

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

MEMORANDUM

(Amended by Ordinary Resolution passed on 14 December, 1983)

AND

ARTICLES OF ASSOCIATION

(Amended by Ordinary Resolution passed on 14 December, 1983)

OF

ANCON INSURANCE COMPANY (U.K.) LIMITED

Incorporated the 9th of July 1980





CERTIFICATE OF INCORPORATION

No. 1506943

I hereby certify that

ANCON INSURANCE COMPANY (U.K.) LIMITED

is this day incorporated under the Companies Acts 1948 to 1976 and that the Company is Limited.

Given under my hand at Cardiff the 9TH JULY 1980

A handwritten signature in cursive script, appearing to read 'P. Walker', written over a horizontal line.

Assistant Registrar of Companies

THE COMPANIES ACTS 1948 TO 1982

COMPANY LIMITED BY SHARES

ORDINARY RESOLUTION
OF
ANCON INSURANCE COMPANY (U.K.) LIMITED

Passed on 14 December, 1983

At an Extraordinary General Meeting of the above named Company duly convened and held on 14 December, 1983 the following Resolution was passed as an ORDINARY RESOLUTION of the Company:-

RESOLUTION

"That the authorised share capital of the Company be increased to £10,000,000 by the creation of 5,000,000 new ordinary shares of £1 each to rank pari passu with the existing ordinary shares of the Company."

R.L. BARCLAY
Secretary

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

Memorandum of Association

(Amended by Ordinary Resolution passed on 14 December, 1982)

OF

ANCON INSURANCE COMPANY (U.K.) LIMITED

1. The name of the Company is "ANCON INSURANCE COMPANY (U.K.) LIMITED".
2. The Registered Office of the Company will be situate in England.
3. The objects for which the Company is established are:—
 - (1) To carry on all kinds of insurance business, and in particular without prejudice to the generality of the foregoing, to carry on industrial assurance business, liability insurance business, marine, aviation and transport insurance business, motor vehicle insurance business, ordinary long-term insurance business, pecuniary loss insurance business, personal accident insurance business and property insurance business.
 - (2) To undertake re-assurance and counter-assurances of assurances and liabilities of any kind granted or accepted by other persons or bodies and for such consideration and upon such terms and conditions generally as may be thought fit.
 - (3) To re-assure or counter-assure any assurances or liabilities undertaken by the Company.
 - (4) To carry on all or any of the businesses of insurance brokers and general agents for the transaction of motor, marine, fire, life, employers' liability, accident, burglary and other insurance business; assessors, valuers, arbitrators

and specialists; agents for effecting insurance and obtaining policies in respect of all and every kind of risk, and against death, injury or loss arising out of or through or in connection with any accident to human beings, and against loss or damage to real or personal property; and to undertake and carry on any business transaction or operation capable of being or usually undertaken or carried on by insurance agents and brokers.

- (5) To give to any person or class of persons who insure or have dealings with the Company any special privileges, or advantages, or benefits of any kind, including any right to participate in profits generally, or in any part thereof, or any rights in relation to any fund or funds.
- (6) To undertake the office of executor, administrator, trustee, attorney, manager, agent, treasurer, or any other office of trust or confidence and to perform and discharge the duties and obligations incident thereto, and generally to undertake any trust or agency business for reward or gratuitously; also to undertake the custody of any securities, valuables and other goods.
- (7) To negotiate and act as agents for the negotiation of mortgages and loans, and to carry on all or any of the businesses of financiers, financial agents, bankers, capitalists, company promoters, concessionaires, and general and commission agents and brokers.
- (8) To make, build, erect, layout, equip, construct, maintain, alter, use, manage, pull down, repair, improve and work in any parts of the world, dwellinghouses, flats, offices, shops, factories, mills, roads, railways, tramways, telegraph lines, telephone, electric light and power works, canals, reservoirs, waterworks, wells, aqueducts, watercourses, furnaces, gasworks, piers, wharves, docks, quarries, mines, saw and other mills, warehouses, steam and other ships, and other works, buildings and conveniences of all kinds which may be deemed expedient for the purposes of the Company and to pay or contribute to the payment or cost of making, building, maintaining, using and working the same.
- (9) To purchase with a view to closing or re-selling in whole or in part any business or properties which may seem or be deemed likely to injure by competition or otherwise any business or branch of business which the Company

is authorised to carry on, and to close, abandon, and give up any works or businesses at any time acquired by the Company.

- (10) To take out purchase or otherwise acquire for any estate or interest any property, assets or any concessions, licences, grants, patents, trade-marks or other exclusive or non-exclusive rights of any kind which may appear to be necessary or convenient for any business of the Company, and to develop and turn to account and deal with the same in such manner as may be thought expedient and to make experiments and tests and carry on all kinds of research work.
- (11) To acquire and hold bonds, debentures, debenture stock, notes, obligations, scrip, shares or stock issued or guaranteed by any company constituted or carrying on business in any part of the world, and funds, loans, obligations or securities of or issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise whether at home or abroad and to co-ordinate the administration of any group or groups of two or more companies.
- (12) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above, or which it may be advisable to undertake with a view to developing, rendering valuable, prospecting or turning to account, any property, real or personal, belonging to the Company, or in which the Company may be interested.
- (13) To sell, let, lease, grant licences, easements and other rights over or in any other manner dispose of or deal with the whole or any part of the undertaking, property, assets, rights, effects and businesses of the Company for such consideration as may be thought fit and in particular for a rent or rents or stocks, shares, debentures, debenture stock or other obligations of any other company.
- (14) To acquire and undertake on any terms and subject to any conditions, the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of the Company.

- (15) To amalgamate with or enter into partnership or any joint purse or profit-sharing arrangement with or to co-operate in any way with, or assist or subsidise, any company, firm or person carrying on, or proposing to carry on, any business within the objects of the Company.
- (16) To carry on any business or branch of a business which this Company is authorised to carry on by means, or through the agency of, any subsidiary company or companies, and to enter into any arrangement with any such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with reference to any business or branch so carried on including power at any time, and either temporarily or permanently, to close any such branch or business.
- (17) To act as Director or Managers of or to appoint Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
- (18) To take part in the management, supervision and control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any Directors, trustees, accountants or other experts or agents.
- (19) To promote or concur in the promotion of any company, whether British or foreign, the promotion of which shall be considered desirable.
- (20) To give all descriptions of guarantees and indemnities.
- (21) To borrow and raise money in any manner and on any terms.
- (22) For any purpose and in any manner and from time to time to mortgage or charge the whole or any part of the undertaking, property and rights (including property and rights to be subsequently acquired) of the Company, and any money uncalled on any shares of the Capital, original or increased, of the Company and whether at the time issued or created or not and to create, issue, make and give debentures, debenture stock, bonds or other obligations, perpetual or otherwise, with or without any mortgage or charge on all or any part of such undertaking, property, rights and uncalled money.

- (23) To make, draw, accept, endorse, discount, negotiate, execute and issue and to buy, sell and deal in promissory notes, bills of exchange, cheques, bills of lading, shipping documents, dock and warehouse warrants, and other instruments negotiable or transferable or otherwise.
- (24) To lend money with or without security and to subsidise, assist and guarantee the payment of money by or the performance of any contract, engagement or obligation by any persons or companies.
- (25) To grant pensions or gratuities to any persons (including Directors and other officers) who may be or have been in the employment or service in any capacity of the Company or of any subsidiary company of the Company or of any such subsidiary company or of the predecessors in business of the Company or of any such subsidiary or such sub-subsidiary company or the relations, connections, or dependants of any such persons and to establish or support associations, institutions, clubs, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interests of the Company or of its members, and to establish and contribute to any scheme for the purchase by trustees of shares in the Company to be held for the benefit of the Company's employees, and to lend money to the Company's employees to enable them to purchase shares in the Company and to contribute to any public, general or useful object.
- (26) To pay all preliminary expenses of the Company and any company promoted by the Company or any company in which this Company is or may contemplate being interested, including in such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the Company.
- (27) To enter into any arrangements with any Government or authority, imperial, supreme, municipal, local or otherwise, or company that may seem conducive to the Company's objects or any of them, and to obtain from any such Government authority or company any charters, contracts, decrees, rights, grants, loans, privileges or concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with the same.
- (28) To take all necessary or proper steps in Parliament or with the authorities, national, local, municipal or other-

wise, of any place in which the Company may have interests, and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the interests of its members, and to oppose any such steps taken by any other company firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members.

(29) To do anything by this Memorandum of Association authorised 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.

(30) To distribute among the members of the Company in specie any property of the Company.

(31) To do all such other things as may be considered to be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared (a) 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 corporate or unincorporate and whether domiciled in the United Kingdom or elsewhere, and (b) that, except where the context expressly so requires, none of the several paragraphs of this Clause, or the objects therein specified, or the powers thereby conferred shall be limited by, or be deemed merely subsidiary or auxiliary to any other paragraph of this Clause, or the objects in such other paragraph of this Clause, or the objects in such other paragraph specified or the powers thereby conferred.

4. The liability of the Members is limited.

5. The Share Capital of the Company is £10,000,000 divided into 10,000,000 Ordinary Shares of £1 each.

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.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
Theodore Luke Giffard Landon Great Bromley House Nr. Colchester Essex Company Director	One
Kenneth McCrae Hall 'Torluish' Effingham Common Road Effingham Surrey Company Secretary	One

DATED this 17th day of June 1980

WITNESS to the above signatures:-

David Alan Stevens
35A Chaldon Common Road
Chaldon
Caterham
Surrey

Company Secretary

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

Articles of Association

(Amended by Ordinary Resolution passed on 14 December, 1983)

OF

ANCON INSURANCE COMPANY (U.K.) LIMITED

PRELIMINARY

1. The regulations in Table A in the First Schedule to the Companies Act 1948 shall not apply to the Company.

Table A not to apply.

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

Interpretation.

WORDS	MEANINGS
The Act ...	The Companies Act 1948.
The Statutes ...	The Companies Acts 1948 to 1976 and every other Act for the time being in force concerning companies and affecting the Company.
These presents ...	These Articles of Association, as originally framed, or as from time to time altered by Special Resolution.
Office ...	The registered office of the Company.
Seal ...	The common seal of the Company.

WORDS	MEANINGS
The United Kingdom	Great Britain and Northern Ireland.
Month	Calendar month.
Year	Calendar year.
In writing ...	Written or produced by any substitute for writing, or partly one and partly another.
Dividend ...	Dividend and/or bonus.
Paid	Paid or credited as paid.

The expressions "debenture" and "debenture holder" shall include "debenture stock" and "debenture stockholder", and the expression "Secretary" shall include any person appointed by the Directors to perform any of the duties of the Secretary.

Words importing the singular number only shall include the plural number and vice versa, words importing the masculine gender only shall include the feminine gender and words importing persons shall include corporations.

Save as aforesaid, any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these presents.

The marginal notes are inserted for convenience only and shall not affect the construction of these presents.

PRIVATE COMPANY

Private
Company.

3. The Company is a Private Company and accordingly:—

- (A) The right to transfer shares in the Company shall be restricted in manner hereinafter appearing.
- (B) The number of members of the Company (not including persons who are in the employment of the Company, and persons who, having been formerly in the employment of the Company, were while in that employment and have

continued after the determination of that employment to be members of the Company) shall be limited to fifty, provided that, where two or more persons hold one or more shares in the Company, jointly, they shall, for the purposes of this paragraph, be treated as a single member.

(c) No invitation shall be made to the public to subscribe for any shares or debentures of the Company.

4. Except to the extent permitted by the Statutes no part of the funds of the Company shall be employed in the subscription for or purchase of or in loans upon the security of shares in the Company or in any company which is its holding company, nor shall the Company directly or indirectly give any financial assistance for the purpose of or in connection with a subscription for or purchase of such shares or make any loan to any of the Directors or to any director of any company which is its holding company or enter into any guarantee or provide any security in connection with any such loan.

Subscription
for or purchase
of shares of the
Company or its
holding
company.
Loans to
Directors.

CAPITAL

5. The capital of the Company is £10,000,000 divided into Capital. 10,000,000 Ordinary Shares of £1 each.

6. Any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the provisions of the Statutes the Company may issue Preference Shares which are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company before the issue thereof may by Special Resolution determine.

Conditions of
issue of
new shares.

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 of the issued shares of the class, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of such holders (but not otherwise), and may be so varied or abrogated either 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 Meeting of the Company, or to the proceedings thereat, shall *mutatis mutandis* apply, except that

How special
rights of shares
may be varied.

the necessary quorum shall be not less than two persons personally present and holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, two holders of shares of the class who are present shall be a quorum) and that any holders of shares in the class present in person or by proxy may demand a poll, and that such holders shall on a poll have one vote for every share of the class held by them respectively.

Creation or
issue of further
shares.

8. The special right attached to any class of shares shall not (unless otherwise expressly provided by the terms of 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.

ALTERATION OF CAPITAL

Power to
increase
capital.

9. 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.

Rights and
liabilities
attached to
new shares.

10. All new shares shall be subject to the provisions of these presents with reference to allotments, payments of calls, lien, transfer, transmission, forfeiture and otherwise.

11. The Company may by Ordinary Resolution:—

Power to
consolidate
shares.

(A) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.

Power to
cancel shares.

(B) 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.

Power to sub-
divide shares.

(C) Sub-divide its shares, or any of them, into shares of smaller amount 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 have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

12. Subject to confirmation by the court, the Company may by Special Resolution reduce its share capital or any capital redemption reserve fund or Share Premium Account in any manner.

Power to
reduce capital.

SHARES

13. Any share may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of share capital or otherwise as the Company may from time to time by Special Resolution determine.

Issue of shares.

14. The Company may exercise the powers of paying commissions conferred by the Statutes. The rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Statutes, and such commission shall not exceed 10 per cent. of the price at which the shares in respect of which the commission is paid are issued. The Company may also on any issue of shares pay such brokerage as may be lawful.

Power to pay
commissions
and brokerage.

15. 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.

Exclusion of
equities.

CERTIFICATES

16. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the terms of issue shall provide) one certificate for all his shares of any one class or upon payment of such sum, not exceeding 5p for every certificate after the first as the Directors shall from time to time determine, several certificates, each for one or more of his shares of any one class. Where a member transfers part only of the shares comprised in a certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge. Every certificate shall be issued under the seal and shall specify the shares to which it relates, and the amount paid up thereon. Provided that the Company shall not be bound to register more than three persons as the joint holders of any shares (except in the case of executors or trustees of a deceased member) and 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 of such persons shall be sufficient delivery to all.

Issue of
certificates.

**Renewal of
certificates.**

17. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of such fee (if any), not exceeding 20p and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in investigating evidence as the Directors think fit.

CALLS ON SHARES**Calls.**

18. 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 by way of premium) and not by the terms of issue thereof made payable at fixed times, provided that no call on any shares shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and 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 his shares.

**Revocation or
postponement
of calls.**

19. A call may be revoked or postponed as the Directors may determine.

**Time when
made.**

20. 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.

**Liability of
joint holders.**

21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**Interest on
calls.**

22. 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 10 per cent. per annum, as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

**Sums due on
allotment to be
treated as calls.**

23. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of 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 issue, the same becomes payable, and 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.

24. 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.

Power to differentiate.

25. 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 him, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate (not exceeding 5 per cent. per annum) as the member paying such sum and the Directors agree upon.

Payment in advance of calls.

FORFEITURE AND LIEN

26. If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.

Notice requiring payment of calls.

27. 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.

Notice to state time and place for payment.

28. 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.

Forfeiture on non-compliance with notice.

Surrender in lieu of forfeiture.

29. 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 cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

Sale of shares forfeited or surrendered.

Rights and
liabilities of
members
whose shares
have been
forfeited or
surrendered.

30. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the 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 him to the Company in respect of the shares with interest thereon at 7 per cent. per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender.

Company's lien.

31. The Company shall have a 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; and the Company shall also have a first and paramount lien and charge on all shares (including fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends payable thereon. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article.

Sale of shares
subject to lien.

32. 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 his death or bankruptcy.

Application of
proceeds of
such sale.

33. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) 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.

34. A statutory declaration in writing that the declarant is a Director 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, and 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 certificate of proprietorship of the share under seal 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 his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

Title to shares forfeited or surrendered or sold to satisfy a lien.

TRANSFER OF SHARES

35. All transfers of shares may be effected by transfer in writing in the usual common form, or in such other form as the Directors may accept, and may be under hand only.

Form of transfer.

36. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Execution.

37. (1) The Directors may in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of a share whether or not fully paid up.

Directors' power to decline to register a transfer.

(2) No share shall in any circumstances be allotted, transferred to or renounced in favour of any infant, bankrupt or person of unsound mind.

(3) If the Directors refuse to register any transfer of a share 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.

38. The Directors may decline to recognise any instrument of transfer, unless:—

Deposit of transfer.

(A) The instrument of transfer is deposited duly stamped at the office or at such place (if any) as the Directors may appoint, accompanied by the certificate of the shares to

which it relates, 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 his behalf, the authority of that person so to do); and

- (B) The instrument of transfer is in respect of only one class of share.

All instruments of transfer which are registered may be retained by the Company.

Suspension of registration.

39. The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

Fee for registration of probate.

40. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, notice in lieu of distringas, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the register affecting the title to any share, such fee, not exceeding 25p, as the Directors may from time to time require or prescribe.

Renunciation of allotment.

41. Nothing in these presents shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

TRANSMISSION OF SHARES

Transmission on death.

42. In the 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 he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his 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 him.

Registration of executors and trustees in bankruptcy.

43. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, subject as hereinafter provided, either be registered himself as holder of the share upon giving to the Company notice in writing of such his desire, 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 had not occurred and the notice or transfer were a transfer executed by such member.

44. 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 shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share. Should such person fail either to transfer the share or to elect to be registered as a member in respect thereof within sixty days of being required so to do by the Directors, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

Rights of
unregistered
executors and
trustees.

STOCK

45. The Company may by Ordinary Resolution convert any paid-up shares into stock, and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.

Power to
convert into
stock.

46. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit, but no stock shall be transferable except in such units as the Directors may from time to time determine, provided that such units shall not be greater than the nominal amount of the shares from which the stock arose.

Transfer of
stock.

47. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

Rights of
stockholders.

48. 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" therein shall include "stock" and "stockholder".

Interpretation.

GENERAL MEETINGS

Annual General Meetings.

49. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Company by Ordinary Resolution or failing such determination by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

Extraordinary General Meetings.

50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

Notice.

51. 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 (exclusive in either case of the day on which it is served or deemed to be served and of the day for which it is given) given in manner hereinafter mentioned to the Auditors the Directors and to all members other than such 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—

Short notice.

(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.

Omission or non-receipt of notice.

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

Contents of notice.

52. (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 a proxy or proxies to attend and vote instead of him 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 the 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.

53. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say :—

Routine
business.

- (A) Declaring dividends;
- (B) Reading, considering and adopting the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;
- (C) Appointing auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed;
- (D) Appointing Directors and voting additional remuneration to the Directors.

54. The Directors shall on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided—

Circulation of
members'
resolutions,
etc.

- (A) Give to the members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (B) Circulate to the members entitled to have notice of any General Meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

55. No business shall be transacted at any General Meeting unless a quorum is present. Two members present in person or by proxy shall be a quorum for all purposes.

Quorum.

Adjournment if
quorum not
present.

56. If within half an hour from the time appointed for the meeting, 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 the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, any member present shall be a quorum.

Chairman.

57. The Chairman of the Directors shall preside as Chairman at every General Meeting. If there be no such Chairman, or if at any meeting he be not present within five minutes after the time appointed for holding the meeting or be unwilling to act, the Directors present shall choose one of their number to be Chairman of the meeting 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 present to be Chairman.

Adjournments.

Notice of
adjournments.

58. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time 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. When a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Method of
voting.

59. 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 the Chairman or by any one member present in person or by proxy and entitled to vote at the meeting. A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman 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 the fact without proof of the number or proportion of the votes recorded for or against such resolution.

Votes counted
in error.

60. 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.

61. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may (and if so requested shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. No poll shall be demanded on the appointment of a Chairman of a meeting.

How poll to be taken.

62. 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 may direct. No notice need be given of a poll not taken immediately.

Time for taking

63. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Continuance of business after demand for poll.

64. Subject to the provisions of the Act, a Resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representative), shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.

VOTES OF MEMBERS

65. Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share held by him.

Voting rights of members.

66. 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 joint holding.

Voting rights of joint holders.

67. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, *curator bonis* or other person in the nature of a committee or *curator bonis* appointed by such court, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office not less than forty-eight hours before the time appointed for holding the meeting.

Voting rights of lunatic members.

No right to
vote where a
call is unpaid.

68. 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 privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Objections.

69. No objection shall be raised to the admissibility of any vote or the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

Votes on a poll.

70. 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 his votes or cast all the votes he uses in the same way.

Execution of
proxies.

71. An instrument appointing a proxy shall be in writing and—

(A) in the case of an individual shall be signed by the appointor or by his attorney; and

(B) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

Proxy need
not be a
member.

72. A proxy need not be a member of the Company.

Deposit of
proxies.

73. An instrument appointing a proxy must be left at the office or such other place (if any) as is specified for that purpose in the notice convening the meeting not less than twenty-four hours before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used, and in default shall not be treated as valid.

Form of
proxies.

74. An instrument appointing a proxy may be in the usual common form, or in such other form as the Directors may accept, and shall be deemed to include the right to demand or join in demanding a poll. An instrument appointing a proxy 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 and need not be witnessed.

75. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

Intervening death or insanity of principal not to revoke proxy.

CORPORATIONS ACTING BY REPRESENTATIVES

76. 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, and 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.

Representatives.

DIRECTORS

77. Subject as hereinafter provided the Directors shall not be less than two nor more than fifteen in number. Provided that the Company may by Ordinary Resolution from time to time increase or reduce the maximum or minimum number of Directors.

Number of Directors.

78. (1) The holders for the time being of a majority in number of the Ordinary Shares for the time being in issue may from time to time by notice in writing to the Company :—

Power of Shareholders to appoint or remove Directors.

- (a) appoint a person as an additional Director or to fill a casual vacancy or
- (b) remove any Director from office, and, if thought fit, appoint another person in his stead.

Any such appointment or removal shall become effective on receipt of such notice at the office or on its production at a meeting of the Directors. The signature of any notice given under these Articles need not be witnessed. Where another company holds the majority of the shares of the Company giving the right to notice of and to attend and vote at General Meetings of the Company the notice referred to in this Article shall consist of a certified copy of the Resolution of the Directors of the controlling company effecting the appointment or removal.

(2) Any appointment of an additional Director beyond the maximum fixed by or in accordance with these Articles shall be deemed to be an increase in the maximum number of Directors fixed by or in accordance with these Articles.

Qualification of Director.

79. A Director shall not be required to hold any share qualification, but shall be entitled to receive notice of and attend all General Meetings of the Company and of any class of members.

Directors' Remuneration.

80. The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

Pensions, etc.

81. The Directors may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following Article shall include any Director appointed to any executive office or to any office or place of profit in the Company or any subsidiary company thereof) and ex-employees of the Company and their dependants or any class or classes of such persons.

Grant of pensions etc. to employees etc.

82. The Directors may pay, enter into agreements to pay or make grants of pensions or other benefits, either revocable or irrevocable and either subject or not subject to any terms or conditions, to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding Article. Any such pension or benefit may, as the Directors consider desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

Power of Directors to hold offices of profit and to contract with the Company.

83. A Director may hold any other office under the Company (other than the office of Auditor) and may act in a professional capacity for the Company in conjunction with his office of Director. No Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement

entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, but any Director so contracting or being so interested shall be liable to account to the Company for any profit realised by any such contract or arrangement by reason of the fiduciary relation thereby established, and the nature of the interest of the Director in such contract or proposed contract or arrangement must be declared at the meeting of the Directors at which the question is first taken into consideration, if his interest then exists, or in any other case at the next meeting of the Directors held after he became interested. A Director shall not vote in respect of any contract or arrangement in which he is so interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company, nor shall it apply to any contract or arrangement entered into with another company where the sole interest of a Director is that he is a director or creditor of or is a shareholder in or beneficially interested in the shares of the company with which such contract or arrangement is to be made, nor shall it apply to any contract to subscribe for or to underwrite or guarantee the subscriptions of any shares or debentures of the Company, and it may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction by the Company in General Meeting. A general notice given to the Board by a Director to the effect that he is a member of or beneficially interested in a specified firm or company and is to be regarded as interested in any contracts or arrangements which may be made with that firm or company after the date of such notice shall be a sufficient declaration of interest under this Article.

84. A Director may be or become a director or other officer of, or otherwise interested in, any other company, whether or not a company promoted by the Company or a company in which the Company may be interested as shareholders or otherwise, but shall be accountable for any remuneration or other benefits received by him as a director or officer of any such other company.

Holding of
concurrent
office.

85. A Director may, save as provided by any agreement between him and the Company to the contrary, at any time give notice in writing to the Company resigning his office as Director.

Directors'
notice of
resignation.

ALTERNATE DIRECTORS

86. (1) Each Director shall have the power to nominate any other Director or, with the approval of a majority of the other Directors, any other person to act as alternate Director in his place at any meeting of the Directors at which he is unable to be present

Power to
appoint
alternate
Directors.

and at his discretion to remove such alternate Director, and on such appointment being made the alternate Director shall (except as regards the power to appoint an alternate) be subject in all respect to the terms and conditions existing with reference to the other Directors of the Company, and each alternate Director, whilst acting in the place of an absent Director, shall exercise and discharge all the duties of the Director he represents, but shall look to such Director solely for his remuneration as alternate Director. Any Director of the Company who is appointed an alternate Director shall be entitled to vote at a meeting of the Directors on behalf of the Director so appointing him as distinct from the vote to which he is entitled in his own capacity as a Director of the Company and shall also be considered as two Directors for the purpose of making a quorum of Directors when such quorum shall exceed two. Any person appointed as an alternate Director shall vacate his office as such alternate Director if and when the Director by whom he was appointed vacates his office as Director or removes him by written notice to the Company.

Form of
instrument
appointing
alternate
Directors.

(2) Every instrument appointing an alternate Director shall, as nearly as circumstances will admit, be in the following form or to the effect following:—

ANCON INSURANCE COMPANY (U.K.) LIMITED

“I
“a Director of the above-named Company, in pursuance of the
“power in that behalf contained in the Articles of Association
“of the Company, do hereby nominate and appoint
“
“of
“to act as alternate Director in my place at any meeting of the
“Directors which I am unable to attend, and to exercise and
“discharge thereat all my duties as a Director of the Company.
“AS WITNESS my hand this day of 19 ”.

EXECUTIVE DIRECTORS

Appointment
of Executive
Directors.

87. The Directors may from time to time appoint one or more of their body to be holder of any office, including the office of Chairman or Vice-Chairman or Joint Vice-Chairman or Managing or Joint Managing Director, for a period of three years or such period as they may determine.

Power of
Executive
Directors.

88. The Directors may entrust to and confer upon a Director holding any executive office any of the powers exercisable by them as Directors 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 may from time to time revoke, withdraw, alter or vary all or any of such powers.

APPOINTMENT AND RETIREMENT OF DIRECTORS

89. The office of a Director shall be vacated in any of the following events, namely:—

Vacation of
office of
Director.

- (A) If he becomes prohibited by law from acting as a Director.
- (B) If (save as provided in Article 85) he resigns by writing under his hand left at the Office.
- (C) If he has a receiving order made against him or compound with his creditors generally.
- (D) If he becomes of unsound mind.
- (E) If he be absent from meetings of the Directors for six months without leave, and the Directors resolve that his office be vacated.
- (F) If he be requested in writing by all his co-Directors to resign.
- (G) If he is removed by an Extraordinary Resolution or an Ordinary Resolution of the Company in the manner provided in Article 96.
- (H) If he is removed pursuant to Article 78.

90. No Director shall vacate his office or be ineligible for appointment as a Director, nor shall any person be ineligible for appointment as a Director, by reason only of his having attained any particular age, nor shall special notice be required of any Resolution appointing or approving the appointment of such a Director or any notice be required to state the age of the person to whom such a Resolution relates.

No Director
to vacate his
office because
of age.

91. (A) At the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not three or a multiple of three then the number nearest one-third shall retire from office.

Retirement of
Directors.

(B) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

92. A retiring Director shall be eligible for re-election.

Filling casual
vacancies.

93. The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

Notice of
intention
to appoint
Director.

94. No person other than a Director retiring at the meeting shall unless recommended by the Directors be eligible for election to the office of Director at any general meeting unless not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by that person of his willingness to be elected.

Increase and
reduction of
number of
Directors.

95. The Company may from time to time by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office.

Removal of
Directors.

96. The Company may by ordinary resolution of which special notice has been given in accordance with Section 142 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these regulations or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

Appointment
of Directors in
place of those
removed.

97. The Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediately preceding Article and the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

PROCEEDINGS OF DIRECTORS

Meetings of
Directors.

98. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the

Votes.

Directors. Not less than 14 days' notice shall be given to all Directors and to all alternate Directors (whether resident in the United Kingdom or elsewhere) of all meetings of the Directors and such notice shall state the general nature of the business to be considered at such meeting. If all the Directors or their alternate Directors so agree in writing or by cable or telex a meeting of the Directors may be called upon shorter notice.

Notice.

99. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. 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.

Quorum.

100. A Director unable to attend any meeting of the Board may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have one vote for each Director by whom he is so authorised, in addition to his own vote. Any such authority must be in writing or by cable, radiogram or telegram which must be produced at the Board Meeting at which the same is to be used, and be left with the Secretary for filing.

Directors
absent from
meetings of
Directors.

101. The Directors may, at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or by way of addition to their number, provided that the number of Directors shall not at any time exceed the maximum number fixed by, or in accordance with, these Articles. Any Director so appointed shall retire from office at the next following Annual General Meeting of the Company, but shall then be eligible for re-appointment.

Power to
appoint
additional
Directors.

102. 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 purpose of filling up such vacancies or of summoning General Meetings of the Company, 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.

Proceedings in
case of
vacancies.

103. If no Chairman shall have been appointed, or if at any meeting the Chairman be not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

Chairman.

104. A resolution in writing or approved by letter, telegram or telex signed by all the Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors.

Resolutions in
writing.

Power to
appoint
committees.

105. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.

Proceedings at
committee
meetings.

106. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these presents regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

Validity of acts
of Directors in
spite of some
formal defect.

107. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

BORROWING POWERS

Power to
borrow money
and give
security.

108. 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, debenture stock, and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

GENERAL POWERS OF DIRECTORS

General power
of Directors to
manage
Company's
business.

109. The business 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 the provisions of the Statutes, and to such regulations, being not inconsistent with the aforesaid 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.

LOCAL MANAGEMENT

110. (i) The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality whether at home or abroad in such manner as they think fit and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this paragraph.

Power to
appoint
local managers.

(ii) The Directors from time to time and at any time may establish any local boards or agencies for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such local board or any managers or agents and may fix their remuneration. Any of the Directors from time to time and at any time may delegate to any person so appointed any of the powers authorities and discretions for the time being vested in the Directors other than the power of making calls and may authorise the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation.

Delegation of
powers to local
Boards.

(iii) The Directors may at any time and from time to time by power of attorney under the Company's Seal appoint any person or persons 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 the Directors may from time to time think fit and any such appointment may (if the Directors think fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any Company or of the members Directors nominees or managers of any company or firm or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors and such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors may think fit.

Power to
appoint
attorney.

(iv) Any such delegates or attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.

(v) The Company may exercise the powers conferred by Section 35 of the Act. And the Company may cause to be kept in any part of Her Majesty's Dominions outside Great Britain the

Channel Islands or the Isle of Man in which it transacts business a branch register of members resident in that part and the Directors may from time to time make such provisions as they (subject to Section 120 of the Act) may think fit respecting the keeping of any such branch register and may comply with the requirements of any local law.

Signature of
cheques and
bills.

111. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for 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.

ASSISTANT DIRECTORS

Assistant
Director.

112. (i) The Directors may from time to time appoint any person or persons to be an Assistant Director or Assistant Directors of the Company and so that in the case of any Assistant Director such appointment may be either for a fixed term or without any limitation as to the period for which he is to hold such office and the Directors may from time to time remove or dismiss any Assistant Director from office and if they think proper appoint another in his place (Provided that not more than 8 persons shall at any one time hold office as Assistant Directors).

(ii) The remuneration of an Assistant Director shall from time to time be fixed by the Directors and may be by way of salary fees commission or participation in profits or by all or any of those modes.

(iii) The Directors may from time to time entrust to and confer upon any Assistant Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any of such powers.

(iv) An Assistant Director shall not require any share qualification and shall not be entitled to receive notices of or vote or (unless invited by the Board) to attend any meeting of the Board of Directors.

(v) Without prejudice to the powers of removal hereby conferred upon the Board of Directors an Assistant Director may at any time be removed from office by a resolution of the Company in General Meeting.

SECRETARY

113. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.

Appointment.

THE SEAL

114. The Seal shall not be affixed to any instrument, except by the general or special authority of a Resolution of the Directors, or of a Committee of the Directors, and, except as hereinafter provided, every instrument to which the Seal shall be affixed shall bear the autographic signature of at least two Directors or one Director and the Secretary or some other person authorised by the Directors. Every certificate of shares, stock, debentures or debenture stock of the Company shall be issued under the Seal provided that with the specific authority of a Resolution of the Directors such certificates of shares, stock, debentures or debenture stock may be issued under the Seal but without such signatures or with such signatures affixed by means of some method or system of mechanical signature.

Formalities
for affixing
Seal.

AUTHENTICATION OF DOCUMENTS

115. 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, 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 where 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.

Power to
authenticate
documents.

116. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of

Certified copies
of Resolution
of the
Directors.

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 extract is a true and accurate record of a duly constituted meeting of the Directors.

DIVIDENDS AND RESERVES

Payment of
dividends.

117. The Company may by Ordinary Resolution declare dividends, but no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.

Declaration of
dividends.

118. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall 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, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Interim
dividends.

119. The Directors may, if they think fit, from time to time, pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

Profit earned
before
acquisition of a
business.

120. Subject to the provisions of the Statutes where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses, as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest such dividend or interest when paid 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.

Share premium
account.

121. If the Company shall issue shares at a premium, whether for cash or otherwise, the Directors shall transfer a sum equal to the aggregate amount or value of the premiums to an account to be

called "share premium account" and any amount for the time being standing to the credit of such account shall not be applied in the payment of dividends.

122. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

Dividends not to bear interest.

123. The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Deduction of debts due to Company.

124. 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.

Retention of dividends.

125. 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 under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

Retention of dividends.

126. 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.

Unclaimed dividends.

127. The Company may, upon the recommendation of the Directors, by Ordinary Resolution, direct payment of a dividend in whole or in part, by the distribution of specific assets and in particular of paid-up shares or debentures of any other company, or in any one or more of such ways; and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

Payment of dividends in specie.

128. 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

Dividends payable by cheque.

thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by 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 or bankruptcy of the holder may direct and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Dividends due
to joint
holders.

129. If several persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

RESERVES AND PROVISIONS

Power to carry
profit to
reserve.

Division of
reserves into
special funds.

130. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested and may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide

CAPITALISATION OF PROFITS AND RESERVES

Capitalisation.

131. The Company may, at any time, and from time to time, by Ordinary Resolution, resolve that any sum not required for the payment or provision of any fixed preferential dividend, and

- (A) for the time being standing to the credit of any Reserve Account of the Company, including premiums received on the issue of any debentures of the Company (not standing to the credit of the Capital Redemption Reserve Fund and Share Premium Account), and any sum carried to reserve as a result of a sale or revaluation of the assets or good-will of the Company or any part thereof, or

(B) being undivided net profits in the hands of the Company, be capitalised, and that such sum be appropriated as capital to and amongst the Ordinary Shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the Ordinary Shares, and in such manner as such Resolution may direct, and so that fractional interests may, if such Resolution shall so provide, be disregarded, and such Resolution shall be effective; provided that no such appropriations shall be made unless recommended by the Directors; and the Directors shall in accordance with such Resolution apply such sum in paying up any unissued shares or debentures of the Company on behalf of such Ordinary Shareholders, and appropriate such shares or debentures to and distribute the same credited as fully paid up amongst such Ordinary Shareholders (or as they may direct) in the proportions aforesaid, in satisfaction of their shares and interests in the said capitalised sum, or shall apply such sum or any part thereof on behalf of such Ordinary Shareholders in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued shares of the Company held by them respectively, or otherwise deal with such sum as directed by such Resolution. The Company may also, at any time, and from time to time, by Ordinary Resolution, resolve that all or any part of the Capital Redemption Reserve Fund or Share Premium Account of the Company be applied in paying up in full any unissued shares of the Company, and appropriate such shares to and distribute the same credited as fully paid up amongst the Ordinary Shareholders (or as they may direct) in the like proportions and manner aforesaid. Where any difficulty arises in respect of any such appropriation and distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite, a proper contract for the allotment and acceptance of any shares or debentures to be appropriated and distributed as aforesaid shall be executed and (if necessary) delivered to the Registrar of Companies for registration, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution, and such appointment shall be effective, and the contract may provide for the acceptance by such persons of the shares or debentures to be allotted to them respectively (or as they may direct) in satisfaction of their claims in respect of the sum so capitalised.

Capital
Redemption
Reserve Fund
and Share
Premium
Account.

Fractional
certificates and
cash
adjustments.

To file contract.

MINUTES AND BOOKS

132. The Directors shall cause minutes to be made in books to be provided for the purpose : —

Minutes.

- (A) Of all appointments of officers made by the Directors.
- (B) Of the names of the Directors present at each meeting of Directors and of any committee of Directors.
- (C) Of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.

Form of
registers, etc.

133. Any register, index, minute book, book of account or other book required by these presents or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

REGISTERS

134. The Register of Members, the Registers of the interests of the Directors and of their families, and the copies of memoranda of Directors' service contracts required by the Statutes to be maintained and available for inspection may be closed to inspection at such times and for such periods as the Directors may (subject to the Statutes and to Article 39) from time to time determine.

ACCOUNTS

Directors to
keep proper
accounts.

135. The Directors shall cause to be kept such books of account as are necessary to comply with the provisions of the Statutes.

Inspection of
books.

136. The books of account shall be kept at the office, or at such other place within Great Britain as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by Ordinary Resolution of the Company.

Presentation of
accounts.

137. The Directors shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

138. A copy 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 annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report 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 notices 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 any person of whose address the Company is not aware or to more than one of joint holders, but any member 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).

Copies of accounts.

AUDITORS

139. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

Auditors.

140. 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 his appointment or that he was at the time of his appointment not qualified for appointment.

Validity of acts of Auditors in spite of some formal defect.

141. The 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 him as Auditor.

Auditor's right to receive notices of and attend and speak at General Meetings.

NOTICES

142. Any notice or document may be served by the Company on any member, Director or alternate, Director either personally or by sending it through the post in a prepaid letter addressed to such member, Director or alternate Director at his registered address. In the case of a member, Director or alternate Director having a registered address outside the United Kingdom any notice sent to him by post shall be despatched by Air Mail and simultaneously with such despatch the addressee shall be advised by cable or telex of such despatch. Where a notice or other document is served by post, service shall be deemed to be effected at the expiration of 48 hours after the time when the cover containing the same is posted, and in proving such service it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

Service of notices.

Service of
notice in
respect of joint
holdings.

143. In respect of joint holdings all notices shall be given to that one of the joint holders whose name stands first in the register of members, and notice so given shall be sufficient notice to all the joint holders.

Service of
notices after
death or
bankruptcy of
a member.

144. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder.

WINDING UP

Distribution of
assets in
specie.

145. If the Company shall be wound up (whether the liquidation be voluntary, under supervision, or by the Court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.

INDEMNITY

146. Subject to the provisions of the Statutes, every Director, Auditor, 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 him in the execution and discharge of his duties or in relation thereto.

Indemnity of
Directors and
officers.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

Theodore Luke Giffard Landon
Great Bromley House
Nr. Colchester
Essex
Company Director

One

Kenneth McGrae Hall
'Torluish'
Effingham Common Road
Effingham
Surrey
Company Secretary

One

DATED this 17th day of June 1980

WITNESS to the above signatures:—

David Alan Stevens
35A Chaldon Common Road
Chaldon
Caterham
Surrey
Company Secretary

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

ANCON INSURANCE COMPANY

(U.K.) LIMITED

Incorporated the 9th of July 1980



CERTIFICATE OF INCORPORATION

No. 1506943

I hereby certify that

ANCON INSURANCE COMPANY (U.K.) LIMITED

is this day incorporated under the Companies Acts 1948 to 1976 and that the Company is Limited.

Given under my hand at Cardiff the

9TH JULY 1980

A handwritten signature in cursive script, appearing to read 'P. Walke', with a horizontal line underneath.

Assistant Registrar of Companies

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

Memorandum of Association

OF

ANCON INSURANCE COMPANY (U.K.) LIMITED

1. The name of the Company is "ANCON INSURANCE COMPANY (U.K.) LIMITED".
2. The Registered Office of the Company will be situate in England.
3. The objects for which the Company is established are:—
 - (1) To carry on all kinds of insurance business, and in particular without prejudice to the generality of the foregoing, to carry on industrial assurance business, liability insurance business, marine, aviation and transport insurance business, motor vehicle insurance business, ordinary long-term insurance business, pecuniary loss insurance business, personal accident insurance business and property insurance business.
 - (2) To undertake re-assurance and counter-assurances of assurances and liabilities of any kind granted or accepted by other persons or bodies and for such consideration and upon such terms and conditions generally as may be thought fit.
 - (3) To re-assure or counter-assure any assurances or liabilities undertaken by the Company.
 - (4) To carry on all or any of the businesses of insurance brokers and general agents for the transaction of motor, marine, fire, life, employers' liability, accident, burglary and other insurance business; assessors, valuers, arbitrators

and specialists; agents for effecting insurance and obtaining policies in respect of all and every kind of risk, and against death, injury or loss arising out of or through or in connection with any accident to human beings, and against loss or damage to real or personal property; and to undertake and carry on any business transaction or operation capable of being or usually undertaken or carried on by insurance agents and brokers.

- (5) To give to any person or class of persons who insure or have dealings with the Company any special privileges, or advantages, or benefits of any kind, including any right to participate in profits generally, or in any part thereof, or any rights in relation to any fund or funds.
- (6) To undertake the office of executor, administrator, trustee, attorney, manager, agent, treasurer, or any other office of trust or confidence and to perform and discharge the duties and obligations incident thereto, and generally to undertake any trust or agency business for reward or gratuitously; also to undertake the custody of any securities, valuables and other goods.
- (7) To negotiate and act as agents for the negotiation of mortgages and loans, and to carry on all or any of the businesses of financiers, financial agents, bankers, capitalists, company promoters, concessionaires, and general and commission agents and brokers.
- (8) To make, build, erect, layout, equip, construct, maintain, alter, use, manage, pull down, repair, improve and work in any parts of the world, dwellinghouses, flats, offices, shops, factories, mills, roads, railways, tramways, telegraph lines, telephone, electric light and power works, canals, reservoirs, waterworks, wells, aqueducts, watercourses, furnaces, gasworks, piers, wharves, docks, quarries, mines, saw and other mills, warehouses, steam and other ships, and other works, buildings and conveniences of all kinds which may be deemed expedient for the purposes of the Company and to pay or contribute to the payment or cost of making, building, maintaining, using and working the same.
- (9) To purchase with a view to closing or re-selling in whole or in part any business or properties which may seem or be deemed likely to injure by competition or otherwise any business or branch of business which the Company

is authorised to carry on, and to close, abandon, and give up any works or businesses at any time acquired by the Company.

- (10) To take out purchase or otherwise acquire for any estate or interest any property, assets or any concessions, licences, grants, patents, trade-marks or other exclusive or non-exclusive rights of any kind which may appear to be necessary or convenient for any business of the Company, and to develop and turn to account and deal with the same in such manner as may be thought expedient and to make experiments and tests and carry on all kinds of research work.
- (11) To acquire and hold bonds, debentures, debenture stock, notes, obligations, scrip, shares or stock issued or guaranteed by any company constituted or carrying on business in any part of the world, and funds, loans, obligations or securities of or issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise whether at home or abroad and to co-ordinate the administration of any group or groups of two or more companies.
- (12) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above, or which it may be advisable to undertake with a view to developing, rendering valuable, prospecting or turning to account, any property, real or personal, belonging to the Company, or in which the Company may be interested.
- (13) To sell, let, lease, grant licences, easements and other rights over or in any other manner dispose of or deal with the whole or any part of the undertaking, property, assets, rights, effects and businesses of the Company for such consideration as may be thought fit and in particular for a rent or rents or stocks, shares, debentures, debenture stock or other obligations of any other company.
- (14) To acquire and undertake on any terms and subject to any conditions, the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of the Company.

- (15) To amalgamate with or enter into partnership or any joint purse or profit-sharing arrangement with or to co-operate in any way with, or assist or subsidise, any company, firm or person carrying on, or proposing to carry on, any business within the objects of the Company.
- (16) To carry on any business or branch of a business which this Company is authorised to carry on by means, or through the agency of, any subsidiary company or companies, and to enter into any arrangement with any such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with reference to any business or branch so carried on including power at any time, and either temporarily or permanently, to close any such branch or business.
- (17) To act as Director or Managers of or to appoint Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
- (18) To take part in the management, supervision and control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any Directors, trustees, accountants or other experts or agents.
- (19) To promote or concur in the promotion of any company, whether British or foreign, the promotion of which shall be considered desirable.
- (20) To give all descriptions of guarantees and indemnities.
- (21) To borrow and raise money in any manner and on any terms.
- (22) For any purpose and in any manner and from time to time to mortgage or charge the whole or any part of the undertaking, property and rights (including property and rights to be subsequently acquired) of the Company, and any money uncalled on any shares of the Capital, original or increased, of the Company and whether at the time issued or created or not and to create, issue, make and give debentures, debenture stock, bonds or other obligations, perpetual or otherwise, with or without any mortgage or charge on all or any part of such undertaking, property, rights and uncalled money.

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.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
Theodore Luke Giffard Landon Great Bromley House Nr. Colchester Essex Company Director	One
Kenneth McCrae Hall 'Torluish' Effingham Common Road Effingham Surrey Company Secretary	One

DATED this 17th day of June 1980

WITNESS to the above signatures:-

David Alan Stevens
35A Chaldon Common Road
Chaldon
Caterham
Surrey

Company Secretary

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

Articles of Association

OF

ANCON INSURANCE COMPANY (U.K.) LIMITED

PRELIMINARY

1. The regulations in Table A in the First Schedule to the Companies Act 1948 shall not apply to the Company.

Table A not to apply.

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

Interpretation.

WORDS	MEANINGS
The Act ...	The Companies Act 1948.
The Statutes ...	The Companies Acts 1948 to 1976 and every other Act for the time being in force concerning companies and affecting the Company.
These presents ...	These Articles of Association, as originally framed, or as from time to time altered by Special Resolution.
Office ...	The registered office of the Company.
Seal ...	The common seal of the Company.

WORDS	MEANINGS
The United Kingdom	Great Britain and Northern Ireland.
Month	Calendar month.
Year	Calendar year.
In writing ...	Written or produced by any substitute for writing, or partly one and partly another.
Dividend ...	Dividend and/or bonus.
Paid	Paid or credited as paid.

The expressions "debenture" and "debenture holder" shall include "debenture stock" and "debenture stockholder", and the expression "Secretary" shall include any person appointed by the Directors to perform any of the duties of the Secretary.

Words importing the singular number only shall include the plural number and vice versa, words importing the masculine gender only shall include the feminine gender and words importing persons shall include corporations.

Save as aforesaid, any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these presents.

The marginal notes are inserted for convenience only and shall not affect the construction of these presents.

PRIVATE COMPANY

Private
Company.

3. The Company is a Private Company and accordingly:—

- (A) The right to transfer shares in the Company shall be restricted in manner hereinafter appearing.
- (B) The number of members of the Company (not including persons who are in the employment of the Company, and persons who, having been formerly in the employment of the Company, were while in that employment and have

12. Subject to confirmation by the court, the Company may by Special Resolution reduce its share capital or any capital redemption reserve fund or Share Premium Account in any manner.

Power to
reduce capital.

SHARES

13. Any share may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of share capital or otherwise as the Company may from time to time by Special Resolution determine.

Issue of shares.

14. The Company may exercise the powers of paying commissions conferred by the Statutes. The rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Statutes, and such commission shall not exceed 10 per cent. of the price at which the shares in respect of which the commission is paid are issued. The Company may also on any issue of shares pay such brokerage as may be lawful.

Power to pay
commissions
and brokerage.

15. 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.

Exclusion of
equities.

CERTIFICATES

16. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the terms of issue shall provide) one certificate for all his shares of any one class or upon payment of such sum, not exceeding 5p for every certificate after the first as the Directors shall from time to time determine, several certificates, each for one or more of his shares of any one class. Where a member transfers part only of the shares comprised in a certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge. Every certificate shall be issued under the seal and shall specify the shares to which it relates, and the amount paid up thereon. Provided that the Company shall not be bound to register more than three persons as the joint holders of any shares (except in the case of executors or trustees of a deceased member) and 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 of such persons shall be sufficient delivery to all.

Issue of
certificates.

**Renewal of
certificates.**

17. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of such fee (if any), not exceeding 20p and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in investigating evidence as the Directors think fit.

CALLS ON SHARES**Calls.**

18. 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 by way of premium) and not by the terms of issue thereof made payable at fixed times, provided that no call on any shares shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and 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 his shares.

**Revocation or
postponement
of calls.**

19. A call may be revoked or postponed as the Directors may determine.

**Time when
made.**

20. 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.

**Liability of
joint holders.**

21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**Interest on
calls.**

22. 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 10 per cent. per annum, as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

**Sums due on
allotment to be
treated as calls.**

23. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of 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 issue, the same becomes payable, and 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.

24. 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.

Power to differentiate.

25. 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 him, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate (not exceeding 5 per cent. per annum) as the member paying such sum and the Directors agree upon.

Payment in advance of calls.

FORFEITURE AND LIEN

26. If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.

Notice requiring payment of calls.

27. 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.

Notice to state time and place for payment.

28. 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.

Forfeiture on non-compliance with notice.

Surrender in lieu of forfeiture.

29. 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 cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

Sale of shares forfeited or surrendered.

Rights and liabilities of members whose shares have been forfeited or surrendered.

30. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the 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 him to the Company in respect of the shares with interest thereon at 7 per cent. per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender.

Company's lien.

31. The Company shall have a 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; and the Company shall also have a first and paramount lien and charge on all shares (including fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends payable thereon. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article.

Sale of shares subject to lien.

32. 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 his death or bankruptcy.

Application of proceeds of such sale.

33. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) 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.

34. A statutory declaration in writing that the declarant is a Director 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, and 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 certificate of proprietorship of the share under seal 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 his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

Title to shares forfeited or surrendered or sold to satisfy a lien.

TRANSFER OF SHARES

35. All transfers of shares may be effected by transfer in writing in the usual common form, or in such other form as the Directors may accept, and may be under hand only.

Form of transfer.

36. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Execution.

37. (1) The Directors may in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of a share whether or not fully paid up.

Directors' power to decline to register a transfer.

(2) No share shall in any circumstances be allotted, transferred to or renounced in favour of any infant, bankrupt or person of unsound mind.

(3) If the Directors refuse to register any transfer of a share 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.

38. The Directors may decline to recognise any instrument of transfer, unless:—

Deposit of transfer.

(A) The instrument of transfer is deposited duly stamped at the office or at such place (if any) as the Directors may appoint, accompanied by the certificate of the shares to

which it relates, 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 his behalf, the authority of that person so to do); and

- (b) The instrument of transfer is in respect of only one class of share.

All instruments of transfer which are registered may be retained by the Company.

Suspension of
registration.

39. The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

Fee for
registration of
probate.

40. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, notice in lieu of distringas, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the register affecting the title to any share, such fee, not exceeding 25p, as the Directors may from time to time require or prescribe.

Renunciation
of allotment.

41. Nothing in these presents shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

TRANSMISSION OF SHARES

Transmission
on death.

42. In the 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 he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his 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 him.

Registration of
executors and
trustees in
bankruptcy.

43. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, subject as hereinafter provided, either be registered himself as holder of the share upon giving to the Company notice in writing of such his desire, 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 had not occurred and the notice or transfer were a transfer executed by such member.

44. 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 shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share. Should such person fail either to transfer the share or to elect to be registered as a member in respect thereof within sixty days of being required so to do by the Directors, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

Rights of
unregistered
executors and
trustees.

STOCK

45. The Company may by Ordinary Resolution convert any paid-up shares into stock, and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.

Power to
convert into
stock.

46. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit, but no stock shall be transferable except in such units as the Directors may from time to time determine, provided that such units shall not be greater than the nominal amount of the shares from which the stock arose.

Transfer of
stock.

47. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

Rights of
stockholders.

48. 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" therein shall include "stock" and "stockholder".

Interpretation.

GENERAL MEETINGS

Annual General Meetings.

49. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Company by Ordinary Resolution or failing such determination by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

Extraordinary General Meetings.

50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

Notice.

51. 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 (exclusive in either case of the day on which it is served or deemed to be served and of the day for which it is given) given in manner hereinafter mentioned to the Auditors the Directors and to all members other than such 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—

Short notice.

(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.

Omission or non-receipt of notice.

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

Contents of notice.

52. (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 a proxy or proxies to attend and vote instead of him 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 the 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.

53. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:—

Routine
business.

- (A) Declaring dividends;
- (B) Reading, considering and adopting the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;
- (C) Appointing auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed;
- (D) Appointing Directors and voting additional remuneration to the Directors.

54. The Directors shall on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided—

Circulation of
members'
resolutions,
etc.

- (A) Give to the members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (B) Circulate to the members entitled to have notice of any General Meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

55. No business shall be transacted at any General Meeting unless a quorum is present. Two members present in person or by proxy shall be a quorum for all purposes.

Quorum.

Adjournment if
quorum not
present.

56. If within half an hour from the time appointed for the meeting, 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 the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, any member present shall be a quorum.

Chairman.

57. The Chairman of the Directors shall preside as Chairman at every General Meeting. If there be no such Chairman, or if at any meeting he be not present within five minutes after the time appointed for holding the meeting or be unwilling to act, the Directors present shall choose one of their number to be Chairman of the meeting 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 present to be Chairman.

Adjournments.

Notice of
adjournments.

58. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time 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. When a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Method of
voting.

59. 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 the Chairman or by any one member present in person or by proxy and entitled to vote at the meeting. A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman 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 the fact without proof of the number or proportion of the votes recorded for or against such resolution.

Votes counted
in error.

60. 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.

61. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may (and if so requested shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. No poll shall be demanded on the appointment of a Chairman of a meeting.

How poll to be taken.

62. 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 may direct. No notice need be given of a poll not taken immediately.

Time for taking

63. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Continuance of business after demand for poll.

64. Subject to the provisions of the Act, a Resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representative), shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.

VOTES OF MEMBERS

65. Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share held by him.

Voting rights of members.

66. 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 joint holding.

Voting rights of joint holders.

67. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, *curator bonis* or other person in the nature of a committee or *curator bonis* appointed by such court, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office not less than forty-eight hours before the time appointed for holding the meeting.

Voting rights of lunatic members.

No right to
vote where a
call is unpaid.

68. 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 privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Objections.

69. No objection shall be raised to the admissibility of any vote or the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

Votes on a poll.

70. 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 his votes or cast all the votes he uses in the same way.

Execution of
proxies.

71. An instrument appointing a proxy shall be in writing and—

(A) in the case of an individual shall be signed by the appointor or by his attorney; and

(B) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

Proxy need
not be a
member.

72. A proxy need not be a member of the Company.

Deposit of
proxies.

73. An instrument appointing a proxy must be left at the office or such other place (if any) as is specified for that purpose in the notice convening the meeting not less than twenty-four hours before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used, and in default shall not be treated as valid.

Form of
proxies.

74. An instrument appointing a proxy may be in the usual common form, or in such other form as the Directors may accept, and shall be deemed to include the right to demand or join in demanding a poll. An instrument appointing a proxy 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 and need not be witnessed.

75. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

Intervening death or insanity of principal not to revoke proxy.

CORPORATIONS ACTING BY REPRESENTATIVES

76. 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, and 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.

Representatives.

DIRECTORS

77. Subject as hereinafter provided the Directors shall not be less than two nor more than fifteen in number. Provided that the Company may by Ordinary Resolution from time to time increase or reduce the maximum or minimum number of Directors.

Number of Directors.

78. (1) The holders for the time being of a majority in number of the Ordinary Shares for the time being in issue may from time to time by notice in writing to the Company:—

Power of Shareholders to appoint or remove Directors.

- (a) appoint a person as an additional Director or to fill a casual vacancy or
- (b) remove any Director from office, and, if thought fit, appoint another person in his stead.

Any such appointment or removal shall become effective on receipt of such notice at the office or on its production at a meeting of the Directors. The signature of any notice given under these Articles need not be witnessed. Where another company holds the majority of the shares of the Company giving the right to notice of and to attend and vote at General Meetings of the Company the notice referred to in this Article shall consist of a certified copy of the Resolution of the Directors of the controlling company effecting the appointment or removal.

(2) Any appointment of an additional Director beyond the maximum fixed by or in accordance with these Articles shall be deemed to be an increase in the maximum number of Directors fixed by or in accordance with these Articles.

Qualification of Director.

79. A Director shall not be required to hold any share qualification, but shall be entitled to receive notice of and attend all General Meetings of the Company and of any class of members.

Directors' Remuneration.

80. The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

Pensions, etc.

81. The Directors may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following Article shall include any Director appointed to any executive office or to any office or place of profit in the Company or any subsidiary company thereof) and ex-employees of the Company and their dependants or any class or classes of such persons.

Grant of pensions etc. to employees etc.

82. The Directors may pay, enter into agreements to pay or make grants of pensions or other benefits, either revocable or irrevocable and either subject or not subject to any terms or conditions, to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding Article. Any such pension or benefit may, as the Directors consider desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

Power of Directors to hold offices of profit and to contract with the Company.

83. A Director may hold any other office under the Company (other than the office of Auditor) and may act in a professional capacity for the Company in conjunction with his office of Director. No Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement

entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, but any Director so contracting or being so interested shall be liable to account to the Company for any profit realised by any such contract or arrangement by reason of the fiduciary relation thereby established, and the nature of the interest of the Director in such contract or proposed contract or arrangement must be declared at the meeting of the Directors at which the question is first taken into consideration, if his interest then exists, or in any other case at the next meeting of the Directors held after he became interested. A Director shall not vote in respect of any contract or arrangement in which he is so interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company, nor shall it apply to any contract or arrangement entered into with another company where the sole interest of a Director is that he is a director or creditor of or is a shareholder in or beneficially interested in the shares of the company with which such contract or arrangement is to be made, nor shall it apply to any contract to subscribe for or to underwrite or guarantee the subscriptions of any shares or debentures of the Company, and it may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction by the Company in General Meeting. A general notice given to the Board by a Director to the effect that he is a member of or beneficially interested in a specified firm or company and is to be regarded as interested in any contracts or arrangements which may be made with that firm or company after the date of such notice shall be a sufficient declaration of interest under this Article.

84. A Director may be or become a director or other officer of, or otherwise interested in, any other company, whether or not a company promoted by the Company or a company in which the Company may be interested as shareholders or otherwise, but shall be accountable for any remuneration or other benefits received by him as a director or officer of any such other company.

Holding of
concurrent
office.

85. A Director may, save as provided by any agreement between him and the Company to the contrary, at any time give notice in writing to the Company resigning his office as Director.

Directors'
notice of
resignation.

ALTERNATE DIRECTORS

86. (1) Each Director shall have the power to nominate any other Director or, with the approval of a majority of the other Directors, any other person to act as alternate Director in his place at any meeting of the Directors at which he is unable to be present

Power to
appoint
alternate
Directors.

and at his discretion to remove such alternate Director, and on such appointment being made the alternate Director shall (except as regards the power to appoint an alternate) be subject in all respect to the terms and conditions existing with reference to the other Directors of the Company, and each alternate Director, whilst acting in the place of an absent Director, shall exercise and discharge all the duties of the Director he represents, but shall look to such Director solely for his remuneration as alternate Director. Any Director of the Company who is appointed an alternate Director shall be entitled to vote at a meeting of the Directors on behalf of the Director so appointing him as distinct from the vote to which he is entitled in his own capacity as a Director of the Company and shall also be considered as two Directors for the purpose of making a quorum of Directors when such quorum shall exceed two. Any person appointed as an alternate Director shall vacate his office as such alternate Director if and when the Director by whom he was appointed vacates his office as Director or removes him by written notice to the Company.

Form of
instrument
appointing
alternate
Directors.

(2) Every instrument appointing an alternate Director shall, as nearly as circumstances will admit, be in the following form or to the effect following:—

ANCON INSURANCE COMPANY (U.K.) LIMITED

“I
“a Director of the above-named Company, in pursuance of the
“power in that behalf contained in the Articles of Association
“of the Company, do hereby nominate and appoint
“
“of
“to act as alternate Director in my place at any meeting of the
“Directors which I am unable to attend, and to exercise and
“discharge thereat all my duties as a Director of the Company.
“AS WITNESS my hand this day of 19 ”.

EXECUTIVE DIRECTORS

Appointment
of Executive
Directors.

87. The Directors may from time to time appoint one or more of their body to be holder of any office, including the office of Chairman or Vice-Chairman or Joint Vice-Chairman or Managing or Joint Managing Director, for a period of three years or such period as they may determine.

Power of
Executive
Directors.

88. The Directors may entrust to and confer upon a Director holding any executive office any of the powers exercisable by them as Directors 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 may from time to time revoke, withdraw, alter or vary all or any of such powers.

APPOINTMENT AND RETIREMENT OF DIRECTORS

89. The office of a Director shall be vacated in any of the following events, namely:—

Vacation of
office of
Director.

- (A) If he becomes prohibited by law from acting as a Director.
- (B) If (save as provided in Article 85) he resigns by writing under his hand left at the Office.
- (C) If he has a receiving order made against him or compound with his creditors generally.
- (D) If he becomes of unsound mind.
- (E) If he be absent from meetings of the Directors for six months without leave, and the Directors resolve that his office be vacated.
- (F) If he be requested in writing by all his co-Directors to resign.
- (G) If he is removed by an Extraordinary Resolution or an Ordinary Resolution of the Company in the manner provided in Article 96.
- (H) If he is removed pursuant to Article 78.

90. No Director shall vacate his office or be ineligible for appointment as a Director, nor shall any person be ineligible for appointment as a Director, by reason only of his having attained any particular age, nor shall special notice be required of any Resolution appointing or approving the appointment of such a Director or any notice be required to state the age of the person to whom such a Resolution relates.

No Director
to vacate his
office because
of age.

91. (A) At the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not three or a multiple of three then the number nearest one-third shall retire from office.

Retirement of
Directors.

(B) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

92. A retiring Director shall be eligible for re-election.

Filling casual
vacancies.

93. The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

Notice of
intention
to appoint
Director.

94. No person other than a Director retiring at the meeting shall unless recommended by the Directors be eligible for election to the office of Director at any general meeting unless not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by that person of his willingness to be elected.

Increase and
reduction of
number of
Directors.

95. The Company may from time to time by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office.

Removal of
Directors.

96. The Company may by ordinary resolution of which special notice has been given in accordance with Section 142 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these regulations or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

Appointment
of Directors in
place of those
removed.

97. The Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediately preceding Article and the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

PROCEEDINGS OF DIRECTORS

Meetings of
Directors.

Votes.

98. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the

Directors. Not less than 14 days' notice shall be given to all Directors and to all alternate Directors (whether resident in the United Kingdom or elsewhere) of all meetings of the Directors and such notice shall state the general nature of the business to be considered at such meeting. If all the Directors or their alternate Directors so agree in writing or by cable or telex a meeting of the Directors may be called upon shorter notice.

Notice.

99. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. 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.

Quorum.

100. A Director unable to attend any meeting of the Board may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have one vote for each Director by whom he is so authorised, in addition to his own vote. Any such authority must be in writing or by cable, radiogram or telegram which must be produced at the Board Meeting at which the same is to be used, and be left with the Secretary for filing.

Directors
absent from
meetings of
Directors.

101. The Directors may, at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or by way of addition to their number, provided that the number of Directors shall not at any time exceed the maximum number fixed by, or in accordance with, these Articles. Any Director so appointed shall retire from office at the next following Annual General Meeting of the Company, but shall then be eligible for re-appointment.

Power to
appoint
additional
Directors.

102. 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 purpose of filling up such vacancies or of summoning General Meetings of the Company, 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.

Proceedings in
case of
vacancies.

103. If no Chairman shall have been appointed, or if at any meeting the Chairman be not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

Chairman.

104. A resolution in writing or approved by letter, telegram or telex signed by all the Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors.

Resolutions in
writing.

Power to
appoint
committees.

105. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.

Proceedings at
committee
meetings.

106. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these presents regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

Validity of acts
of Directors in
spite of some
formal defect.

107. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

BORROWING POWERS

Power to
borrow money
and give
security.

108. 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, debenture stock, and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

GENERAL POWERS OF DIRECTORS

General power
of Directors to
manage
Company's
business.

109. The business 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 the provisions of the Statutes, and to such regulations, being not inconsistent with the aforesaid 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.

LOCAL MANAGEMENT

110. (i) The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality whether at home or abroad in such manner as they think fit and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this paragraph.

Power to
appoint
local managers.

(ii) The Directors from time to time and at any time may establish any local boards or agencies for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such local board or any managers or agents and may fix their remuneration. Any of the Directors from time to time and at any time may delegate to any person so appointed any of the powers authorities and discretions for the time being vested in the Directors other than the power of making calls and may authorise the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation.

Delegation of
powers to local
Boards.

(iii) The Directors may at any time and from time to time by power of attorney under the Company's Seal appoint any person or persons 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 the Directors may from time to time think fit and any such appointment may (if the Directors think fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any Company or of the members Directors nominees or managers of any company or firm or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors and such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors may think fit.

Power to
appoint
attorney.

(iv) Any such delegates or attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.

(v) The Company may exercise the powers conferred by Section 35 of the Act. And the Company may cause to be kept in any part of Her Majesty's Dominions outside Great Britain the

Channel Islands or the Isle of Man in which it transacts business a branch register of members resident in that part and the Directors may from time to time make such provisions as they (subject to Section 120 of the Act) may think fit respecting the keeping of any such branch register and may comply with the requirements of any local law.

Signature of
cheques and
bills.

111. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for 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.

ASSISTANT DIRECTORS

Assistant
Director.

112. (i) The Directors may from time to time appoint any person or persons to be an Assistant Director or Assistant Directors of the Company and so that in the case of any Assistant Director such appointment may be either for a fixed term or without any limitation as to the period for which he is to hold such office and the Directors may from time to time remove or dismiss any Assistant Director from office and if they think proper appoint another in his place (Provided that not more than 8 persons shall at any one time hold office as Assistant Directors).

(ii) The remuneration of an Assistant Director shall from time to time be fixed by the Directors and may be by way of salary fees commission or participation in profits or by all or any of those modes.

(iii) The Directors may from time to time entrust to and confer upon any Assistant Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any of such powers.

(iv) An Assistant Director shall not require any share qualification and shall not be entitled to receive notices of or vote or (unless invited by the Board) to attend any meeting of the Board of Directors.

(v) Without prejudice to the powers of removal hereby conferred upon the Board of Directors an Assistant Director may at any time be removed from office by a resolution of the Company in General Meeting.

SECRETARY

113. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.

Appointment.

THE SEAL

114. The Seal shall not be affixed to any instrument, except by the general or special authority of a Resolution of the Directors, or of a Committee of the Directors, and, except as hereinafter provided, every instrument to which the Seal shall be affixed shall bear the autographic signature of at least two Directors or one Director and the Secretary or some other person authorised by the Directors. Every certificate of shares, stock, debentures or debenture stock of the Company shall be issued under the Seal provided that with the specific authority of a Resolution of the Directors such certificates of shares, stock, debentures or debenture stock may be issued under the Seal but without such signatures or with such signatures affixed by means of some method or system of mechanical signature.

Formalities
for affixing
Seal.

AUTHENTICATION OF DOCUMENTS

115. 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, 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 where 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.

Power to
authenticate
documents.

116. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of

Certified copies
of Resolution
of the
Directors.

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 extract is a true and accurate record of a duly constituted meeting of the Directors.

DIVIDENDS AND RESERVES

Payment of
dividends.

117. The Company may by Ordinary Resolution declare dividends, but no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.

Declaration of
dividends.

118. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall 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, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Interim
dividends.

119. The Directors may, if they think fit, from time to time, pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

Profit earned
before
acquisition of a
business.

120. Subject to the provisions of the Statutes where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses, as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest such dividend or interest when paid 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.

Share premium
account.

121. If the Company shall issue shares at a premium, whether for cash or otherwise, the Directors shall transfer a sum equal to the aggregate amount or value of the premiums to an account to be

called "share premium account" and any amount for the time being standing to the credit of such account shall not be applied in the payment of dividends.

122. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company. Dividends not to bear interest.

123. The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise. Deduction of debts due to Company.

124. 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. Retention of dividends.

125. 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 under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same. Retention of dividends.

126. 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. Unclaimed dividends.

127. The Company may, upon the recommendation of the Directors, by Ordinary Resolution, direct payment of a dividend in whole or in part, by the distribution of specific assets and in particular of paid-up shares or debentures of any other company, or in any one or more of such ways; and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors. Payment of dividends in specie.

128. 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 Dividends payable by cheque.

thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by 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 or bankruptcy of the holder may direct and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Dividends due
to joint
holders.

129. If several persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

RESERVES AND PROVISIONS

Power to carry
profit to
reserve.

130. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested and may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide

Division of
reserves into
special funds.

CAPITALISATION OF PROFITS AND RESERVES

Capitalisation.

131. The Company may, at any time, and from time to time, by Ordinary Resolution, resolve that any sum not required for the payment or provision of any fixed preferential dividend, and

- (A) for the time being standing to the credit of any Reserve Account of the Company, including premiums received on the issue of any debentures of the Company (not standing to the credit of the Capital Redemption Reserve Fund and Share Premium Account), and any sum carried to reserve as a result of a sale or revaluation of the assets or good-will of the Company or any part thereof, or

(B) being undivided net profits in the hands of the Company, be capitalised, and that such sum be appropriated as capital to and amongst the Ordinary Shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the Ordinary Shares, and in such manner as such Resolution may direct, and so that fractional interests may, if such Resolution shall so provide, be disregarded, and such Resolution shall be effective; provided that no such appropriations shall be made unless recommended by the Directors; and the Directors shall in accordance with such Resolution apply such sum in paying up any unissued shares or debentures of the Company on behalf of such Ordinary Shareholders, and appropriate such shares or debentures to and distribute the same credited as fully paid up amongst such Ordinary Shareholders (or as they may direct) in the proportions aforesaid, in satisfaction of their shares and interests in the said capitalised sum, or shall apply such sum or any part thereof on behalf of such Ordinary Shareholders in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued shares of the Company held by them respectively, or otherwise deal with such sum as directed by such Resolution. The Company may also, at any time, and from time to time, by Ordinary Resolution, resolve that all or any part of the Capital Redemption Reserve Fund or Share Premium Account of the Company be applied in paying up in full any unissued shares of the Company, and appropriate such shares to and distribute the same credited as fully paid up amongst the Ordinary Shareholders (or as they may direct) in the like proportions and manner aforesaid. Where any difficulty arises in respect of any such appropriation and distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite, a proper contract for the allotment and acceptance of any shares or debentures to be appropriated and distributed as aforesaid shall be executed and (if necessary) delivered to the Registrar of Companies for registration, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution, and such appointment shall be effective, and the contract may provide for the acceptance by such persons of the shares or debentures to be allotted to them respectively (or as they may direct) in satisfaction of their claims in respect of the sum so capitalised.

Capital
Redemption
Reserve Fund
and Share
Premium
Account.

Fractional
certificates and
cash
adjustments.

To file contract.

MINUTES AND BOOKS

132. The Directors shall cause minutes to be made in books to be provided for the purpose:—

Minutes.

- (A) Of all appointments of officers made by the Directors.
- (B) Of the names of the Directors present at each meeting of Directors and of any committee of Directors.
- (C) Of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.

Form of
registers, etc.

133. Any register, index, minute book, book of account or other book required by these presents or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

REGISTERS

134. The Register of Members, the Registers of the interests of the Directors and of their families, and the copies of memoranda of Directors' service contracts required by the Statutes to be maintained and available for inspection may be closed to inspection at such times and for such periods as the Directors may (subject to the Statutes and to Article 39) from time to time determine.

ACCOUNTS

Directors to
keep proper
accounts.

135. The Directors shall cause to be kept such books of account as are necessary to comply with the provisions of the Statutes.

Inspection of
books.

136. The books of account shall be kept at the office, or at such other place within Great Britain as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by Ordinary Resolution of the Company.

Presentation of
accounts.

137. The Directors shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

138. A copy 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 annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report 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 notices 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 any person of whose address the Company is not aware or to more than one of joint holders, but any member 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).

Copies of
accounts.

AUDITORS

139. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

Auditors.

140. 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 his appointment or that he was at the time of his appointment not qualified for appointment.

Validity of acts
of Auditors in
spite of some
formal defect.

141. The 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 him as Auditor.

Auditor's right
to receive
notices of and
attend and
speak at
General
Meetings.

NOTICES

142. Any notice or document may be served by the Company on any member, Director or alternate Director either personally or by sending it through the post in a prepaid letter addressed to such member, Director or alternate Director at his registered address. In the case of a member, Director or alternate Director having a registered address outside the United Kingdom any notice sent to him by post shall be despatched by Air Mail and simultaneously with such despatch the addressee shall be advised by cable or telex of such despatch. Where a notice or other document is served by post, service shall be deemed to be effected at the expiration of 48 hours after the time when the cover containing the same is posted, and in proving such service it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

Service of
notices.

Service of
notice in
respect of joint
holdings.

143. In respect of joint holdings all notices shall be given to that one of the joint holders whose name stands first in the register of members, and notice so given shall be sufficient notice to all the joint holders.

Service of
notices after
death or
bankruptcy of
a member.

144. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder.

WINDING UP

Distribution of
assets in
specie.

145. If the Company shall be wound up (whether the liquidation be voluntary, under supervision, or by the Court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.

INDEMNITY

146. Subject to the provisions of the Statutes, every Director, Auditor, 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 him in the execution and discharge of his duties or in relation thereto.

Indemnity of
Directors and
officers.

One

One

Company Secretary

DATED this 17th day of June 1980

WITNESS to the above signatures:—

David Alan Stevens
35A Chaldon Common Road
Chaldon
Caterham
Surrey

Company Secretary

THE COMPANIES ACTS 1948 TO 1976

COMPANY LIMITED BY SHARES

MEMORANDUM
(Amended by Ordinary Resolution
passed on 14 December, 1983)

AND

ARTICLES OF ASSOCIATION
(Amended by Ordinary Resolution
passed on 14 December, 1983)

OF

ANCON INSURANCE COMPANY
(U.K.) LIMITED

Incorporated the 9th of July 1980

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