post in hard copy form has again become generally

possible, the Company shall send or supply confirmatory copies of the notice by post to those Members who would otherwise receive the notice in hard copy form.

40.10 For the purposes of this Article:-

40.10.1 a notice, document or other information may be served, sent or supplied by the Company in electronic form to a Member who has agreed (generally or specifically) that notices, documents or information can be sent or supplied to them in that form and has not revoked such agreement;

40.10.2 where the notice, document or other information is served, sent or supplied by electronic means, it may only be served, sent or supplied to an address specified for that purpose by the intended recipient;

40.10.3 a notice, document or other information may be served, sent or supplied by the Company to a Member by being made available on a website if the Member has agreed (generally or specifically), or pursuant to Article 40.10.4 below is deemed to have agreed, that notices, document or information can be sent or supplied to the Member in that form and has not revoked such agreement;

40.10.4 if a Member has been asked individually by the Company to agree that the Company may serve, send or supply notices, documents or other information generally, or specific notices, documents or other information, to them by means of a website (for the avoidance of doubt, whether before or after the adoption of this Article) and the Company does not receive a response within a period of 28 days beginning with the date on which the Company's request was sent (or such longer period as the Directors may specify), such Member will be deemed to have agreed to receive such notices, documents or other information by means of a website in accordance with Article 40.10.3 above. A Member can revoke any such deemed election in accordance with Article 40.10.8 below;

40.10.5 a notice, document or other information served, sent or supplied by means of a website must be made available in a form, and by a means, that the Company reasonably considers will enable the recipient: (i) to read it, and (ii) to retain a copy of it. For this purpose, a notice, document or other information can be read only if: (i) it can be read with the naked eye; or (ii) to the extent that it consists of images (for example photographs) it can be seen with the naked eye;

40.10.6 if a notice, document or other information is served, sent or supplied by means of a website, the Company must notify the intended recipient of: (i) the presence of the notice, document or information on the website; (ii) the address of the website; (iii) the place on the website where it may be accessed; and (iv) how to access the notice, document or information:

40.10.7 any notice, document or other information made available on a website will be maintained on the website for the period of 28 days beginning with the date on which notification is given under Article 40.10.6 above, or such shorter period as may be decided by the Directors. A failure to make a notice, document or other information available on a website throughout the period mentioned in this Article 40.10.7 shall be disregarded if: (i) it is made available on the website for part of that period; and (ii) the failure to make it available throughout that period is wholly attributable to circumstances that it would not be reasonable for the Company to prevent or avoid;

40.10.8 any amendment or revocation of a notification given to the Company or agreement (or deemed agreement) under this Article shall only take effect if in writing, signed (or authenticated by electronic means) by the Member and on actual receipt by the company thereof; and

40.10.9 communications sent to the Company by electronic means shall not be treated as received by the Company if rejected by computer virus protection arrangements.

40.11 Where under these Articles a document requires to be signed by a Member or other person then, if in the form of an electronic communication, it must, to be valid, incorporate the

electronic signature or personal identification details (which may be details previously allocated by the Company) of that Member or other person, in such form as the Board may approve, or be accompanied by such other evidence as the Board may require to satisfy themselves that the document is genuine. The Company may designate mechanisms for validating any such document, and any such document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

**41. WINDING UP**

- 41.1 If the Company shall be wound up, the surplus assets remaining after payment of all creditors, including the repayment of bank borrowings, shall be divided *pari passu* among the Members *pro rata* to their holdings of those shares which are subject to the rights of any shares which may be issued with special rights or privileges.
- 41.2 If the Company shall be wound up, the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.
- 41.3 Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "**transferee**") the Liquidator may, with the sanction of an Ordinary Resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the Members or may enter into any other arrangement whereby the Members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

**42. INDEMNITY**

To the fullest extent permitted by the Laws, the Company may indemnify any Director or former Director of the Company or a director or former director of any other Group Company against any liability.

**43. INSURANCE**

Without prejudice to any other provisions of these Articles, and to the fullest extent permitted by the Laws, the Board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other Group Company or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretion and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

**44. INSPECTION OF DOCUMENTS**

Subject to Article 37.2, the Board shall determine whether and to what extent and at what times and places and under what conditions the accounts, books and documents of the

Company shall be open to inspection and no Member shall have any right of inspecting any account or book or document except as conferred by the Laws or authorised by the Board.

45. **DESTRUCTION OF DOCUMENTS**

If the Company destroys or deletes:

- (A) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation, or
- (B) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the company, or
- (C) any instrument of transfer of shares or Approved Operator-instruction for the transfer of shares which has been registered by the Company at any time after a period of six years has elapsed from the date of registration, or
- (D) any instrument of proxy which has been used for the purpose of a poll at any time after a period of one year has elapsed from the date of use, or
- (E) any instrument of proxy which has not been used for the purpose of a poll at any time after a period of one month has elapsed from the end of the meeting to which the instrument of proxy relates, or
- (F) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it

and the Company destroys or deletes the document or instruction in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrebuttably in favour of the Company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer or Approved Operator-instruction so destroyed or deleted was a valid and effective instrument of transfer or instruction and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the company were correctly recorded. If the documents relate to Uncertificated shares, the Company must comply with any requirements of the rules relating to the relevant Uncertificated System which limit its ability to destroy these documents. Nothing contained in this Article shall be construed as imposing upon the Company any liability which, but for this Article, would not exist or by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this Article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this Article to the destruction of any document include references to its disposal in any manner.