

222)960

The Companies Act 1985 (as amended)

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**(adopted by Special Resolution passed on 27 May, 1997 and  
amended by Special Resolution passed on 28 October, 2004)**

**OF**



**ROYAL INSURANCE HOLDINGS PLC**

---

**PRELIMINARY**

1. The regulations contained in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the company save in so far as they are excluded or varied hereby and such regulations (save as so excluded or varied) and articles hereinafter contained shall be the regulations of the company.

**ALLOTMENT OF SHARES**

2. In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the company.

**VARIATION OF RIGHTS**

3. Subject to the provisions of the Companies Act, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the company is being wound up) be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these articles as to general meetings of the company shall mutatis mutandis apply to any such separate general meeting, but so that the necessary quorum shall be a person or persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned

meeting of the holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

#### **PARI PASSU ISSUES**

4. The rights conferred upon the holdings of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares raking pari passu with them.

#### **WRITTEN RESOLUTIONS**

5. Regulation 53 in Table A shall not apply.

#### **VOTES OF MEMBERS**

6. On a show of hands or on a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion. Regulation 59 in Table A shall not apply.
7. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may be:
  - (a) deposited at the office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of a poll not taken forthwith deposited as aforesaid after the poll has been demanded and before the time appointed for the taking of the poll;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. Regulation 62 in Table A shall not apply.

#### **DIRECTORS**

8. The holder or holders for the time being of more than on-half of the issued shares of the company shall have the power from time to time and at any time to appoint any person or persons as a directors or directors and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or in the case of a member being a company signed on its behalf by one of its directors, or its secretary, and shall take effect upon lodgement as may be specified in the instrument.
9. Regulations 73 to 80 (inclusive) and the last sentence in Regulation 84 in Table A shall not apply.

## PROCEEDINGS OF DIRECTORS

10. The directors may appoint from among their number (and at any time remove) a Chairman, a Deputy Chairman and a Vice-Chairman. The Chairman (or, in his absence, the Deputy Chairman or, in the absence of both, the Vice-Chairman) shall have the right to preside at each meeting of the directors at which he is present. If five minutes after the time appointed for the meeting no such Chairman, Deputy Chairman or Vice-Chairman is present and willing to preside, the directors present may choose any of their number to be Chairman of the meeting. Regulation 91 in Table A shall not apply.
11. A resolution in writing either signed or approved by letter, telex, facsimile or telegram by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by his appointor and, if it is signed by a director who has appointed an alternate director it need not be signed by the alternate director in that capacity. Regulation 93 in Table A shall not apply.
12. Any director or member of a committee of the board may participate in a meeting of the directors or of such committee by means of video conferencing facilities, telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
13. A director may vote at any meeting of the directors or of any committee of directors on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever or that it conflicts or may conflict with the interests of the company and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting. Regulations 94 to 97 (inclusive) in Table A shall not apply.

## SEAL

14. The directors shall provide for the safe custody of the seal, which shall be used only as authorised by the directors or by a committee of the directors empowered by the directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by such person or persons as the directors may from time to time by resolution determine and such signature or signatures may be affixed to such instrument by some mechanical means. Regulation 101 of Table A shall not apply.

## DIVIDENDS

15. Subject to the provisions of the Act, the directors may declare and pay dividends without sanction of the members in general meeting in accordance with the respective rights of the members if it appears to them that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the directors may pay dividends on shares which confer deferred or non-preferential rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no dividend

shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of dividend on any shares having deferred or non-preferential rights. Regulation 103 in Table A shall not apply.

16. The directors declaring a dividend may direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

## **BORROWING POWERS**

17. The board may exercise all the powers of the company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the company or of any third party.<sup>1</sup>

---

<sup>1</sup> This article was inserted by a Special Resolution passed on 28 October, 2004