

Company Number: 78950

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

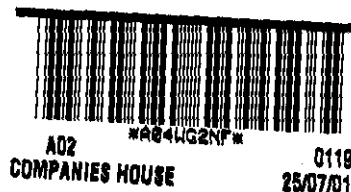
MEMORANDUM OF ASSOCIATION

of

AXA INSURANCE UK plc

1. The name of the Company is AXA Insurance UK plc*
2. The Company is to be a public company.
3. The Registered office of the Company is, and is to be, in England.
4. The objects for which the Company is established are:
 - (1) To carry on in England and elsewhere the business of a fire accident guarantee boiler life and general insurance Company, and insurance in all its branches, and in particular to grant insurances against injury or damage to or loss of property directly or indirectly caused by or resulting from fire, lightning, or explosions, and to guarantee the fidelity of persons filling, or about to fill, situations of trust or confidence, and the due performance of any duty, contract, or obligation by any person or persons.
 - (2) To guarantee the due performance and discharge by receivers, official and other liquidators, committees, guardians, executors, administrators, trustees, attorneys, brokers, agents, and others of their respective duties and obligations.

* On 1 July 1909 the name of the Company was changed from Provincial Fire Insurance Company Limited to Provincial Insurance Company Limited; on 24 January 1982 it was changed to Provincial Insurance Public Limited Company; on 23 May 1989 it was changed to Provincial Insurance plc; on 1 January 1996 it was changed to UAP Provincial Insurance plc; on 1 January 1998 it was changed to AXA Provincial Insurance plc; on 1 October 1998 it was changed to AXA Insurance plc and on 4 October 1999 it was changed to AXA Insurance UK plc.



- (3) To guarantee the payment of money secured by, or payable under, or in respect of debenture bonds, debenture stock, contracts, mortgages, charges, obligations, and securities of any Company, or of any authority, supreme, municipal, local, or otherwise, or of any persons whomsoever, whether corporate or incorporate.
- (4) To guarantee persons filling, or about to fill, situations of trust or confidence, against liabilities in connection therewith, and in particular against liabilities resulting from the misconduct of any co trustee, co agent, sub-agent, or other person, or from the insufficiency, imperfection, or deficiency of title to property, or from any insufficiency, imperfection, or deficiency in any security, or from any bankruptcy, insolvency, fraud or tortious act on the part of any other persons, or from any error of judgment, or misfortune.
- (5) To guarantee the title to, or quiet enjoyment of property, either absolutely, or subject to any qualifications or conditions, and to guarantee persons interested, or about to become interested in any property against any loss, actions, proceedings, claims or demands in respect of any insufficiency or imperfection, or deficiency of title, or in respect of any incumbrances, burdens, or outstanding rights.
- (6) To indemnify persons who are, or may become, sureties for others.
- (7) To grant, procure, and effect insurances or indemnities against loss, injury, or damage, by reason of accidents of any description to human beings or to animals, or against loss arising from sickness, bodily or mental incapacity; and to grant or effect insurances against, or upon the contingency of, injury, damage, or loss, by reason of accidents of any description, to real or personal property of any kind, including profits of trade and profession, arising from or in connection with, accidents, contingencies, risks, and events of any and every kind.
- (8) To grant and effect insurances against the risks to licences, or licensed property through any offence on the part of the licence holder, under the licensing laws and otherwise, and to grant and effect mortgage insurance of licensed property with full power to effect re-insurances and counter-insurances, and counter guarantees as may seem expedient.
- (9) To grant insurances against loss of, or injury to, personal luggage or effects of any person or persons travelling by any train, ship, steamer, boat, or otherwise.

- (10) To grant insurances against loss of, or damage to, parcels, goods and merchandise, in transit by land or sea, other otherwise.
- (11) To grant insurances against or upon the contingency of injury, damage, or loss occurring to real and personal property, including growing and standing crops, rolling stock, and all other fixed and moveable chattels, caused by, or resulting from, fire, lightning, explosions, electricity, subsidence, tempests, or the overflow or inundations of water, or from any other accidental cause.
- (12) To undertake the office of trustee, receiver, and liquidator, whether official or otherwise, executor, administrator, committee, manager, attorney, delegate, substitute, treasurer, and any other offices or situations of trust or confidence, and to perform and discharge the duties and functions incident thereto, and generally to transact all kinds of trust and agency business.
- (13) To furnish and provide deposits and guarantee funds required in relation to any tender or application for any contract, concession, decree, enactment, property, or privilege, or in relation to the carrying out of any contract, concession, decree, or enactment.
- (14) To grant insurances against proceedings, losses, costs, damages, claims and demands in respect of any accident, or alleged accident, resulting, or alleged to have resulted, in injury, whether fatal or otherwise, to any workman or other persons employed at, or in connection with, mines and to which the 'Coal Mines Regulation Act, 1887', or the 'Metalliferous Mines Regulation Act, 1872' apply.
- (15) To contract for and grant any such indemnity on such terms and subject to such qualifications and conditions as may seem expedient.
- (16) To take all such steps and do all such things as may seem to the Company expedient, with a view to investigating the circumstances of any accident, or alleged accident, and all other material facts, and to obtaining any information or evidence which may seem to have any bearing upon any claims or demands made, or to be made, in respect of such accident, or alleged accident, and to oppose, resist, compromise, or satisfy, wholly, or in part, any such claims and demands.
- (17) To promote and encourage the adoption of precautionary measures of all kinds, which may seem to the Company calculated to prevent accidents, or fires and to minimise the danger, and mitigate the consequences thereof.
- (18) To inspect and supervise any such mines and the operations carried on thereat.

- (19) To effect and obtain all such re-insurances, counter-insurances, and counter-guarantees, and adopt all such measures for mitigating the risks of the Company as may seem expedient to the Company.
- (20) To protect and grant indemnities from and against fraudulent or unfounded claims, and to take such steps to expose and defeat such claims, and to punish those who are concerned in making or supporting them as may seem desirable.
- (21) To grant insurances to protect principals and employers, and otherwise to indemnify principals or employers from or against injury, damage, or loss by reason of the fraud, theft, robbery, or other misconduct of persons in their employ, or acting on their behalf, and to grant, make, effect, or procure insurances to protect principals and employers and otherwise to indemnify principals and employers from or against liability by reason of injury, damage, or loss occurring to or caused by agents, servants or other employees in their employ or acting on their behalf.
- (22) Generally to carry on and transact every kind of guarantee business, and every kind of indemnity business, and every kind of counter guarantee and counter indemnity business, and generally every kind of insurance and re-insurance business, whether of the like or of a different kind, and whether now known or hereafter devised.
- (23) To carry on the business usually carried on by Accident, Indemnity, Guarantee, Life and Fire Companies including Personal Accident Insurance, Employers' Liability, Public Liability, and Indemnity Insurance, Burglary, House Breaking, and Larceny Insurance, Mortgage Insurance, Guarantee Insurance, Fidelity Insurance, Boiler Insurance, Fire Insurance, Marine Insurance, and the insurance and guarantee of all other contingency risks, and to establish, accumulate, provide, maintain, and pay sinking redemption, renewal, depreciation, and other special funds.
- (24) To acquire, or extinguish, or otherwise deal with any insurance made by the Company.
- (25) To grant assurances on lives, payable on death or on the attainment of a certain age, or on any other contingency connected with the duration of life; and to grant, purchase, invest in and/or sell endowments and annuities, either for lives, for years or on survivorships, and either immediate, deferred, determinable, contingent, reversionary or otherwise, and other estates, interests and securities, whether in real or personal property and whether reversionary or otherwise, and generally to undertake and transact all matters and business which may be in any way connected with or depend on contingencies.

- (26) To accumulate Capital for all or any of the purposes of the Company, and to create or set aside out of the capital or revenue of the Company a special fund or special funds, and to give to any class of its policy holders, or creditors, any preferential right over any fund or funds so created, and for such or any other purposes of the Company to place any portion of the Company's property in the names or under the control of Trustees, and to give to any class of policy holders a right to participate in the profits of the Company, or any branch of its business.
- (27) To pay, satisfy, and compromise any claims made against the Company which it may seem expedient to pay, satisfy, or compromise, notwithstanding the same may not be valid in law.
- (28) To carry on any other businesses which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of, or render profitable, any of the Company's property or rights.
- (29) To acquire and undertake the whole, or any part of the business, property, and liabilities of any person or Company carrying on any business which this Company is authorised to carry on, or possessed of property suitable for the purpose of this Company.
- (30) To enter into partnership, or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise, with any person or company carrying on, or engaged in, or about to carry on, or engage in, any business or transaction which this Company is authorised to carry on, or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.
- (31) To lend money to, guarantee the contracts of, or otherwise assist any person or Company.
- (32) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such government or authority, any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges, and concessions.
- (33) To purchase or otherwise acquire, lands of whatsoever tenure including the reversion of any premises held by the Company on lease, and to purchase or acquire and to construct houses, buildings, apparatus and appliances, and to use, let, sell, exchange, or otherwise deal with or dispose of same.

- (34) To lease, let out for hire, or make any arrangements for the working or development of, or to mortgage, sell, dispose of, or otherwise deal with the whole or any part of the business, lands, property, rights, privileges, or assets of any kind whatever of the Company for the time being, or any share or interest therein for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this Company.
- (35) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences, calculated to benefit employees or ex-employees or Directors or ex-Directors of the Company or any other company, or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general or useful, object.
- (36) To form, promote, subsidise, and assist companies, syndicates, and partnerships for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (37) Generally to purchase, take on lease or in exchange, hire, or otherwise acquire, any real and personal property, and any rights or privileges which the Company may think necessary or convenient for the purposes of its business.
- (38) To construct, maintain, and alter any buildings or works necessary or convenient for the purposes of the Company.
- (39) To take or otherwise acquire, hold, and dispose of shares, stocks, debentures, or other securities in or of any other company having objects altogether or in any part similar to those of this Company or capable of being conducted so as directly or indirectly to benefit this Company, and to invest and deal with the monies of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
- (40) To borrow or raise or secure the payment of money or any obligation of this Company or any third party in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital and to redeem or pay off any such securities.

- (41) To pay brokerage and commission and remunerate any person or Company for services rendered or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital, or any debentures or other securities of the Company, or in or about the formation or promotion of the Company or the conduct of its business.
- (42) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (43) To obtain any provisional order or Act of Parliament in Great Britain or Ireland or authority from any Foreign Country, State, or Municipality, or any British Colony or Dependency, for enabling the Company to carry any of its objects into effect, or for effecting any Modification of the Company's Constitution, or extending its objects, or for any other purpose which may seem expedient.
- (44) To do all Acts necessary for carrying on in any Foreign Country, or any British Colony or Dependency, any business of the Company necessary or expedient to be there carried on, or which may in any other respect or for any other purpose, seem necessary, or convenient, for the transaction of any business of the Company.
- (45) To undertake and execute any trusts the undertaking whereof may seem desirable, and either gratuitously or otherwise.
- (46) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any), for the time being required by Law.
- (47) To such extent as may be permitted by law to purchase and maintain insurance for and for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or 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 any trustee of any employees' share scheme or pension scheme associated with the Company or any other company as aforesaid, 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, or subsidiary undertaking 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: for the purposes of this paragraph 'holding company' and 'subsidiary undertaking' shall have the same meaning as in the Companies Act 1989.

- (48) To do all or any of the above things in any part of the world, and as principals, agents, contractors, trustees, or otherwise, and by or through trustees, agents, or otherwise, and either alone or in conjunction with others.
- (49) To do all such other things as are incidental or conducive to the attainment of the above objects.

And it is hereby declared that the word 'Company' in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be in nowise limited by reference to any other paragraph.

- 5. The liability of the members is limited.
- 6. *The capital of the Company is £50,000,000 dividend into: -

200,000,000 Ordinary Shares of 25p each,

with power to issue any shares with any preferential, deferred, qualified, or special rights, privileges, or conditions, either as to dividends, repayments of capital, voting or otherwise, and with power to increase the capital, and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified, or special rights; privileges, or conditions as may be determined by or in accordance with the regulations of the Company for the time being.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

* As increased by Ordinary Resolution passed on 20 July 2001.

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
William Haslam, White Bank, Bolton, Cotton Spinner	One
Walter Martin Misgrave, Ashleigh, Heaton, Bolton, Engineer	One
George Hesketh, Linwood, Astley Bridge, Bolton, Cotton Spinner	One
William Kevan, 12 Acresfield, Bolton, Chartered Accountant	One
George Harwood, 68 South Audley Street, London, Cotton Spinner	One
James William Scott, Beech House, Bolton, Cotton Spinner	One
Samuel Haslam Scott, Beech House, Bolton, Gentleman	One

Dated this 17th day of October, 1903

Witness to the signatures of WILLIAM HASLAM, WALTER MARTIN MUSGRAVE, GEORGE HESKETH, WILLIAM KEVAN, GEORGE HARWOOD, JAMES WILLIAM SCOTT, and SAMUEL HASLAM SCOTT

JOHN HERBERT HALL
Solicitor
Bolton

Company Number: 78950

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by special resolution passed on 6th July 1990)

of

AXA INSURANCE UK

PRELIMINARY

1. The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (as amended) shall, except as hereinafter provided and so far as not inconsistent with the provision of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association references herein to regulations are to regulations in the said Table A unless otherwise stated.

SHARE CAPITAL

2. The share capital of the Company is £50,000,000 divided into 200,000,000 Ordinary Shares of 25p each.*
3. (A) Subject to Section 80 of the Companies Act 1985, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper and Section 89(1) of the Companies Act 1985 shall not apply.

(B) Pursuant to and in accordance with Section 80 of the Companies Act 1985 the Directors shall be generally and unconditionally authorised during the period of five years from the date of the adoption of these presents as the Articles of Association of the Company to exercise all the powers of the Company to allot

* As increased by Ordinary Resolution passed on 20th July 2001

and to make offers or agreements to allot relevant securities (as defined in Section 80 (2) of the Companies Act 1985) up to an aggregate nominal amount equal to the original or any increased share capital of the Company.

TRANSFER OF SHARES

4. The Directors may, in their absolute discretion and without assigning any reason therefore, decline to register the transfer of a share, whether or not it is a fully paid share. Regulation 24 shall not apply.

PROCEEDINGS AT GENERAL MEETINGS

5. No notice need be given of an adjourned meeting. Regulation 45 shall be amended accordingly.
6. In the case of a corporation a resolution in writing may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be extended accordingly.
7. The instrument appointing a proxy shall be in writing in any usual common form, or such other form as may be approved by the Directors, and shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a corporation shall be either under its common seal or under the hand of an officer or attorney so authorised. An instrument of proxy need not be witnessed. Regulation 60 shall be modified accordingly.
8. An instrument appointing a proxy (and, where it is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof) must either be delivered 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 registered office) at least one hour before the time appointed for holding 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 it is to be used or be delivered to the Secretary (or the Chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. An instrument of proxy shall not be treated as valid until such delivery shall have been effected. Regulation 62 shall not apply.

NUMBER OF DIRECTORS

9. The Directors shall not be less than two nor more than fifteen in number. Regulation 64 shall be modified accordingly.

POWERS OF DIRECTORS

10. (A) Subject as hereinafter provided 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. Regulation 70 shall be modified accordingly.
- (B) The Directors shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiary companies, as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and/or any of its subsidiary companies (exclusive of moneys borrowed by the Company from and for the time being owing to any such subsidiary or by any such subsidiary from and for the time being owing to the Company or another such subsidiary) shall not at any time without the previous sanction of any Ordinary Resolution of the Company exceed twice the amount of the Company's Share Capital and Consolidated Reserves. For the purposes of the said limit the issue of debentures shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash.
- (C) 'Share Capital and Consolidated Reserves' means at any material time the amount standing to the credit of the share capital account of the Company plus the aggregate amount standing to the credit of the consolidated capital and revenue reserves (including any share premium account or capital redemption reserve fund) plus or minus the amount standing to the credit or debit (as the case may be) of the consolidated profit and loss account all as shown in the latest published accounts of the Company but adjusted as may be necessary and appropriate to take account of any subsidiary not consolidated in such accounts and any increase in or reduction of the issued and paid-up share capital of the Company since the date to which the consolidated balance sheet incorporated in such accounts shall have been made up and any distributions (other than normal preference dividends and interim dividends paid in each case out of profits earned since such date) in cash or specie made, recommended, or declared from such reserves or profit and loss account since such date; excluding any sums set aside for taxation; deducting any amount for goodwill or any other intangible asset (not being an amount representing part of the cost of a bona fide commercial acquisition of shares or other property) shown as an asset in such balance sheet (as adjusted); deducting any amounts attributable to minority interests; and after making such other adjustments (if any) as the Auditors may consider appropriate, including in particular

adjustments to provide for the carrying into effect of the transaction for the purposes of or in connection with which the Share Capital and Consolidated Reserves require to be calculated. For the purposes of the foregoing share capital allotted shall be treated as issued notwithstanding that the issue thereof has not been completed by the registration of the allottees or their renounees. The certificate of the Auditors as to the amount of the Share Capital and Consolidated Reserves at any time shall be conclusive and binding upon all concerned.

- (D) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provision be concerned to see or inquire whether this limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the limit hereby imposed had been or would thereby be exceeded.
11. Without prejudice to the provisions of Article 19 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or 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 any trustee of any employees' share scheme or pension scheme associated with the Company or any other company as aforesaid, 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, or subsidiary undertaking; for the purposes of this Article 'holding company' and 'subsidiary undertaking' shall have the same meaning as in the Companies Act 1989.
12. The Directors may establish any Local Boards or Agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such Local Boards, or any Managers or Agents, and may fix their remuneration, and may delegate to any Local Board, Manager or Agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any Local Boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annual or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

DELEGATION OF DIRECTORS' POWERS

13. The Directors may authorise the co-option to a committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (i) the number of co-opted members shall be less than one-half of the total number of members of the committee and (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors. Regulation 72 shall be modified accordingly.

APPOINTMENT AND RETIREMENT OF DIRECTORS

14. The Directors shall not be required to retire at annual general meetings of the Company and shall not be subject to retirement by rotation and references thereto in Regulation 73 to 80 shall be disregarded. A Director appointed to fill a vacancy or as an additional Director shall not be required to retire at the next following annual general meeting. Regulation 79 shall be modified accordingly.
15. Any person may be appointed or elected as a Director irrespective of whether or not he has attained the age of seventy years or any other age, and no Director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

16. The office of a Director shall be vacated in any one of the events specified in Regulation 81 and also if he shall in writing offer to resign and the Directors shall resolve to accept such offer or if he shall have served upon him a notice in writing signed by all his co-Directors (being at least two in number) removing him from office as Director, but so that in the case of a Director who 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 between him and the Company.
17. Any Director (not being a salaried employee of the Company or its holding company or any subsidiary of such holding company) 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, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. Regulation 82 shall be extended accordingly.

PROCEEDINGS OF DIRECTORS

18. (A)** Participation in board meetings by telephone

All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. Regulation 88 shall be extended accordingly.

(B) A Director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material and which conflicts or may conflict with the interests of the Company where such interest arises by virtue of his being interested in an employee's share scheme within the meaning of Section 743 of the Companies Act 1985 or where such resolution concerns any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company. Regulation 94 shall be extended accordingly.

(C) On any matter in which a Director is in any way interested he may (save as otherwise agreed) retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof.

INDEMNITY

19. Subject to the provisions of and so far as may be consistent with the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) and liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief

** As amended by Special Resolution passed on 26 November 1997

from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.

OVERRIDING PROVISIONS

20. Whenever Sun Life and Provincial Holdings plc (hereinafter called 'the Parent Company'), or any subsidiary of the Parent Company, shall be the holder of not less than 90 per cent of the issued Ordinary Shares of the Company the following provisions shall apply and to the extent of any inconsistency shall have overriding effect as against all other provisions of these Articles:-

- (A) the Parent Company may at any time and from time to time appoint any person to be a Director or, without assigning any reason therefore, remove from office any Director howsoever appointed but so that in the case of a Director who holds an appointment to an executive office which thereby automatically determines his removal from office shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
- (B) no unissued shares shall be issued or agreed to issued or put under option without the consent of the Parent Company.

Any such appointment, removal, consent or notice shall be in writing served on the Company and signed on behalf of the Parent Company by any two of its Directors or by any one of its Directors and its Secretary or some other person duly authorised for the purpose. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.