

THE COMPANIES ACT 1985

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

METHODIST INSURANCE PUBLIC LIMITED COMPANY

(As altered by Special Resolutions passed on the 25th day of November, 1932 the 11th day of October, 1963 and the 27th day of October 1981 as altered by Resolution of the Board of Directors passed the 27th day of October 1981 and as altered by Special Resolution passed on 21st October 1992



- 1\* The Name of the Company is "METHODIST INSURANCE PUBLIC LIMITED COMPANY".
2. The Company is to be a public company.
3. The Registered Office of the Company will be situate in England and Wales.

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- \* The name of the Company was, on the 13th day of January, 1933, changed from the "THE WESLEYAN METHODIST TRUST ASSURANCE COMPANY LIMITED" to "METHODIST INSURANCE COMPANY LIMITED" and on the 7th day of January, 1982 from "METHODIST INSURANCE COMPANY LIMITED" to "METHODIST INSURANCE PUBLIC LIMITED COMPANY".

4. The Objects for which the Company is established are:-

- (i) To carry on as principals or agents all or any of the classes of long term insurance business specified in Schedule 1 to the Insurance Companies Act 1982 and to carry on all or any of the classes of general insurance business specified in Schedule 2 to the Insurance Companies Act 1982.
- (ii) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees, or self employed representatives of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability 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 in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability; and for the purposes of this clause 4 "holding company" and "subsidiary undertaking" shall have the same meaning as in the Companies Act 1989.
- (iii) To establish, maintain and operate a pensions service; to act as advisers and consultants on all matters affecting the pension arrangements of any person, firm or company and to examine, report, review and advise on any proposals, suggestions and recommendations received by such person or

persons, firm or company from whatever source and to carry out any check, scrutiny, investigation and audit of the procedures, methods and administrative practices of any person's, firm's or company's pension arrangements with the object of ensuring their maximum efficiency, to employ, train and exploit the services of agents, salesmen, directors, executives, interpreters, translators, staff and personnel of all kinds, to aid in the promotion, formulation and carrying into effect of all manner of schemes and arrangements for or relating to the financing, development, amalgamation, acquisition, merger, co-ordination, co-operation, reconstruction or re-organisation in any manner of pension funds or schemes of persons, firms, companies, corporations, partnerships, businesses and undertakings of all kinds.

- (iv) To effect and obtain all such re-insurances and to adopt all such measures for mitigating the risks of the Company as may seem expedient to the Company.
- (v) To promote any other company for the purposes of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of any such company.
- (vi) To make grants of money out of the profits of the Company to or for the benefit of any Fund, Institution, Organisation, Charity or Society forming part of or belonging to or under the direction or control of or in any way associated or connected with either of the Methodist Church (as defined in and constituted under the provisions of the Methodist Church Act 1976) or the Methodist Church in Ireland.
- (vii) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club

which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary undertaking of the Company or the holding company of the Company or a fellow subsidiary undertaking of the Company or the predecessors in business of the Company or of any such subsidiary undertaking, holding or fellow subsidiary undertaking and to the wives, widows, husbands, widowers, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and of their wives, widows, husbands, widowers, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary undertaking, holding or fellow subsidiary undertaking and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

- (viii) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (ix) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company

has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.

- (x) To sell or otherwise dispose of the whole or any part of the business or property of the Company either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (xi) To act as agents and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (xii) To pay all or any expenses incurred in connection with the promotion of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or other securities of the Company.
- (xiii) To apply for, register, purchase, or by other means acquire and protect, prolong, and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- (xiv) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the

Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

- (xv) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- (xvi) To invest and deal with the monies of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (xvii) To lend and advance money or give credit on any terms and with or without security to any person (including employees), firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary undertaking or fellow subsidiary undertaking of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any such money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company,

subsidiary undertaking, fellow subsidiary undertaking or associated company as aforesaid).

- (xviii) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (xix) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (xx) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade and Industry or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (xxi) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges and concessions.

- (xxii) If and only to the extent permitted by the Act, to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (xxiii) To procure the Company to be registered or recognised in any part of the world.
- (xxiv) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- (xxv) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.
- (xxvi) To exercise all powers which would be available to the Company under Section 3A of the Companies Act 1985 if its object was to carry on business as a general commercial company.

AND so that:-

- (1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the contents of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
- (2) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and



the Company shall have as full a power to exercise each and every one of the objects, specified in each sub-clause of this Clause as though each such sub-clause contained the objects of a separate Company.

(3) The word "company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body or person, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

(4) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

5. The liability of the members is limited.

6.\* The Share Capital of the Company is £112,500 divided into 18,750 shares of £6.00 each.

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\*NOTE: The original share capital of 3,750 of £10 each was on 27th October 1981 sub-divided into 18,750 shares of £2 each, then increased by the creation of a further 37,500 shares of £2 each, and then consolidated and divided into 18,750 shares of £6 each.

Company No: 6369

**THE COMPANIES ACT 1985**

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**A PUBLIC COMPANY LIMITED BY SHARES**

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**NEW**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**METHODIST INSURANCE PUBLIC LIMITED COMPANY**

(Adopted by Special Resolution passed on 21st October 1992)

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**PART I**

**PRELIMINARY**

1. The regulations in Table A in the Schedule to the Companies (Tables A - F) Regulations 1985 shall not apply to the Company.
2. In these presents (if not inconsistent with the subject or context and save as expressly provided herein) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:-

The Act

The Companies Act 1985.

Conference	The meaning given in the Methodist Church Act 1976.
Group	The Company and its subsidiaries.
Methodist Church	The meaning given to those words in the Methodist Church Act 1976.
Office	The registered office of the Company for the time being.
Paid	Paid or credited as paid.
These presents	These Articles of Association from time to time altered by Special Resolution.
Seal	The Common Seal of the Company.
The Statutes	The Act and every other Act for the time being in force concerning companies and affecting the Company.
Transfer Office	The place where the Register of Members is situate for the time being.
The United Kingdom	Great Britain and Northern Ireland.
Month	Calendar Month.
Year	Calendar Year.
In writing	Written, which expression shall include typewriting, printing, lithography, photography and other modes of representing and reproducing words in a legible and non-transitory form.

The expressions "debenture" and "debenture holder" shall respectively include "debenture stock" and "debenture stockholder".

In these presents any reference to any statutory provision or enactment shall include any statutory modification or re-enactment thereof.

The expression "Secretary" shall mean any person qualified in accordance with the Statutes appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.

Words denoting the singular shall include the plural and vice versa. Words denoting persons shall include corporations.

A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these presents.

The headings are inserted for convenience only and do not affect the construction of these presents.

Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these presents.

## **PART II**

### **SHARE CAPITAL OF THE COMPANY**

3. The authorised share capital of the Company at the date of adoption of these presents is £112,500 divided into 18750 Shares of £6 each.

## **PART III**

### **BUSINESS OF THE COMPANY**

4. The business of the Company includes the business specified in the Memorandum of Association from time to time, and all incidental matters.

5. The forms of the Company's policies of insurance shall be from time to time determined by the Directors or such persons as they shall appoint for the purpose. It shall be wholly left to the discretion of the Directors or to such persons as the Directors may from time to time appoint for that purpose to accept or refuse proposals for insurances.
6. No person except the Directors and persons expressly authorised by them and acting within the limits of the authority so conferred on them shall have any authority to effect any insurance by the Company, or to agree to effect any such insurance, or to enter into any other contract or engagement so as to impose thereby any liability on the Company.

#### VARIATION OF RIGHTS

7. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the quorum shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares

of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

8. The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of the issue thereof, be deemed to be varied by 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.

#### **PURCHASE BY THE COMPANY OF ITS OWN SHARES**

9. (A) Subject to paragraph (B) below the Company may purchase its own shares (including any redeemable shares) in any manner authorised by the Act and with and subject to all prior authorities of the Company in General Meeting as specified under the Act provided however that the Company may not purchase any of its shares under this Article if as a result of the purchase of the shares in question there would no longer be any member holding shares in the Company other than redeemable shares.
- (B) The Company may not purchase its own shares if at the time of such purchase there are outstanding any convertible securities of the Company unless such purchase has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of the convertible securities.

#### **ALTERATION OF SHARE CAPITAL**

10. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

11. (A) The Company may by Ordinary Resolution:-

- (i) Consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares.
- (ii) Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled.
- (iii) Sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

(B) Upon any consolidation of fully paid shares into shares of larger nominal value the Directors may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale and for such purpose may appoint some person to transfer the

consolidated share to the purchaser and may cause the name of the purchaser or the holder of the shares comprised in any such transfer to be entered into the Register of Members and such person shall not be bound to see to the application of the purchase money nor shall such person's title to the shares in any way be affected by any invalidity or irregularity in the proceedings in reference to the sale.

12. The Company may by Special Resolution reduce or cancel its share capital or any capital redemption reserve or share premium account in any manner and with and subject to any conditions, authorities and consents required by law.

#### STOCK

13. The Company may from time to time by Ordinary Resolution convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class in the capital of the Company into stock, any shares of that class which subsequently become fully paid up and rank pari passu in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.
14. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an Ordinary Resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.
15. The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at general



meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right (except as to participation in dividends and in assets on a reduction of capital or winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.

16. All such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" herein shall also include "stock" and "stockholder" respectively.

### **SHARES**

17. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.
18. (A) Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether in regard to dividends, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine).
- (B) Subject to the provisions of the Statutes, any shares of the Company, whether preference shares or otherwise, may, with the sanction of an Ordinary Resolution, be issued on terms that such shares are, or at the option of the Company or the holder of such shares are liable, to be redeemed on

such terms and in such manner as the Company before the issue of the shares may by Ordinary Resolution determine.

19. Subject to the provisions of the Statutes (and of any resolution of the Company in General Meeting passed pursuant thereto) and of these presents, all unissued shares shall be at the disposal of Directors and they may allot with or without conferring a right of renunciation, grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.
20. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.
21. Subject to the provisions of the Statutes and of these presents, the Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

#### **SHARE CERTIFICATES**

22. Every definitive share certificate shall be issued under the Seal or in such other manner as the Directors having regard to the terms of issue and the Statutes may authorise and shall specify the number and class of shares to which it relates and the amount paid up thereon. No definitive certificate shall be issued representing shares of more than one class.
23. In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one or more joint holders shall be sufficient delivery to all.
24. Subject to the provisions of these presents any person whose name is

entered in the Register of Members in respect of any shares of any one class upon the issue or transfer thereof shall be entitled without payment to a certificate therefor (in the case of issue) within two months (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer) transfer.

25. (A) Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares be issued in lieu without charge.
- (B) Any two or more certificates representing shares of any one class held by any member may at such person's request be cancelled and a single new certificate for such shares issued in lieu without charge.
- (C) If any member shall surrender for cancellation a share certificate representing shares held by such person and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as such person may specify, the Directors may, if they think fit, comply with such a request.
- (D) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if the old certificate is alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and (in either case) to the payment of such exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
- (E) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

26. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under a seal or in such other manner as the Directors (subject to the provisions of the Statutes) may authorise. The Directors may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

#### **CALLS ON SHARES**

27. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
28. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on such person's shares. The joint holders of a share shall be jointly and severally liable to pay all instalments and calls in respect thereof and any of such persons may give effectual receipts for any return of capital in respect of such share. A call may be revoked or postponed as the Directors may determine.
29. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 per cent per annum) as the Directors may determine and shall also pay all costs charges and expenses which the Company may have incurred or

become liable for in order to procure payment of or in consequence of non payment of such call but the Directors shall be at liberty in any case or cases to waive payment of such interest, costs, charges and expenses wholly or in part.

30. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of the issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of the issue the same becomes payable. In case of non-payment all the relevant provisions of these presents 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.
31. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.
32. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
33. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by such person and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding 12 per cent per annum) as the member paying such sum and the Directors agree upon. The Directors may also at any time repay the amount so advanced upon giving to such member one month's notice in writing.

## FORFEITURE

34. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on such person requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
35. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
36. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder and in such case reference in these Articles to forfeiture shall include surrender.
37. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be annulled by the Directors on such terms as they think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

38. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of those shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by such person to the Company in respect of the shares with interest thereon at such rate (not exceeding 15 per cent per annum) as the Directors may determine from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.
39. Where any share has been forfeited, notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share and an appropriate entry made in the Register of Members; but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or make such entry as aforesaid.
40. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### **LIEN**

41. Subject to the provisions of Section 150 of the Act, the Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.
42. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently

payable nor until the expiration of fourteen 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 given to the holder for the time being of the share or the person entitled thereto by reason of such holder's death or bankruptcy.

43. 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 debts or liabilities in respect whereof the lien exists so far as the same are 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) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.

44. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall such person's title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

#### **TRANSFER OF SHARES**

45. Unless the Directors otherwise determine (subject to the provisions of the Statutes) all transfers of shares may be effected by transfer



- in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. In such case the instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
46. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The Register of Members shall not be closed for more than thirty days in any year.
47. (A) The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares whether fully paid or not.
- (B) If the Directors refuse to register a transfer pursuant to the provisions of this Article they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
48. (A) The Directors may decline to recognise any instrument of transfer unless the instrument of transfer (duly stamped) is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on such person's behalf, the authority of that person so to do).
- (B) All instruments of transfer which are registered may be retained by the Company.
49. No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration

or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.

#### DESTRUCTION OF DOCUMENTS

50. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of any instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-

- (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled;
- (iii) References herein to the destruction of any document include references to the disposal thereof in any manner.

## TRANSMISSION OF SHARES

51. In case of the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where such person was a sole or only surviving holder, shall be the only person or persons recognised by the Company as having any title to or interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by such holder.
52. Any person becoming entitled to a share in consequence of a death or bankruptcy of a member or of any other event giving rise by operation of law to such entitlement may (subject as herein provided) upon supplying to the Company such evidence as the Directors may reasonably require to show such person's title to the share either be registered as a holder of the share upon giving the Company notice in writing of such person's desire to be so registered or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member or other event as aforesaid had not occurred and the notice or transfer were a transfer executed by such member.
53. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or other event giving rise by operation of law to such entitlement shall (upon supplying to the Company such evidence as the Directors may reasonably require to show such person's title to the share) be entitled to the same dividends and other advantages as those to which such person would be entitled if such person were the registered holder of the share except that such person shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until such person shall have been registered as a member in respect of the share Provided Always that the Directors may at any time give notice

requiring any such person to elect either to be registered or to transfer the share, and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### **PART IV**

#### **GENERAL MEETINGS**

54. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting and the next. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
55. The Directors may whenever they think fit, and shall, on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting. Whenever the Directors shall convene an Extraordinary General Meeting on the requisition of members, they shall convene such meeting for a date not more than 28 days after the date of the notice convening the meeting. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

#### **NOTICE OF MEETINGS**

56. An Annual General Meeting and any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and any other General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and

of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such (if any) as are not under the provisions of these presents entitled to receive such notices from the Company: Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-

- (A) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and
- (B) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate any General Meeting or any proceedings thereat.

- 57.
- (A) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of such person and that a proxy need not be a member of the Company.
  - (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
  - (C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.

58. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-
- (i) determining the application, appropriation or disposal of the profit or balance of profit pursuant to Article 116 and (if appropriate) declaring dividends;
  - (ii) receiving and considering the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
  - (iii) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
  - (iv) re-appointing the retiring Auditors (other than Auditors last appointed otherwise than by the Company in General Meeting);
  - (v) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

#### **PROCEEDINGS AT GENERAL MEETINGS**

59. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as Chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither shall be present within fifteen minutes after the time appointed for holding the meeting or willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be Chairman of the meeting.
60. No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Four members present in person or by proxy and entitled to vote at that meeting shall be a quorum for all purposes.

61. If within half an hour from the time appointed for a General Meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day (being not less than seven days thereafter) and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the Chairman of the meeting may determine and in the latter case not less than seven days' notice of the adjourned meeting shall be given in the like manner as in the case of the original meeting. At the adjourned meeting any two members present in person or by proxy shall be a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.
62. The Chairman of the meeting may with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for any adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of any adjourned meeting shall be given in like manner as in the case of the original meeting.
63. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
64. Any proposed amendment to an Ordinary Resolution shall, unless the amendment be proposed by the Chairman of the meeting, not be valid unless notice of such proposed amendment shall have been received at the Office at least 48 hours prior to the time of the meeting or adjourned meeting. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out

of order by the Chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by an error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

#### VOTING

65. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-
- (i) the Chairman of the meeting; or
  - (ii) not less than four members present in person or by proxy and entitled to vote at the meeting; or
  - (iii) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (iv) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
66. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the Chairman of the meeting that a resolution has 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 that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or



tickets) as the Chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by such person for the purpose of declaring the result of the poll.

67. (A) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
- (B) If any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman be of sufficient magnitude to merit the vitiation of such result.
68. No poll shall be demanded on the election of a Chairman of the meeting or on a question of adjournment. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTES OF MEMBERS

69. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents (whether pursuant to Article 75(B) or otherwise) to any shares or class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which such person is the holder.

70. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.
71. Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the grounds (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.
72. No member shall, unless the Directors otherwise determine, be entitled to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by such person to the Company in respect of shares in the Company remains unpaid.
73. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and any vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
74. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all such votes or cast all such votes in the same way.

#### **DISENFRANCHISEMENT**

75. (A) It is to be regarded as a cardinal principle of the Company

that all members and persons interested in shares of the Company shall comply with those provisions of Part VI of the Act and any statutory modification or re-enactment thereof whereby the Company is empowered by notice in writing to require any member or other person as aforesaid within such reasonable time as is specified in the notice to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that member or in which such other person as aforesaid is interested (which provisions in this Article are referred to as "the statutory disclosure requirements").

(B) If any holder of or any other person appearing to be interested in any shares of the Company fails within such reasonable time as is specified in the said notice from the Company (being not less than 14 days after the date of service of such notice) to comply with the statutory disclosure requirements then from the time of such failure and until whichever is the earlier of (i) compliance with the statutory disclosure requirements and (ii) transfer of the shares pursuant to an arms length sale (as defined in paragraph D below):

- (1) (should the Directors so resolve) such holder shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of all the shares for the time being registered in the account in the register of members of the Company in respect of which such notice was served;
- (2) (in circumstances where the holding represents at least 3% of the issued shares of the relevant class and should the Directors so resolve) the payment of dividends in respect of such shares may be withheld; and

- (3) (in circumstances where the holding represents at least 3% of the issued shares of the relevant class and should the Directors so resolve) such holder shall not be entitled to transfer such shares otherwise than pursuant to an arms length sale.
- (C) For the purposes of this Article a person shall be treated as appearing to be interested in any shares if the holder of shares has been served a notice pursuant to Section 212 of the Act and such notice (together with such other notices (if any) as shall have been served upon any other persons in respect of the shares in question) fails to establish the identities of those interested or who have been interested in the shares and the Company knows or has reasonable cause to believe that someone other than the holder or the persons whose identities have been revealed is or has been interested in the shares.
- (D) For the purposes of this Article "an arms length sale" shall mean a sale to an unconnected party under which the beneficial ownership of the shares in question passes and shall include (but without limitation) a sale through a recognized investment exchange (as defined in the Financial Services Act 1986) or other recognized market or a sale in connection with acceptance of a takeover offer for the Company (as defined in Section 14 of the Company Securities (Insider Dealing) Act 1985).

#### PROXIES

76. A proxy need not be a member of the Company.
77. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:-
- (i) in the case of an individual shall be signed by the appointor or by such person's attorney; and

- (ii) in the case of a corporation shall be either given under its common seal, executed pursuant to Section 36A of the Act, or signed on its behalf by an attorney or a duly authorised officer of the corporation.

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

78. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which the person named in the instrument proposes to vote, and in default shall not be treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
79. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
80. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office at least one hour before the commencement of the meeting or

adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

81. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purpose of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.

#### **PART V**

#### **DIRECTORS**

82. Subject as hereinafter provided the Directors shall not be less than six nor more than twelve in number. The Company may by Ordinary Resolution from time to time vary the minimum and maximum number of Directors. Except during the period of any temporary vacancy at least two of the Directors for the time being shall be ordained Ministers, Deacons or Deaconesses of the Methodist Church and not less than two thirds of the Directors for the time being shall be members of or on the community roll of the Methodist Church Provided Always for the avoidance of doubt that for the purposes of this clause any acts done by the Directors at a time when less than the required number of Directors are members of or on the community roll of the Methodist Church shall not be invalidated as a result thereof.
83. Unless otherwise determined by the members in General Meeting in accordance with the Act no person shall be appointed a Director of the Company who has attained the age of 70 years and a Director shall vacate office at the next Annual General Meeting after attaining the age of 70 and in respect of such vacation of office no provision

contained in these Articles for automatic reappointment of retiring Directors in default of another appointment shall apply but any such vacancy may be filled as a casual vacancy.

84. The qualification of every Director shall be the holding of shares of the Company to the nominal value of not less than one hundred pounds. A Director may act before acquiring such qualification, but shall acquire the said qualification within three months of being appointed a Director.
85. Each Director shall be entitled to receive notice of and to attend and speak at any General Meeting of the Company and at any separate General Meeting of the holders of any class of shares in the capital of the Company.
86. (A) Until otherwise determined by the Company by Ordinary Resolution, there shall be paid to the Directors such fees for their services in the office of Director as the Directors may determine (not exceeding in the aggregate an annual sum of £60,000 or such larger amount as the Company may by Ordinary Resolution decide) divided between the Directors as they agree, or, failing agreement, equally;
- (B) Any remuneration payable under this Article may be increased separately by the Board of Directors notwithstanding the provisions hereof if such increase is solely to meet the costs of any Value Added Tax properly payable on such remuneration of a recipient who holds the appointment of Director or Chairman in the course of such person's trade, profession or vocation.
87. Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director (including going or residing abroad in connection with the

conduct of any of the affairs of the Company), may be paid such extra remuneration by way of lump sum, salary, commission, percentage of profits, or otherwise as the Directors may determine.

88. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending Meetings of the Directors or of Committees of the Directors or General Meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors shall be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.

89. (A) A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. No Director shall be disqualified by such person's office from contracting with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise, nor subject to Section 320 of the Act shall any such contract nor any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor subject also to Section 320 of the Act shall any Director so contracting or being interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, provided that the nature of such person's interest shall be disclosed by such person in accordance with the provisions of the Statutes.

(B) A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the



Company or in which the Company may be interested as a shareholder or otherwise, and unless otherwise agreed by such Director, shall not be accountable for any remuneration or other benefits received by such person as a director or officer of, or by virtue of such person's interest in, such other company. The Directors may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner and in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company or voting or providing for the payment or remuneration to the directors or officers of such other company.

#### **MANAGING AND EXECUTIVE DIRECTORS**

90. (A) The Directors may from time to time appoint one or more of their body to be Managing Director or joint Managing Directors of the Company or to hold such other Executive Office in relation to the management of the business of the Company as they may decide for such period as they think fit (subject to Section 319 of the Act), and may, from time to time (subject to the provisions of any service contract between such person or persons and the Company and without prejudice to any claim for damages such persons or persons may have for breach of any such service contract), remove or dismiss such person or persons from such office and appoint another or others in their place or places.
- (B) A Managing Director or such Executive Director shall not while continuing to hold that office be subject to retirement by rotation and shall not be taken into account in determining the rotation or retirement of Directors, but shall (subject to the provisions of Article 98 hereof and without prejudice to any claim for damages any such Managing Director or Executive Director may have for breach

of any service contract with the Company) be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company, and, if such Managing Director or Executive Director ceases to hold the office of Director from any cause, shall ipso facto and immediately (but without prejudice as aforesaid) cease to be a Managing Director or such Executive Director.

91. The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors (with the exception of the power to make calls, forfeit shares, borrow money or issue debentures) upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers, and (without prejudice to the terms of any contract entered into in any particular case) may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

92. The office of a Director shall be vacated in any of the following events, namely:-
- (i) If such person shall become prohibited by law from acting as a Director.
  - (ii) If such person shall resign in writing and leave such resignation at the Office or shall in writing offer to resign and the Directors shall resolve to accept such offer.
  - (iii) If such person shall become bankrupt, have a receiving order made against him or her or in Scotland have his or her estate sequestrated or shall compound with his or her creditors generally.
  - (iv) If in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground

(however formulated) of his or her mental disorder or such person becoming a patient under the Mental Health Act 1959 for such person's detention or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his or her property or affairs.

- (v) If such person shall be removed from office by notice in writing served upon him or her signed by all such person's co-Directors being not less than two in number, but so that if such person holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service with the Company.
- (vi) If such person be absent from meetings of the Directors for twelve months without leave, and the Directors resolve that such person's office be vacated.
- (vii) If such person becomes prohibited from being a Director pursuant to the provisions of the Company Directors Disqualification Act 1986.
- (viii) If such person ceases to hold the necessary share qualification, or does not obtain the same within two months of the date of his or her appointment.
- (ix) If such person ceases to be a Director in accordance with Article 83.

- 93. At each Annual General Meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.
- 94. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to

retire and not to offer himself or herself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Directors at the date of the Notice convening the Annual General Meeting, and no Director shall be required to retire or to be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such Notice but before the close of the Meeting.

95. The Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:-

- (i) Where at such meeting it is expressly resolved not to fill such office or the resolution for the re-election of such Director is put to the meeting and lost.
- (ii) Where such Director has given notice in writing to the Company that he or she is unwilling to be re-elected.
- (iii) Where the default is due to the moving of a resolution in contravention of the next following Article.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect another person in the place of the retiring Director or a resolution for such person's re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without break.

96. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by a meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
97. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than thirty days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing, signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given, of such member's intention to propose such person for election and also notice in writing signed by the person to be proposed of such person's willingness to be elected.
98. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim such person may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any other person so appointed shall be treated for the purpose of determining the time at which such person or any other Director is to retire by rotation as if such person had become a Director on the day on which the Director in whose place such person is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.
99. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall also have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in

accordance with these presents. Any person so appointed by the Directors shall hold office until the next Annual General Meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

#### MEETINGS AND PROCEEDINGS OF DIRECTORS

100. Subject to the provisions of these presents the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Save as the Directors may otherwise decide, the Directors shall hold meetings once a quarter. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. Notice of a meeting shall be deemed to be duly given to a Director if it is given to such Director personally or by word of mouth or sent in writing to such person at his or her last known address or any other address given by such Director to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board of Directors that notice of a meeting shall during his or her absence be sent in writing to such person at his or her last known address or any other address given by such Director to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retrospective.

101. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be three. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. For the purposes of determining whether a quorum is present:-

- (i) in the case of a resolution agreed by Directors in telephonic communications, all such Directors shall be

counted in the quorum.

- (ii) in the case of a meeting of Directors, in addition to the Directors present at the meeting any Director in telephonic communication with such meeting shall be counted in the quorum.

102. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote.

103. (A) Subject as provided in these presents, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which such Director has any material interest otherwise than by virtue of such Director's interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which such Director is debarred from voting.

(B) A Director who to his or her knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of that interest at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, if such Director knows the interest then exists or in any other case at the first meeting of the Directors after such Director knows that he or she is or has become so interested. A general notice to the Directors given by a Director to the effect that such Director is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be

effective unless either it is given at a meeting of the Directors or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Directors Meeting after it is given.

(C) Subject to the provisions of the Statutes and as provided in these presents, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-

- (i) The giving of any security or indemnity to such Director in respect of money lent or obligations incurred by such person at the request of or for the benefit of the Company or any of its subsidiaries.
- (ii) The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which such Director has personally assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.
- (iii) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer such Director is or is to be interested as a participant in the underwriting or sub-underwriting thereof.
- (iv) Any proposal in which such Director is interested by virtue of his or her interest in shares or debentures or other securities of the Company or



by reason of any other interest in or through the Company.

(v) Any proposal concerning any other company in which such Director is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that such Director (together with any person connected with such Director within the meaning of Section 346 of the Act) is not the holder of or beneficially interested in one per cent or more of the issued shares of any class of such company (or of any third company through which such person's interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances).

(vi) Any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to Directors and employees of the Company or any of its subsidiaries and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates.

(vii) any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner as the employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such arrangement relates.

- (viii) any proposal concerning any insurance which the Company is empowered to purchase or maintain for or for the benefit of any Directors of the Company or for any group of persons including Directors of the Company, as is referred to in Articles 114 and/or 154.
- (D) Where proposals are under consideration concerning the amount and level of fees payable to Directors for their services as Directors (as opposed to employees) and the level of any fees payable to Directors for attendance at Directors or Committee meetings and the terms of any such payments then and (subject always to the provisions of Article 86(A)) each Director shall be entitled to vote thereon and be counted in the quorum at such meeting notwithstanding that such Director may benefit from the said proposal.
- (E) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (C) (v) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning such person's own appointment.
- (F) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by such person voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and the Chairman's ruling in relation to any other Director shall be final and

conclusive except in a case where the nature or extent of the interests of the Director concerned has not been fairly disclosed.

(G) Subject to the Statutes, the Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

104. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents the continuing Directors or Director may act for the purposes of filling up such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.
105. At the first meeting of Directors after the first General Meeting (whether Annual or Extraordinary) in every year, a Chairman and a Deputy Chairman of the Directors shall be elected for the coming year such offices to continue until the next such General Meeting. Should the Chairmanship become vacant during the year the Deputy Chairman shall become Chairman and the Directors shall at their first meeting after such vacancy occurs elect a Deputy Chairman for the remainder of the year. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting neither be 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.
106. A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors.
107. The Directors may delegate any of their powers or discretions to committees consisting of two or more members of their body. Any committee so formed shall in the exercise of the powers so delegated

conform to any regulations which may from time to time be imposed by the Directors and shall keep minutes of its proceedings and submit the same to the next meeting of the Directors.

108. The meetings and proceedings of any such committee shall be governed mutatis mutandis by the provisions of these presents regulating the meetings and proceedings of the Directors so far as the same are not superseded by any regulations made by the Directors under the last preceding Article except that a quorum shall be two committee members.
109. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

#### **BORROWING POWERS**

110. (A) Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (B) The Directors shall restrict the borrowings of the Company so as to secure that the aggregate amount for the time being remaining undischarged of all monies borrowed by the Company shall not at any time without the previous sanction of an Ordinary Resolution of the Company in General Meeting exceed a sum equal to the aggregate of:--

- (i) the nominal share capital of the Company for the time being issued and paid up; and
- (ii) the amounts standing to the credit of the Consolidated Capital and Revenue Reserves (including Share Premium Account, Capital Redemption Reserve and Profit and Loss Account) of the Company;

as shown by the latest audited consolidated Balance Sheet of the Company but after

- (a) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital, the Share Premium Account and the Capital Redemption Reserve of the Company since the date of its latest audited Balance Sheet;
- (b) except so far as provided for in such consolidated Balance Sheet:
  - (i) excluding therefrom any sums set aside for future and deferred taxation;
  - (ii) deducting therefrom (aa) an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited Balance Sheet and which have been declared, recommended or made since that date; and (bb) any debit balances on Profit and Loss Account; and
- (c) making such adjustments as may be appropriate to reflect any variation in the amount of such share capital and reserves which would result from any

transaction for the purpose of which this calculation is being made or any transaction to be carried out contemporaneously therewith and so that for this purpose if any proposed allotment of shares for cash has been underwritten then, at any time when the underwriting of such shares shall be unconditional, such shares shall be deemed to have been allotted and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than four months after the date of allotment) shall be deemed to have been paid up to the extent that the underwriters are liable therefor;

(C) For the purposes of this Article "borrowings" shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account:

- (i) The outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of the Company not being acceptances of trade bills for the purchase of goods in the ordinary course of business;
- (ii) The principal amount of any debenture (whether secured or unsecured) of the Company;
- (iii) Any premium payable on repayment on any borrowing or deemed borrowing;

but shall be deemed not to include:-

- (iv) Borrowings for the purpose of repaying the whole or any part of borrowing by the Company for the time being outstanding and so to be applied

within 6 months of being so borrowed, pending such application for such purpose within such period; and

(v) Borrowings for the purpose of financing any contract in respect of which any part of the price receivable by the Company is guaranteed or insured by the export credits guarantee department of the Department of Trade and Industry or by any other governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

(D) A report by the Auditors for the time being of the Company as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (B) of this Article be owing by the Company without such sanction as aforesaid shall be conclusive in favour of the Company and all persons dealing with the Company.

(E) No person dealing with the Company shall by reason of the foregoing be concerned to see or enquire whether the limit hereby imposed is observed and no debt incurred or security given in respect of monies borrowed in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice having been given, at the time when the debt was incurred or security given, that the limit hereby imposed had been or would thereby be exceeded.

111. Any debentures or other securities issued or to be issued by the Company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider shall be for the benefit of the Company.

## GENERAL POWERS OF DIRECTORS

112. The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.
113. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in such attorney.
114. (i) The Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the spouses, widows, widowers, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and



contribute to all kinds of pensions, schemes, trusts and funds for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for such Director's own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise).

- (ii) The Directors may establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well being of the Company or of any other company as aforesaid or of any such persons as aforesaid and make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (iii) The Directors may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
- (iv) The Directors shall have power to the extent permitted by law to purchase and maintain insurance for the benefit of such persons as are referred to in paragraph 4(ii) of the Memorandum of Association.

115. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts of moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

#### **PART VI**

#### **RESERVES AND GRANTS, DIVIDENDS AND CAPITALISATION OF PROFITS**

#### **RESERVES AND GRANTS**

116. (A) Before recommending a Dividend the Directors may set aside

any part of the net profits of the Company to a Reserve Fund or Funds, and may apply the same either by employing it in the business of the Company or by investing it in such manner as they shall think fit, and the income arising from such Reserve Fund or Funds shall be treated as part of the gross profits of the Company. Such reserve Fund or Funds may be applied for the specific purposes for which it has or they have been created and/or for any other purpose for which the net profit of the Company may lawfully be used, and until the same shall be so applied it or they shall be deemed to remain undivided profit.

- (B) The powers conferred by clause 4(vi) of the Company's Memorandum of Association shall be exercisable by the Company in General Meeting on the recommendation of the Directors. Without in any way limiting the manner in which the profits of the Company may be disposed of for the benefit of the objects referred to in such clause 4(vi) or any of them, a General Meeting of the Company may on the recommendation of the Directors from time to time, determine to pay and continue to pay for any period to any of the said objects such amount or amounts as may be thought fit, and may determine that the Company shall enter into a Bond or Covenant to pay such amounts accordingly but save in so far as the existence of such Bonds or Covenants may in any year involve the distribution of the whole of the Company's profit or balance of profit of such year nothing herein contained shall be construed as importing an obligation on the Company to distribute the whole of its profit or balance of profit of any year, or as in any way limiting the discretion of the Directors as respects the amounts to be appropriated to the Reserve Funds of the Company. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to divide or to place to reserve.

## DIVIDENDS

117. Subject to the Statutes, the Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors and shall not in any event exceed 2 pence per annum in respect of each nominal amount of £6 of issued share capital.
118. In so far as, in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.
119. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.
120. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
121. Subject to the provisions of the Statutes, where any asset, business or property is acquired by the Company as from a past date the profits and losses arising therefrom as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

122. (A) The Directors 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 debts, liabilities or engagements in respect of which the lien exists, and may further deduct from any dividend all sums of money (if any) presently payable by a member to the Company on account of calls or otherwise in relation to shares of the Company.
- (B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- (C) The Directors may withhold payment of dividends payable upon shares in respect of which the holder or other person appearing to be interested therein for the purposes of Article 75 hereof has failed to comply with the statutory disclosure requirements under the terms of Article 75 provided that this restriction shall cease to be applicable following the earlier of (i) compliance with the statutory disclosure requirements and (ii) transfer of the shares pursuant to an arms length sale as defined in Article 75(D) and any dividend monies then retained thereon shall be paid in accordance with Article 125 hereof to the person appearing to the Company to be entitled thereto.
123. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the holder thereof (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

124. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
125. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons) or to such person and such address as such member or person or persons may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to have the money represented thereby.
126. 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, bankruptcy or mental disorder of the holder or by operation of law or any other event, any one of them may give effectual receipts for any dividend or other money payable or property distributable on or in respect of the share.
127. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, 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.

#### CAPITALISATION OF PROFITS

128. The Company may, upon the recommendation of the Directors, at any time and from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve and accordingly that such amount be set free for distribution among the members or any class of members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such members respectively or in payment up in full of unissued shares or debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such members, or partly in one way and partly in the other, and the Directors shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve may be applied only in the paying up of unissued shares to be allotted to such members credited as fully paid.

129. Where any difficulty arises in regard to any distribution under the last preceding Article the Directors may settle the same as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the Directors. The Directors may appoint any person to sign on behalf of the persons entitled to

participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the members.

## **PART VII**

### **GENERAL**

#### **SECRETARY**

130. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between such Secretary and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they think fit one or more Assistant Secretaries.
131. A provision of the Statutes or these presents requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by it being done by or to the same person acting as Director and as, or in the place of, the Secretary.

#### **THE SEAL**

132. (A) The Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.
- (B) Every instrument to which the seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signatures.

- (C) The Directors or a committee authorised by Directors may authorise a document to be executed in accordance with Section 36A(4) of the Act without the use of the Seal.

133. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

#### **AUTHENTICATION OF DOCUMENTS**

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

#### **ACCOUNTS**

135. (A) Once at least in every year the Directors shall lay before the Company in General Meeting a profit and loss account giving a true and fair view of the profit or loss of the Company for the financial year to which it relates and a balance sheet giving a true and fair view of the state of affairs of the Company as at the date to which the profit and loss account is made up being a date not more than



seven months before the date of the meeting. If the Company shall be a holding company as defined by the Statutes there shall with the said profit and loss account and balance sheet also (except in so far as the Statutes otherwise permit) be laid before the Company in General Meeting a consolidated balance sheet dealing with the state of affairs at the end of the financial year of the Company and its then subsidiaries. The Directors shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the provisions of the Statutes applicable thereto.

- (B) The Directors shall also cause to be prepared, presented and where appropriate deposited all profit and loss accounts, balance sheets, reports and statements which may be required (in relation to a company engaged in the type of business transacted by the Company) by the Statutes or any other statutory provision which shall from time to time apply to the Company.

136. Every such balance sheet, profit and loss account, consolidated balance sheet and consolidated profit and loss account, shall be signed in such manner as may be required by the Statutes. There shall also be attached to the balance sheet a report by the Directors with respect to such matters as are by the Statutes required to be dealt with therein.

137. (A) Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or as ordered by a court of competent jurisdiction or as

authorised by the Directors or the Company in General Meeting.

- (B) Save as may be necessary for complying with the provisions of the Statutes or as the Company may by Extraordinary Resolution otherwise resolve, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the Company nor to give any information with reference to the same to any member.

138. A copy of the Directors' report and of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these presents. Provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

#### AUDITORS

139. (A) Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.
- (B) Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in such Auditor's appointment or that such Auditor was at the time of appointment not qualified for appointment or subsequently became disqualified.

140. An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns such person as Auditor.

#### NOTICES

141. Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his or her registered address, or (if such member has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by such member to the Company as such member's address for the service of notices, or by delivering it to such address addressed as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second-class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
142. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purposes a joint holder having no registered address in the United Kingdom and not having supplied an address in the United Kingdom for the service of notices shall be disregarded.
143. A person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or by operation of law or any other event, upon supplying to the Company such evidence as the Directors may reasonably require to show such person's title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him or her at such address any notice or document to which the member but for such death or bankruptcy would be entitled,

and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under such person) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company have notice of such member's death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

144. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.
145. Nothing in any of the preceding five Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.
146. Every person who by operation of law, transfer or other means shall have become entitled to any share shall be bound by every notice in respect of such share which, previously to such person's name and address being entered in the Register of Members, shall have been duly given to the person from whom he or she derives title to such share other than notice given under Article 75 or under the provisions of Section 212 of the Act.

#### **MINUTES**

147. The Directors shall cause minutes to be made of the following matters, namely:-
- (i) of all appointments of officers and Committees made by the Directors;

- (ii) of the names of Directors present at every meeting of the Directors or of Committees of Directors; and
- (iii) of all orders, resolutions and proceedings of all General Meetings and of meetings of the Directors and Committees of Directors.

Any such minute as aforesaid, if purporting to be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

148. The Company shall keep and make available for inspection:-

- (i) as required by Section 318 of the Act copies and/or memoranda of the Directors' service contracts;
- (ii) as required by Section 325 of the Act a register of the Directors' interests in shares or debentures of the Company or any other body corporate being the Company's subsidiary or holding company or a subsidiary of the Company's holding company, which register shall be produced and remain open at each Annual General Meeting;
- (iii) all such registers and reports as the Company is required to keep under Part VI of the Act; and
- (iv) as required by Section 401 of the Act a register of all mortgages and charges affecting the property of the Company.

#### UNTRACED MEMBERS

149. (A) The Company shall be entitled to sell (in such manner and for such price as the Directors think fit) the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that the following conditions are satisfied:-

- (i) for a period of twelve years, being a period during which at least 3 dividends in respect of the shares in question have become payable, no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share stock or debenture or loan stock at the address on the Register or 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 entitled by transmission; and
  - (ii) the Company has at the expiration of the said period of twelve years given notice by advertisement in both a national daily newspaper and in a newspaper circulating in the area in which the address referred to in paragraph A(i) of this Article is located of its intention to sell such share, stock or debenture or loan stock; and
  - (iii) the Company has not during the further period of three months following the publication of the said advertisements or following the later publication if the two advertisements are published on different dates and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission.
- (B) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such shares or any of them and such instrument of transfer 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 transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The Company shall be obliged to account to the former member or other person previously entitled for the net proceeds of sale by carrying such proceeds to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor for such amount and not a trustee in respect of the debt for such former member or person and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, 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 or its holding company if any) as the Directors may from time to time think fit.

#### **WINDING-UP**

150. The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.
151. The power of sale of a Liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.
152. (A) In a winding-up the holder of each share in the capital of the Company shall be entitled to receive the amount paid up or credited as paid up thereon (otherwise than as a result of a capitalisation of any reserves or profits of the Company) but shall not have any further right to participate in the surplus assets of the Company.

- (B) The balance of the surplus assets remaining after such distribution as aforesaid shall be distributed in such amounts and in such manner to or for the benefit of such Fund, Institution, Organisation, Charity or Society as is referred to in clause 4(vi) of the Company's Memorandum of Association or to or for any of such to the exclusion of the others, as the Company in General Meeting on the recommendation of the Directors shall determine.
153. Provided that no winding-up of the Company (not being a winding-up by the Court under Statute) shall take place, if, at or before the General Meeting at which the resolution to wind-up the Company is confirmed, any of the shareholders enter into a binding and sufficient contract to purchase at par, or on such other terms as are agreed on, the shares of all the shareholders who wish to retire from the Company and make sufficient provision for their indemnity against the liabilities of the Company.

#### **INDEMNITY**

154. (A) Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Secretary or other Officer of the Company, shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by such person in the execution and discharge of such person's duties or in relation thereto including any liability incurred by such person in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by such person as an officer or employee of the Company and in which judgment is given in such person's favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on such person's part) or in which such person is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted by the court.



(B) Without prejudice to any other provision hereof the Directors shall have power to purchase or maintain for any Director or officer of the Company insurance against any such liability as is referred to in section 310(1) of the Act.

155. If any Director or other person shall become personally liable for the payment of any sum principally due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

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Number of Company: 6369

**Methodist Insurance Public Limited Company**

At an Annual General Meeting of the above named Company held at the Company's Offices, Brazennose House, Brazennose Street, Manchester, on Monday 22<sup>nd</sup> April 2002, the following ORDINARY RESOLUTION was duly passed:-

That the Company's Articles of Association be amended by deleting from Article 86 (A) the figure £30,000 and substituting therefor the figure £60,000.

G Simpson, Secretary

CERTIFICATE OF INCORPORATION

ON RE-REGISTRATION AS A PUBLIC COMPANY

NUMBER 6369

I HEREBY CERTIFY THAT METHODIST INSURANCE PUBLIC LIMITED COMPANY has this day been re-registered under the Companies Acts 1948 to 1980 as a public company and that the Company is limited.

DATED at Cardiff the 7th January 1982.

B. HAYWARD,  
Assistant Registrar of Companies.

No. 6369

CERTIFICATE OF INCORPORATION OF A COMPANY

I hereby certify that METHODIST INSURANCE COMPANY LIMITED (originally called THE WESLEYAN METHODIST TRUST ASSURANCE COMPANY LIMITED, which name was changed by Special Resolution and with the Authority of the Board of Trade on the Thirteenth day of January, One Thousand Nine Hundred and Thirty Three) was Incorporated under the Companies Act 1862, as a Limited Company on the Nineteenth day of June, One Thousand Eight Hundred and Seventy Two.

Given under my hand at London, this Twenty Seventh day of February, One Thousand Nine Hundred and Thirty Three.

Fees Stamp - £0, 5s. 0d.

F. GREENWOOD  
Registrar of Companies.

CERTIFICATE OF CHANGE OF NAME

I hereby certify that THE WESLEYAN METHODIST TRUST ASSURANCE COMPANY LIMITED having, with the sanction of a Special Resolution of the said Company, and with the approval of the Board of Trade, changed its name is now called METHODIST INSURANCE COMPANY LIMITED, and I have entered such new name on the Register accordingly.

Given under my hand at London this Thirteenth day of January, One Thousand Nine Hundred and Thirty Three.

F. GREENWOOD,  
Registrar of Companies.