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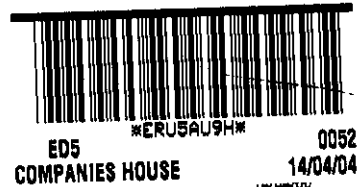
The Companies Acts, 1985 to 1989

Memorandum  
AND  
Articles of Association  
OF  
NORWICH UNION plc

Incorporated 10th December, 1996

Slaughter and May,  
35 Basinghall Street,  
London,  
EC2V 5DB.

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# THE FIRST SCHEDULE

## The Scheme of Arrangement

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

No. 1108 of 2000

IN THE MATTER OF NORWICH UNION plc

and

IN THE MATTER OF THE COMPANIES ACT 1985

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SCHEME OF ARRANGEMENT  
*(under section 425 of the Companies Act 1985)*

between

NORWICH UNION plc

AND

THE HOLDERS OF THE SCHEME SHARES  
*(as hereinafter defined)*

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### Preliminary

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

"business day"	means a day on which the London Stock Exchange Limited is open for the transaction of business;
"certificated form"	a share or other security which is not in uncertificated form (that is, not in CREST);
"CGU"	CGU plc;
"CGU Shares"	ordinary shares of 25 pence each in the capital of CGU;
"Court"	the High Court of Justice in England and Wales;
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272)) in respect of which CRESTCo is the Operator (as defined in such regulations);
"CRESTCo"	CRESTCo Limited;
"Effective Date"	the date on which the Scheme becomes effective in accordance with its terms;

"Excluded Norwich Union Shares"	means Norwich Union Shares of which CGU or any subsidiary undertaking of CGU is the beneficial owner;
"Hearing Date"	the date on which the Order is made;
"holder"	a registered holder and includes any person(s) entitled by transmission;
"Norwich Union"	Norwich Union plc;
"Norwich Union Shares"	ordinary shares of 10 pence each in the capital of Norwich Union;
"Order"	the order of the Court sanctioning the Scheme;
"Relevant Holders"	holders of Scheme Shares whose names appear in the register of members of Norwich Union at the Scheme Record Time;
"Scheme"	this Scheme in its present form or with or subject to any modification, addition or condition approved or imposed by the Court;
"Scheme Meeting"	the meeting of holders of the Scheme Shares as at the Voting Record Time convened by direction of the Court pursuant to section 425 of the Companies Act 1985, including any adjournment thereof;
"Scheme Record Time"	6.00 p.m. on the business day immediately preceding the Effective Date;
"Scheme Shares"	<p>(i) the Norwich Union Shares in issue at the date of this document; and</p> <p>(ii) any Norwich Union Shares issued after the date of this document and prior to the Voting Record Time; and</p> <p>(iii) any Norwich Union Shares issued at or after the Voting Record Time and prior to 6.00 p.m. on the day before the Hearing Date on terms that the holder thereof shall be bound by the Scheme,</p> <p>in each case excluding any Excluded Norwich Union Shares;</p>
"subsidiary undertaking"	a subsidiary undertaking as that term is defined in section 258 of the Companies Act 1985;
"uncertificated form"	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which may be transferred by means of CREST; and
"Voting Record Time"	6.00 p.m. on the day prior to the day immediately before the Scheme Meeting at which the Scheme is approved.

- (B) Norwich Union was incorporated on 10 December 1996 under the Companies Act 1985 as a public company limited by shares. The authorised share capital of Norwich Union is £300,000,000, divided into 3,000,000,000 ordinary shares of 10 pence each. Of this, as at 1 March 2000 (the latest practicable date prior to the publication of this document) 1,937,498,991 ordinary shares had been issued and were fully paid and the remainder were unissued. As at 1 March 2000, CGU and its subsidiary undertakings were the beneficial owners of 27,580,003 of such shares.
- (C) CGU was incorporated and registered on 9th February 1990 under the Companies Act 1985 as a public company limited by shares. CGU adopted its current name on 2 June 1998. The authorised share capital of CGU is £676,750,000, divided into 1,907,000,000 ordinary shares of 25 pence each, 100,000,000 8½% cumulative preference shares of 100 pence each and 100,000,000 8½% cumulative preference shares of 100 pence each. As at 1 March 2000 (the latest practicable date prior to the publication of this document), 1,313,189,181 ordinary shares had been issued and were fully paid up and the remainder were unissued, and all the preference shares had been issued and were fully paid up.

- (D) Subject to the terms of the Merger Agreement dated 20 February 2000 and made between CGU and Norwich Union, each holder of Excluded Norwich Union Shares other than CGU will, in respect of those shares, appear by Counsel on the hearing of the petition to sanction this Scheme to consent to be bound by this Scheme.
- (E) Subject to the terms of the Merger Agreement, CGU has agreed to appear by Counsel on the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

### The Scheme

#### 1. Cancellation of Scheme Shares

- (A) The share capital of Norwich Union shall be reduced by cancelling and extinguishing the Scheme Shares.
- (B) Forthwith and contingently upon the reduction of capital referred to in sub-clause (A) of this Clause 1 taking effect:
- (i) the share capital of Norwich Union shall be increased to its former amount by the creation of such number of new Norwich Union Shares as shall be equal to the number of Scheme Shares cancelled as aforesaid; and
  - (ii) Norwich Union shall apply the reserve arising as a result of such reduction of capital in paying up in full the new Norwich Union Shares created pursuant to sub-clause (B)(i) which shall be allotted and issued credited as fully paid to CGU and/or its nominee(s).

#### 2. Consideration for the cancellation of Scheme Shares

- (A) In consideration for the cancellation of the Scheme Shares and the issue of the new Norwich Union Shares to CGU and/or its nominee(s) referred to in Clause 1 above, CGU shall, subject to sub-clause (B) of this Clause 2 and sub-clause (D) of Clause 3, allot and issue new CGU Shares credited as fully paid to and amongst the Relevant Holders on the following basis:

for every 100 Scheme Shares                      48 new CGU Shares

and so in proportion for any other number of Norwich Union Shares.

- (B) Fractions of a CGU Share will not be allotted to Relevant Holders but will be aggregated and sold in the market as soon as practicable following the Effective Date and the gross proceeds will be paid to the Relevant Holders.

#### 3. Allotment and issue of CGU Shares

- (A) The CGU Shares to be issued pursuant to Clause 2 shall rank *pari passu* with all other CGU Shares in issue on the Effective Date, except that they shall not carry the right to receive the final dividend recommended by the directors of CGU in respect of the year ended 31 December 1999.
- (B) Immediately after the Scheme becomes effective CGU shall make all such allotments of and shall issue such CGU Shares as are required to be issued by it to give effect to this Scheme to the persons respectively entitled thereto, such consideration to be settled as set out in sub-clause (C), but subject to sub-clause (D) of this Clause 3.
- (C) Settlement of the consideration shall be effected as follows:
- (i) In respect of a holding of Scheme Shares in uncertificated form at the Scheme Record Time, the CGU Shares to which the Relevant Holder is entitled shall be issued in uncertificated form. CGU shall procure that CRESTCo is instructed to credit the appropriate stock account in CREST of the Relevant Holder with such Relevant Holder's entitlement to CGU Shares. CGU shall issue cheques in respect of any fractional entitlements to Relevant Holders within 14 days of the Effective Date. CGU reserves the right to settle all or any part of the consideration referred to in this paragraph for all or any Relevant Holders in the manner referred to in sub-clause (C)(ii) if, for any reason outside its reasonable control, it is not able to effect settlement in uncertificated form as described in this paragraph.

- (ii) In respect of a holding of Scheme Shares in certificated form at the Scheme Record Time, the CGU Shares to which the Relevant Holder is entitled shall be issued in certificated form and a share certificate for those shares shall be issued within 14 days of the Effective Date. CGU shall issue cheques in respect of any fractional entitlements to Relevant Holders within 14 days of the Effective Date.
- (D) The provisions of this Clause 3 shall be subject to any prohibition or condition imposed by law. If, in respect of any holder of Scheme Shares with a registered address in a jurisdiction outside the United Kingdom, CGU is advised that the allotment or issue of CGU Shares pursuant to this Clause 3 would infringe the laws of such jurisdiction or would require CGU to observe any governmental or other consent or any registration, filing or other formality, CGU may, in its sole discretion, either:
- (i) determine that no CGU Shares shall be allotted and issued to such holder under this Clause 3 but shall instead be allotted and issued to a nominee appointed by CGU as trustee for such holder on terms that the nominee shall, as soon as practicable following the Effective Date, sell the CGU Shares so allotted and issued at the best price which can reasonably be obtained and shall account for the net proceeds of such sale (after the deduction of all expenses and commissions, including any value added tax payable thereon) by sending a cheque to the holder of such Scheme Shares in accordance with the provisions of sub-clause (E) of this Clause 3. In the absence of bad faith or wilful default, none of Norwich Union, CGU or the nominee shall have any liability for any loss or damage arising as a result of the timing or terms of such sale; or
  - (ii) determine that such CGU Shares shall be sold, in which event the CGU Shares shall be issued to such holder and CGU shall appoint a person to act pursuant to this sub-clause (D)(ii) and such person shall be authorised on behalf of such holder to procure that any shares in respect of which CGU has made such a determination shall, subject to sub-clause (B), as soon as practicable following the Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any value added tax payable thereon) shall be paid to such holder by sending a cheque to such holder in accordance with the provisions of sub-clause (E) of this Clause 3. To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of Norwich Union, CGU or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.
- (E) All deliveries of notices, documents of title and cheques required to be made by this Scheme shall be effected by posting the same in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses as appearing in the register of members (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the said register of members in respect of the joint holding) at the Scheme Record Time or to such other addresses (if any) as such persons may respectively direct in writing. Cheques shall be made out in the name of the person appearing in the register of members (or, in the case of joint holders, in the name of that one of the joint holders whose name stands first in the register of members in respect of the joint holding) at the Scheme Record Time.
- (F) Neither Norwich Union nor CGU shall be responsible for any loss or delay in the transmission of the documents of title or cheques posted in accordance with sub-clauses (D) or (E) of this Clause 3 which shall be posted at the risk of the addressee.
- (G) Prior to the issue of new share certificates to holders of Scheme Shares pursuant to sub-clause (C)(ii) of this Clause 3, any such holder wishing to register a transfer of the new CGU Shares issued to him/her pursuant to this Scheme will be required to produce his/her existing certificate(s) for Scheme Shares to CGU's registrar. After the issue of such new certificates every holder of Scheme Shares who has not already produced his/her existing certificates to CGU's registrar shall be bound on the request of Norwich Union to deliver up to Norwich Union, or to any person appointed by Norwich Union to receive the same, the existing certificate(s) for his/her Scheme Shares, which will have ceased to be of value, for cancellation. In addition, in respect of those Relevant Holders holding their Norwich Union Shares in uncertificated form, CRESTCo shall be instructed to cancel such Relevant Holders' entitlement to Norwich Union Shares.

#### 4. Mandated payments

Each mandate relating to the payment of dividends on any Scheme Shares and other instructions given to Norwich Union by holders of Scheme Shares in force on the Effective Date shall, unless and until amended or revoked, be deemed as from the Effective Date to be an effective mandate or instruction to CGU in respect of the corresponding CGU Shares to be allotted and issued pursuant to this Scheme.

#### 5. Norwich Union dividend

Subject to its having been approved by the holders of Norwich Union Shares in general meeting, the final dividend of Norwich Union for the financial year ended 31 December 1999 shall be 9.35 pence per share, and shall be payable on 14 June 2000 to the holders of Norwich Union Shares appearing in Norwich Union's register of members on 14 April 2000.

#### 6. Operation of this Scheme

- (A) This Scheme shall become effective as soon as an office copy of the Order under section 425 of the Companies Act 1985 and confirming under section 137 of the said Act the reduction of capital provided for by this Scheme shall have been duly delivered by Norwich Union to the Registrar of Companies for registration and registered by him.
- (B) Unless this Scheme shall become effective on or before 30 September 2000 or such later date, if any, as Norwich Union and CGU may agree and the Court may allow, this Scheme shall never become effective.
- (C) Norwich Union and CGU may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose.

6 March 2000

## THE SECOND SCHEDULE

RS  
"The capital of Norwich Union plc was by virtue of a Special Resolution and with the sanction of an Order of the High Court of Justice dated 22nd May 2000 reduced from £300,000,000 divided into 2,999,999,900 Ordinary Shares of 10p each and 100 A Shares of 10p each to £106,123,3<sup>3</sup>43.50 divided into 1,061,233,2<sup>3</sup>35 Ordinary Shares of 10p each and 100 A Shares of 10p each.

By virtue of a Scheme of Arrangement sanctioned by the said Order and of the said Special Resolution the capital of the Company at the date of registration of this Minute is £300,000,000 divided into 2,999,999,900 Ordinary Shares of 10p each and 100 A Shares of 10p each of which none of the Ordinary Shares and all the 100 A Shares have been issued and are fully paid or credited as fully paid".

No. 1108 of 2000

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

MR JUSTICE LIGHTMAN

MONDAY THE 22ND DAY OF  
MAY 2000

IN THE MATTER OF NORWICH  
UNION plc

-and-

IN THE MATTER OF THE  
COMPANIES ACT 1985



---

ORDER

sanctioning Scheme of  
Arrangement and confirming  
Reduction of Capital

---

Slaughter and May  
35 Basinghall Street  
London EC2V 5DB

Tel: 020 7600 1200  
Ref: RLH

LT003603309



## CONTENTS

	Page No
Certificate of Incorporation of a Public Limited Company	1
Certificate of Incorporation on Change of Name	2
Memorandum of Association	3
Articles of Association	12
Interpretation	12
1. Exclusion of Table A	12
2. Definitions	12
2A. Meaning of "Scheme"	14
3. Compliance with legislation, shareholder resolutions, existing share rights and the rules of the London Stock Exchange	14
4. Form of Resolution	14
Share Capital and Borrowings	15
5. Authorised Share Capital	15
5A. A Shares	15
6. Rights Attached to Shares	15
7. Redeemable Shares	15
8. Purchase of Own Shares	15
9. Variation of Rights	16
10. New shares of equal priority	16
11. Unissued Shares	16
11A. Shares not otherwise subject to the Scheme	16
12. Payment of Commission	17

13.	Trusts Not Recognised	17
14.	Borrowing Powers	17
	Certificates	21
15.	Right to Share Certificates	21
16.	Replacement of Share Certificates	21
17.	Execution of Share Certificates	21
18.	Suspension of Rights Where Non-Disclosure of Interest	22
	Lien	23
19.	Company's Lien on Shares Not Fully Paid	23
20.	Enforcing Lien by Sale	23
21.	Application of Proceeds of Sale	24
	Calls on Shares	24
22.	Calls	24
23.	Payment on Calls	24
24.	Liability of Joint Holders	24
25.	Interest Due on Non-Payment	24
26.	Sums Due on Allotment Treated as Calls	24
27.	Power to Differentiate	25
28.	Payment of Calls in Advance	25
	Forfeiture of Shares	25
29.	Notice if Call or Instalment of a Call Not Paid	25
30.	Form of Notice	25
31.	Forfeiture if Non-Compliance with Notice	25
32.	Notice after Forfeiture	26
33.	Sale of Forfeited Shares	26

34.	Arrears to be Paid Notwithstanding Forfeitures	26
35.	Statutory Declaration as to Forfeiture	26
	CREST Shares	27
36.	CREST shares	27
	Transfer of Shares	27
37.	Form of Transfer	27
38.	Execution of Transfer for Certificated Shares	28
39.	Right to Decline Registration of Partly Paid Certificated Shares	28
40.	Other Rights to Decline Registration	28
41.	Notice of Refusal	28
42.	No Fee for Registration	29
43.	Untraced Shareholders	29
	Automatic entitlement to shares by law	30
44.	Automatic entitlement	30
45.	Entry of automatic entitlement in Register	30
46.	Election when automatically entitled by law	30
47.	Rights when automatically entitled by law	31
	Alteration of Share Capital	31
48.	Increase, Consolidation, Sub-Division and Cancellation	31
49.	Fractions	31
50.	Reduction of Capital	31
	General Meetings	32
51.	Annual General Meetings	32
52.	Extraordinary General Meetings	32
53.	Convening of Extraordinary General Meetings	32

54.	Separate General Meetings	32
	Notice of General Meetings	32
55.	Length of Notice	32
56.	Omission or Non-Receipt of Notice	33
57.	Postponement of General Meetings	33
	Proceedings at General Meetings	33
58.	Quorum	33
59.	Procedure if Quorum Not Present	33
60.	Security Arrangements	33
61.	Arrangements for simultaneous attendance	34
62.	Arrangements regarding level of attendance	34
63.	Arrangements for place of attendance	34
64.	Chairman of General Meeting	34
65.	Orderly Conduct	35
66.	Entitlement to Attend and Speak	35
67.	Adjournments	35
68.	Notice of Adjournment	35
	Amendments	36
69.	Amendments to Resolutions	36
70.	Amendments Ruled Out of Order	36
	Voting	36
71.	Votes of Members	36
72.	Method of Voting	36
73.	Procedure if Poll Demanded	37
74.	When Poll to be Taken	37

75.	Continuance of Other Business after Poll Demand	37
76.	Votes on a Poll	37
77.	Casting Vote of Chairman	37
78.	Votes of Joint Holders	37
79.	Voting on Behalf of Incapable Member	38
80.	No Right to Vote where Sums Overdue on Shares	38
81.	Objections or Errors in Voting	38
	<b>Proxies</b>	<b>38</b>
82.	Execution of Proxies	38
83.	Delivery of Proxies	38
84.	Maximum Validity of Proxy	39
85.	Form of Proxy	39
86.	Cancellation of Proxy's Authority	39
	<b>Appointment, Retirement and Removal of Directors</b>	<b>39</b>
87.	Number of Directors	39
88.	Age of Directors	40
89.	Directors' Shareholding Qualification	40
90.	Power of Company to Appoint Directors	40
91.	Power of Board to Appoint Directors	40
92.	Number to Retire by Rotation	40
93.	Identity of Directors to Retire	41
94.	Filling Rotation Vacancies	41
95.	Power of Removal by Special Resolution	41
96.	Persons Eligible as Directors	41
97.	Position of Retiring Directors	42

98.	Vacation of Office by Directors	42
99.	Executive Directors	43
	<b>Fees, Additional Remuneration, Expenses and Pensions</b>	<b>43</b>
100.	Directors' Fees	43
101.	Additional Remuneration	43
102.	Expenses	43
103.	Pensions and Gratuities for Directors	43
	<b>Directors' Interests</b>	<b>44</b>
104.	Permitted Interests and Voting	44
	<b>Powers and Duties of the Board</b>	<b>46</b>
105.	General Powers of Company Vested in Board	46
106.	Agents	47
107.	Delegation to Individual Directors	47
108.	Official Seals	47
109.	Registers	47
110.	Provision for Employees	48
	<b>Proceedings of the Board</b>	<b>48</b>
111.	Board Meetings	48
112.	Notice of Board Meetings	48
113.	Quorum	48
114.	Directors below Minimum through Vacancies	48
115.	Appointment of Chairman	49
116.	Voting	49
117.	Delegation to Committees	49
118.	Participation in Meetings by Telephone or Other Communication Equipment	49

119.	Resolution in Writing	49
120.	Validity of Acts of Board or Committee	50
	Secretary	50
121.	Appointment and Removal of the Secretary	50
	Seals	50
122.	Use of Seals	50
	Dividends and Other Payments	50
123.	Declaration of Final Dividends by the Company	50
124.	Payment of Interim Dividends by the Directors	50
125.	Calculation and Currency of Dividends	51
126.	Amounts Due on Shares may be Deducted from Dividends	51
127.	No Interest on Dividends	51
128.	Payment Procedure	51
129.	Uncashed Dividends	52
130.	Forfeiture of Unclaimed Dividends	52
131.	Dividends Not in Cash	52
132.	Scrip Dividends	52
	Capitalisation of Reserves	54
133.	Power to Capitalise Reserves and Funds	54
134.	Settlement of Difficulties in Distribution	55
	Record Dates	55
135.	Power to Choose Any Record Date	55
	Accounting Records and Summary Financial Statements	55
136.	Records to be Kept	55
137.	Inspection of Records	55

138. Summary Financial Statements and Other Communications	55
Service of Notices and Other Documents	56
139. Service of Notices	56
140. Record Date for Service	56
141. Members Resident Abroad	56
142. Service of Notice on Person Entitled Automatically by law	56
143. When Notice Deemed Served	57
144. Notice When Post Not Available	57
Destruction of Documents	57
145. Presumptions Where Documents Destroyed	57
Winding Up	58
146. Distribution of Assets Otherwise Than in Cash	58
Indemnity	58
147. Indemnity of Officers	58



CERTIFICATE OF INCORPORATION  
OF A PUBLIC LIMITED COMPANY

COMPANY NO: 3290130

The Registrar of Companies for England and Wales hereby certifies that FILECO (NO. 5) PLC is this day incorporated under the Companies Act 1985 as a public company and that the company is limited.

Given at Companies House, Cardiff, 10th December 1996.

G. WOOCKEY

For the Registrar of Companies

CERTIFICATE OF INCORPORATION  
ON CHANGE OF NAME

COMPANY NO: 3290130

The Registrar of Companies for England and Wales hereby certifies that FILECO (NO. 5) PLC having by special resolution changed its name, is now incorporated under the name of Norwich Union plc.

Given at Companies House, London, the 17th February, 1997.

MRS L. BARNES

For the Registrar of Companies

COMPANY NO: 3290130

THE COMPANIES ACTS, 1985 TO 1989

\_\_\_\_\_

A PUBLIC COMPANY LIMITED BY SHARES

\_\_\_\_\_

Memorandum of Association  
OF  
NORWICH UNION plc

Adopted on 15th May, 1997



1. The name of the Company is "NORWICH UNION plc".
2. The Company is to be a public company.
3. The registered office of the Company is to be situated in England and Wales.
4. The objects of the Company are:
  - (1) To carry on business as a general commercial company.
  - (2) To carry on the business of a holding company. This includes:
    - (A) Forming, constituting, promoting, acquiring, owning (whether wholly or in part) and controlling companies, associations, societies, syndicates, partnerships and other bodies of all kinds, whether public or private. In this Memorandum of Association these are referred to as "companies or undertakings".
    - (B) Incurring expenses for the formation, incorporation or constitution of any companies or undertakings, whether formed under the Companies Act of Great Britain or any special or general Act of Parliament or Charter or in accordance with the laws of any other country.
    - (C) Co-ordinating the policy and administration of any companies or undertakings in which the Company is a member or participant or which are controlled by or associated with the Company in any manner.

- (D) Financing or subsidising any of those companies or undertakings.
  - (E) Providing for them administrative, executive, managerial, secretarial and accountancy services or staff, office accommodation or social or welfare services and facilities.
  - (F) Acting as their secretaries, directors, registrars, managers and agents.
  - (G) Doing anything which will or may promote the efficiency and profitability of the business carried on by any such companies or undertakings.
- (3)
- (A) To acquire, exchange anything for, subscribe or to invest any moneys belonging to the Company in, or to hold any shares, stocks, debentures, debenture or loan stocks, bonds, notes, options, mortgages, charges, obligations or other securities or interests of any kind or description in or issued or guaranteed by any companies or undertakings of any nature and wherever constituted or carrying on business, whether or not they are fully paid (the "Investments").
  - (B) To sell, transfer, or otherwise dispose of the Investments from time to time as may be considered expedient.
  - (C) To carry on business as an investment company.
- (4) To acquire for any estate or interest and to take options over, construct, develop or exploit any property, real or personal, and rights of any kind.
- (5)
- (A) To acquire and undertake the whole or any part of the business, goodwill and assets of any person or company carrying on or proposing to carry on any of the businesses which the Company or any of its subsidiary or associated companies is authorised to carry on or which can be carried on in conjunction with their respective businesses, or which are capable of being conducted directly or indirectly for the benefit of the Company.
  - (B) To undertake as part of the consideration for any acquisition all or any of the obligations or liabilities of that person or company, or to acquire an interest in, amalgamate or enter into any arrangement for sharing profits, or for co-operation or for mutual assistance, with that person or company.
  - (C) To give or accept, by way of consideration for any of the acts described above, any shares, whether fully or partly paid, debentures, or other securities, or rights that may be agreed upon.

- (D) To hold and retain or sell, mortgage and deal with any shares, debentures or other securities or rights received as described in this paragraph (5).
- (6) To carry on any business involving the ownership or possession of land or other immovable property or buildings or structures thereon and to construct, erect, install, enlarge, alter and maintain buildings, plant and machinery.
- (7) To provide services of all descriptions and to carry on business as advisers, consultants, brokers and agents of any kind.
- (8) To provide, or carry on any business involving, technical, cultural, artistic, educational, entertainment or business material, facilities or services.
- (9)
  - (A) To act as and undertake the duties of an executor or administrator of estates and a trustee of wills, settlements and trust deeds or other instruments constituting debentures, debenture stocks, bonds and other securities.
  - (B) To act as and undertake the duties of a nominee, a custodian trustee, a trustee of a unit trust, a trustee for charitable or other institutions, a trustee for pension, benevolent or other funds, and as manager or director of businesses or companies whether limited or unlimited.
  - (C) To act generally in a fiduciary capacity of any sort including the undertaking of all duties normally undertaken by a trust corporation and either with or without remuneration.
- (10) To carry on the business of providing financial and investment services and in particular (but without listing exhaustively):
  - (A) To undertake the insurance, re-insurance and counter-insurance of all kinds of risks and generally to carry on the business of an insurance company in all its aspects.
  - (B) To undertake the business of the provision of financial services of any kind in any part of the world including (but not limited to) all insurance, pensions and taxation matters, the investment of money and the management of property and generally to transact all agency, advisory or consultancy businesses of every kind.
  - (C) To borrow, raise or take up money with or without security and to employ and use money.
  - (D) To deposit, lend or advance money, securities or property with or without security and generally to make or negotiate loans and advances of every kind on any terms and subject to any conditions.

- (E) To draw, make, accept, endorse, grant, discount, acquire, subscribe or tender for, buy, sell, issue, execute, guarantee, negotiate, transfer, hold, invest or deal in, honour, retire, pay, secure or otherwise dispose of obligations, instruments (whether transferable or negotiable or not) and securities of every kind.
- (F) To collect, hold and transmit documents, moneys, securities and other property and to act as agents for the receipt, payment or delivery of them.
- (11) To receive money on deposit, with or without interest or deeds, securities or other documents or money or other property for safe custody on any terms.
- (12) To make contracts with property owners, borrowers, lenders, holders of annuities and others for the establishment, accumulation, provision and payment of sinking funds, redemption funds, depreciation funds, renewal funds, endowment funds and any other special funds. These contracts can either be in consideration of a single payment or of annual or other periodical payments or otherwise and generally on such terms and conditions as may be arranged.
- (13) (A) To purchase and deal in and lend on reversionary or expectant interests either absolute or contingent and on estates for life whether determinable or not.
- (B) To acquire, lend money on, redeem, cancel or extinguish by purchase, surrender, or otherwise, any security or grant or contract issued by or binding on the Company or on any fund or other property under the administration of the Company.
- (14) To pay, satisfy or compromise any claims made against the Company in respect of any contracts granted by, dealt in or entered into by the Company as the Company sees fit.
- (15) To lend, advance and deposit money, securities and other property to and with such persons, companies, associations or authorities and on such terms as may seem expedient, to act as the agent for the issue of any shares, stocks, funds, debentures, mortgages or securities and to underwrite, take part in underwriting or guarantee the subscription of them and to subscribe for them conditionally or otherwise.
- (16) To enter into any arrangements with any government or authority or person and to obtain from any such government or authority or person any legislation, orders, rights, privileges, franchises and concessions and to carry out, exercise and comply with the same.

- (17) To borrow and raise money and to secure or discharge any debt or obligations of or binding on the Company in any manner as may be thought fit, and in particular (without listing exhaustively) to do so:
- (A) by mortgages or charges upon the undertaking or all or any of the real and personal property (present and future) and the uncalled capital of the Company; or
  - (B) by the creation and issue of debentures, debenture stock or other obligations or securities of any description, with or without any mortgage or charge on all or any part of the undertaking, property and uncalled capital described in sub-paragraph (A) above.
- (18) To enter into any guarantee, contract of indemnity or suretyship and in particular (without listing exhaustively) to guarantee, support or secure, in any manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of, and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without listing exhaustively) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company.
- (19) To amalgamate or enter into a partnership or any joint venture or profit-sharing arrangements with, or to co-operate or participate in any way with, or to take over or assume any obligation of, or assist or subsidise, any company or person carrying on or proposing to carry on any business within the objects of the Company.
- (20) To accept, draw, make, create, issue, execute, discount, endorse, negotiate and deal in bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise.
- (21) To sell, exchange, mortgage, charge, let on rent, share of profit, royalty or otherwise, grant licences, easements, options and other rights over, and in any other manner deal with, or dispose of, all or any part of the undertaking, property, assets (present and future) of the Company for such consideration as may be thought fit, and in particular (without listing exhaustively) for any stocks, shares, debentures or other obligations or securities, whether fully or partly paid up of any other company.
- (22) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of those securities) or for any other purpose.

- (23) (A) To give any remuneration or fees for placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the Company in the conduct or course of its business.
- (B) To establish or promote, in any way, any company, fund or trust.
- (C) To subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust.
- (D) To carry on the business of company, fund, trust or business promoters or managers and of underwriters or dealers in securities.
- (E) To act as a director of and as a secretary, manager, registrar or transfer agent for any other company.
- (F) To act as trustees of any kind and to undertake and execute any trust.
- (24) To pay all the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and incorporation of the Company in England, or to procure the registration or incorporation of the Company in or under the laws of any place outside England.
- (25) (A) To grant pensions, annuities, or other allowances, including allowances on death, to:
  - (i) any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them; and
  - (ii) the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or who the Company considers have any moral claim on the Company or to their relations, connections or dependants.
- (B) To establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments towards insurances or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its members.



- (C) To subscribe, guarantee, or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its members or for any national, charitable, benevolent, educational, social, public, general or useful object.
- (26) (A) To carry on any business which the Company is authorised to carry on through a branch or any subsidiary or associated company or companies.
- (B) To enter into any arrangement with any subsidiary or associated company for taking the profits and leaving the losses of any business or branch so carried on, or for financing any subsidiary or associated company or guaranteeing its liabilities.
- (C) To make any other arrangement which may seem desirable with reference to any business or branch so carried on including at any time and either temporarily or permanently closing any branch or business.
- (27) To acquire and carry on any business or any part of it carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.
- (28) 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 officers, experts or agents.
- (29) To subscribe for, underwrite or purchase and to hold, sell and deal with the shares, stocks, securities and debt instruments issued by any government, authority, corporation or body, or by any company or body of persons, (including any options or derivatives in connection with those securities) and to buy and sell foreign exchange.
- (30) To cease carrying on or wind up any business or activity of the Company, and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory.
- (31) To distribute any of the property of the Company among its creditors and members in specie or kind.
- (32) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

- (33) To carry on any other business or activity and do anything of any nature which in the opinion of the directors of the Company is or may be capable of being conveniently carried on or done in connection with the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's undertaking, property or assets or otherwise to advance the interests of the Company or of its members.
- (34) To do all such other things which in the opinion of the directors of the Company are or may be incidental or conducive to the attainment of the above objects or any of them.

In this Memorandum of Association:

"company", except where used with reference to this Company, means any partnership, association, society, syndicate or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere.

"person" means any company as well as any other legal or natural person.

"securities" means any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, depositary receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation.

"and" and "or" mean "and/or" where the context so permits.

"other" and "otherwise" shall not be restricted to the category or kind described by the particular words preceding either of them in the relevant clauses of this Memorandum of Association. Instead, when they are used they shall have as a wide a construction as possible.

The objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company or the nature of any business carried on by the Company. They may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the paragraphs constituted the objects of a separate, distinct and independent company.

5. The liability of the members is limited.
6. The share capital of the Company is £300,000,000 divided into 3,000,000,000 ordinary shares of 10p each.

\* SEE ATTACHED SHEET

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of the 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 AND ADDRESSES OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
GLEN WILLIAM JAMES 35 Basinghall Street London EC2V SDB	One
JONATHAN ANDREW DAVID MARKS 35 Basinghall Street London EC2V SDB	One

DATED the 29th day of November 1996

WITNESS to the above Signatures:

ROBIN JARRATT

R. A. D. B. Jarratt  
35 Basinghall Street  
London  
EC2V SDB

Trainee Solicitor



## Capital Clause

On 19 November 2002 the authorised share capital of the Company was increased from £300,000,000 to £500,000,000 by the creation of an additional 200,000,000 ordinary shares of 10p each.

On 19 December 2003, the capital of the company was increased from £500,000,000 to £3,500,000,000 by the creation of 30,000,000,000 Ordinary shares of £0.10p each.

COMPANY NO: 3290130

THE COMPANIES ACTS 1985 TO 1989

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A PUBLIC COMPANY LIMITED BY SHARES

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## Articles of Association

OF

NORWICH UNION plc

Adopted 15th May, 1997

Amended by a special resolution dated 31st May, 2000

### Interpretation

1. Exclusion of Table A

The regulations in The Companies (Tables A to F) Regulations 1985 and any similar regulations in any other legislation relating to companies do not apply to the Company, unless any of them appear in these articles.

2. Definitions

In these articles unless the context otherwise requires:

"these articles" means these articles of association as altered from time to time by special resolution and the expression "this article" shall be construed accordingly;

"the auditors" means the auditors for the time being of the Company or, in the case of joint auditors, any one of them;

"the board" means the board of directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present;

"certificated share" means a share which is not a CREST share and is normally held in paper form;

"clear days" in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;

"the Companies Act" means the Companies Act 1985 as amended from time to time;

"the Companies Acts" means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company;

"the Company" means Norwich Union plc;

"CREST" means the electronic settlement system for securities traded on the London Stock Exchange and owned by CREST Co., or any similar system;

"CREST share" means a share which is noted on the register as being held through CREST in uncertificated form;

"the directors" means the directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present;

"the holder" in relation to any shares means the member whose name is entered in the register as the holder of those shares;

"legislation" means every statute (and any orders, rules, regulations or other subordinated legislation made under it) in force from time to time affecting the Company;

"the London Stock Exchange" means the London Stock Exchange Limited;

"member" means a member of the Company;

"the office" means the registered office of the Company;

"paid" means paid up or credited as paid up;

"the register" means the register of members of the Company;

"seal" means any common or official seal that the Company may be permitted to have under the Companies Acts;

"the secretary" means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the Company and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary;

"Uncertificated Securities Regulations" means The Uncertificated Securities Regulations 1995 as amended from time to time and any legislation which supplements or replaces such regulations;

"United Kingdom" means Great Britain and Northern Ireland;

references to a document being executed include references to its being executed under hand or under seal or by any other method;

references to writing include references to any method of representing or reproducing words in a legible and non-transitory form;

words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear the same meaning in these articles or that part (as the case may be) save that the word "company" shall include any body corporate; and

references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

Headings and notes are included only for convenience and shall not affect meaning.

#### 2A. Meaning of "Scheme"<sup>1</sup>

In these articles, references to the "Scheme" are to the Scheme of Arrangement between the Company and the holders of the Scheme Shares (as defined in the Scheme) dated 6 March 2000 under section 425 of the Companies Act 1985 and terms defined in the Scheme shall have the same meanings in these articles.

#### 3. Compliance with legislation, shareholder resolutions, existing share rights and the rules of the London Stock Exchange

The Company, its directors and shareholders must comply with any requirements of legislation, any rules of the London Stock Exchange concerning securities admitted to listing and any resolutions passed by the shareholders when exercising any of the powers and rights contained in these articles. All rights of existing shareholders must be observed.

#### 4. Form of Resolution

When shareholders are required to pass an ordinary resolution, a special or extraordinary resolution will be equally effective. If an extraordinary resolution is required, a special resolution will be equally effective.

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<sup>1</sup> Article 2A adopted by a special resolution passed at an extraordinary general meeting of the Company on 31st March, 2000.

### Share Capital and Borrowings

#### 5. Authorised Share Capital

The Company's authorised share capital is £300,000,000 which is made up of 3,000,000,000 ordinary shares of 10p each.

#### 5A. A Shares<sup>2</sup>

The A Shares do not confer on the holders of the A Shares any right to receive notice of, attend or vote at any general meeting of the Company, other than a class meeting (as defined in article 54) of the holders of A Shares. In all other respects the rights attaching to the A Shares and the ordinary shares shall be identical and the A Shares and the ordinary shares shall rank equally as if they were one class of shares.

If the Order has not become effective by registration in accordance with section 425(3) of the Companies Act 1985 within 21 days of the Hearing Date, this article 5A shall be revoked and shall cease to have any effect.

#### 6. Rights Attached to Shares

The Company can issue shares with any rights and restrictions. The rights and restrictions must either be approved by an ordinary resolution of the shareholders or be decided by the directors.

#### 7. Redeemable Shares

The Company can issue shares which are required by their terms to be redeemed and shares which may be redeemed at the option of the Company or the shareholder.

#### 8. Purchase of Own Shares

The Company can buy back any of its shares. The shareholders must pass a resolution to approve the Company buying back any shares. When shares are repurchased, if there are other shares which allow those shareholders to convert into the class of shares to be repurchased, then the holders of those convertible shares must pass an extraordinary resolution at a class meeting (as defined in article 54) to approve the buy back. A resolution is not required if the terms on which those convertible shares were issued allow the buy back. The directors are not required to select the shares to be bought back in any particular manner.

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<sup>2</sup> Article 5A adopted by a special resolution passed at an extraordinary general meeting of the Company on 31st March, 2000.



## 9. Variation of Rights

The rights attached to any class of shares can be changed. The change must be approved either in writing by shareholders holding at least three quarters in nominal value of that class of shares or by an extraordinary resolution of those shareholders. The resolution must be passed at a class meeting (as defined in article 54) of those shareholders.

All the articles relating to general meetings will apply to class meetings called to consider changing the rights of the shareholders, with any necessary changes. The following changes to the provisions will also apply:

- (i) a quorum will be present if at least two shareholders are present in person or by proxy who own at least one third in nominal value of the issued shares of the class;
- (ii) on a poll every shareholder is entitled to one vote for every share he has of the class;
- (iii) any shareholder who is present in person or by proxy can demand a poll; and
- (iv) at an adjourned meeting, one person who holds shares of the class, or his proxy, will be a quorum.

## 10. New shares of equal priority

The rights of holders of any shares shall not be varied by the creation or issue of further shares ranking *pari passu* with them unless those rights state otherwise.

## 11. Unissued Shares

The directors can decide how to deal with any shares which have not been issued. They can, for instance, allot the shares, offer the shares for sale, grant options to acquire them, or dispose of the shares in any other way. The directors can decide the time, price and other terms of the share disposal.

### 11A. Shares not otherwise subject to the Scheme<sup>3</sup>

If the Company issues any Norwich Union Shares (other than to CGU or any subsidiary undertaking of CGU; a "CGU Company") on or after the Voting Record Time and prior to 6.00 p.m. on the day before the Hearing Date such Norwich Union Shares shall be issued subject to the terms of the Scheme and the holder or holders of such Norwich Union Shares shall be bound by the Scheme accordingly.

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<sup>3</sup> Article 11A adopted by a special resolution passed at an extraordinary general meeting of the Company on 31st March, 2000.

No Norwich Union Shares shall be issued to any person (other than to a CGU Company) at or after 6.00 p.m. on the day before the Hearing Date and prior to the time at which the Scheme becomes effective. If any Norwich Union Shares are issued to any person (a "new member") (other than to a CGU Company) at or after the time at which the Scheme becomes effective they will be issued and allotted on terms that they shall be immediately transferred to CGU and/or its nominee(s) in consideration of and conditional on the issue to the new member of such number of CGU Shares as that member would have been entitled to had each Norwich Union Share transferred to CGU and/or its nominee(s) hereunder been a Scheme Share at the Scheme Record Time.

The number of ordinary shares in CGU to be issued to the new member under this article 11A may be adjusted by the directors in such manner as the Company's auditor may determine, on any reorganisation of the share capital of the Company or of CGU.

To give effect to any such transfer required by this article 11A, the Company may appoint any person to execute and deliver a form of transfer on behalf of the new member in favour of CGU and/or its nominee(s) and to agree for and on behalf of the new member to become a member of CGU. Pending the registration of CGU and/or its nominee(s) as the holder of any share to be transferred pursuant to this article 11A, CGU and/or its nominee(s) shall be empowered to appoint a person nominated by the directors to act as attorney on behalf of each holder of the share in accordance with such directions as CGU may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such share shall exercise all rights attaching thereto in accordance with the directions of CGU but not otherwise.

#### 12. Payment of Commission

The Company can pay any commissions and brokers' fees allowed by legislation which arise in connection with any share issue.

#### 13. Trusts Not Recognised

The Company will only recognise and deal with the registered owner of any share. If any share is held on any kind of trust, it makes no difference to the Company that the share may not be owned outright by the registered owner. The only exception to this, where the Company will recognise the beneficial owner of a share held under a trust, is where the Company is obliged to do so by law or because of a court order.

#### 14. Borrowing Powers

The directors 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.

The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings only in so far as by the exercise of the rights or powers of control the directors can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the group (exclusive of borrowings owing by one member of the group to another member of the group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed twice the share capital and consolidated reserves. For the purposes of this limit, the issue of debentures shall be deemed to constitute borrowings notwithstanding that the same may be issued in whole or in part for a consideration other than cash. No debt incurred or security given in respect of moneys borrowed in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice at the time the debt was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

For the purposes of this article:

"borrowings" shall be deemed not to include the following:

- (i) borrowings in connection with the investment assets of ordinary long-term insurance funds;
- (ii) moneys deposited with the Company or any of its subsidiary undertakings in connection with insurance business or with any staff saving scheme;
- (iii) amounts secured by policies, guarantees, indemnities, bonds or contracts issued or given by the Company or any of its subsidiary undertakings in the course of its business as an insurance company; and
- (iv) moneys deposited with, borrowings made by or amounts secured by guarantees, indemnities, bonds or contracts issued or given by the Company or any of its subsidiary undertakings in connection with banking business;

*borrowings expressed in a currency other than sterling shall be converted into sterling as follows:*

- (i) as regards a borrowing shown as outstanding in whole or in part in the then latest audited consolidated balance sheet of the Company and its subsidiary undertakings, at the rate of exchange adopted for the purpose of that balance sheet;

- (ii) as regards a borrowing shown as outstanding in whole or in part in the then latest audited balance sheet of an unconsolidated subsidiary undertaking, at the rate of exchange adopted for the purpose of that balance sheet or, if that balance sheet is not written in sterling, at the rate of exchange ruling in London at the close of business on the date of such balance sheet; and
- (iii) as regards other borrowings (that is to say those borrowings no part of which was outstanding at the date of the relevant balance sheet) at the rates of exchange ruling in London at the close of business on the date upon which they were incurred; but so that
- (iv) an overdraft or other borrowing on current account expressed in a currency other than sterling shall be converted:
  - (a) if at the date of the relevant balance sheet any amount was outstanding on that overdraft or current account, at the rates indicated in clauses (i) or (ii) above; and
  - (b) if no such amount was then outstanding at the rates of exchange ruling in London at the close of business on the date upon which, since the date of such balance sheet, the overdraft or current account was first in debit,

notwithstanding, in either case, its subsequent repayment and a later borrowing on the same account;

"audited consolidated balance sheet" means the audited consolidated balance sheet of the Company prepared for the purposes of the Companies Acts for a financial year dealing with the state of affairs of the Company and its subsidiary undertakings;

the Company may from time to time change the accounting convention on which the audited consolidated balance sheet is based provided that any new convention adopted complies with the requirements of the Companies Acts. If the Company should prepare its main audited consolidated balance sheet on the basis of one convention, but a supplementary audited consolidated balance sheet on the basis of another, the main audited consolidated balance sheet shall be taken as the audited consolidated balance sheet;

"the group" means the Company and its subsidiary undertakings (if any);

"share capital and consolidated reserves" means the aggregate of:

- (i) the amount paid up or credited as paid up on the share capital of the Company; and

- (ii) the aggregate amounts of the consolidated capital and revenue reserves (including share premium account, revaluation reserve, capital redemption reserve and profit and loss account) of the Company and its subsidiary undertakings,

all as shown by the then latest audited consolidated balance sheet of the Company and its subsidiary undertakings but:

- (a) adjusted as may be appropriate in respect of (i) any subsequent variation in the paid up share capital or share premium account of the Company, and so that for this purpose if the Company has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys (not being moneys payable later than three months after the date of the allotment) shall be deemed to have been paid up at the date when the underwriting became unconditional; (ii) any unconsolidated subsidiary undertaking; (iii) any companies which since the date of such balance sheet have become or have ceased to be subsidiary undertakings; and (iv) any companies which will become or cease to be subsidiary undertakings as a result of the transaction in relation to which the calculation falls to be made;
- (b) after making an appropriate deduction in respect of any distribution other than to the Company or another subsidiary undertaking out of profits earned prior to the date of such balance sheet and not provided for therein;
- (c) deducting any amounts attributable to goodwill or other intangible assets;
- (d) excluding any amounts set aside for taxation and any amounts attributable to minority interests in subsidiary undertakings;
- (e) deducting a sum equivalent to any debit balance on profit and loss account; and
- (f) after making such other adjustments (if any) as the auditors may consider appropriate.

"sterling" means the lawful currency of the United Kingdom and the certificate of the auditors as to any relevant rate of exchange shall be conclusive and binding.

A certificate or report by the auditors as to the amount of the share capital and consolidated reserves or the amount of any borrowings or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of that amount or of that fact.

### Certificates

#### 15. Right to Share Certificates

*This article applies to holders of certificated shares only. When a shareholder is first registered as the holder of any shares of any class, he is entitled, free of charge, to a separate share certificate for that class of shares. If the shares have been allotted to him, the certificate will be sent within two months of the allotment. If they have been transferred to him fully paid, the certificate will be sent within two months of the Company receiving the share transfer form or the CREST operator instruction. Where partly paid shares have been transferred to him, the certificate will be sent within 2 months of the Company receiving the share transfer form or the CREST operator instruction. The terms of issue of particular shares can give different periods for sending out certificates. If they do, these must be followed. If a shareholder wants more than one share certificate for his shares of a particular class, he must pay the Company's reasonable fees and expenses. The directors can decide the amount to be paid.*

*If a share is held jointly, the Company will not issue more than one certificate for that share. When the Company gives a share certificate to one joint shareholder, the effect is as if it has been delivered to all of the joint shareholders.*

*When a shareholder transfers some, but not all, of the shares represented by a share certificate, he is entitled, free of charge to another certificate for the remaining shares.*

*Nothing in these articles will require the Company to issue a certificate in respect of CREST shares.*

#### 16. Replacement of Share Certificates

*This article applies to holders of certificated shares only. If a share certificate is worn out or damaged, the shareholder can get a new certificate if the original is given back to the Company.*

*A shareholder can also ask for a new certificate if the original is said to be lost, stolen or destroyed. However, before issuing a replacement the directors can require satisfactory evidence that the certificate is missing and an indemnity from the shareholder and someone other than the shareholder. The directors can also require the shareholder to pay the Company's expenses associated with issuing any replacement certificate and the cost of the indemnity.*

#### 17. Execution of Share Certificates

*This article applies to holders of certificated shares only. Share certificates will be issued as the directors decide in accordance with the terms of the issue. If signatures*

are used on share certificates they can be applied by some mechanical means or printed on the certificate.

#### 18. Suspension of Rights Where Non-Disclosure of Interest

*The Companies Acts allow the Company to send out notices to those it knows or thinks has an interest in its shares. In the notice, the Company will ask for details of those who do have an interest and the extent of their interest in a particular block of shares. In these articles this notice is referred to as a "statutory notice" and the block of shares is referred to as the "identified shares".*

When somebody receives a statutory notice, he has 14 days to comply with it. If he does not do so, the Company can give a further notice, known as a "restriction notice". The restriction notice will take effect from when it is delivered. The restriction notice will state that the shares no longer give the shareholder any right to attend or vote at any meeting or appoint a proxy or corporate representative for meetings.

If the identified shares make up 0.25 per cent. or more (in nominal value or in number) of the Company's shares, or any class of shares, the restriction notice can also contain further restrictions. It can say that:

- (i) the directors can keep back any dividends or other money or scrip dividends payable in respect of the identified shares; and
- (ii) the directors can refuse to register a transfer of any of the identified shares unless they have been sold outright to an independent third party. The independent third party must not be connected with the registered shareholder or with anyone else who the Company thinks is interested in the shares. Any sale through a stock exchange on which the Company's shares are listed or by way of accepting a take-over offer will be treated as a sale to an independent third party.

Once a restriction notice has been given, the directors are free to cancel or suspend its effect at any time they think fit. In addition, they must cancel the restriction notice within seven days of being satisfied that all information requested in the statutory notice has been given. If any of the identified shares are sold and the directors are satisfied that they were sold outright to an independent third party, the transferred shares will no longer be affected by the restriction notice.

When a restriction notice is cancelled or stops being effective, the Company will pay any money which it had held back to the person who would have received the money originally. The shareholder, or person automatically entitled to the shares by law, can ask the Company to pay it to someone else. The Company will not pay interest on this money.

The restriction notice will apply to any new shares issued to the holder of the identified shares where the new shares are issued as a result of any rights attaching to the identified shares. The directors can also make the restrictions in the restriction notice apply to any right to an allotment of new shares associated with the identified shares.

If a shareholder receives a restriction notice, he can ask the Company for a written explanation of why the notice was given, or why it has not been cancelled. The Company must respond within fourteen days of receiving the request.

The rights given to the Company in this article are additional to any statutory rights which it might have.

### Lien

#### 19. Company's Lien on Shares Not Fully Paid

The Company has a lien on all partly paid shares. This lien has priority over any other lien or charge over the shares. The lien covers any money which the shareholder still has to pay the Company in respect of the shares. The directors can at any time decide that any share is held free from this lien either completely or just in part.

#### 20. Enforcing Lien by Sale

If a shareholder does not pay to the Company what is due on his shares, the directors can enforce the Company's lien on the shares. They may do this by selling all or any of the shares in any way they decide. The directors cannot, however, sell the shares until all the following conditions are met:

- (i) the money owed by the shareholder must be payable immediately;
- (ii) the directors must have given written notice to the shareholder. The notice must say how much money is due, it must demand payment of this sum and state that the shareholder's shares can be sold if the money is not paid; and
- (iii) at least 14 days must have passed since the notice was given to the shareholder.

If the shares are sold, the buyer will not be affected even if the directors were not entitled to sell the shares or if in some other way the sale was not valid. The buyer does not need to check whether the sale is valid or the directors have acted within their rights. He does not need to see how the purchase money is used.



## 21. Application of Proceeds of Sale

If the directors sell any shares under article 20, the proceeds will first be used to pay the Company's expenses associated with the sale. The remaining money will be used to pay the amount which is immediately payable on the shares and the balance will be passed to the person whose shares were sold. The Company will, however, retain a lien over any money which is payable by the original shareholder. This lien will cover any money which is still due to the Company on the shares but which is not immediately payable. The Company will have the same rights over this money as it had over the shares immediately before they were sold.

## Calls on Shares

## 22. Calls

At any time the directors can call on shareholders to pay any money which has not yet been paid to the Company for their shares. The directors will make a call by writing to the shareholders, stating when and where the payment is to be made, and they must give at least 14 clear days' notice. A shareholder will remain liable to pay the call even if he later transfers the shares.

## 23. Payment on Calls

The directors can decide that the money due on a call may be paid by instalments. The directors can also decide to cancel or postpone a call. A call is treated as having been made as soon as the directors have passed a resolution authorising it.

## 24. Liability of Joint Holders

All joint shareholders are liable to pay any money called for in respect of their shares. They are liable jointly and severally which means that any one of them can be sued for all the money due on the shares or they can be sued together.

## 25. Interest Due on Non-Payment

If a call is made and the person who has to pay the money does not pay it, he will also be liable to pay interest on the amount unpaid from the day it was due until it is actually paid. The directors will decide on the rate of interest. The directors can decide that the interest, or part of it, need not be paid.

## 26. Sums Due on Allotment Treated as Calls

If the terms of issue of a share require any amount to be paid at the time it is allotted, or at any fixed date, this amount will be treated as a call. If the amount is not paid, the articles relating to a call will apply just as they would apply to any amount which becomes due because of a call.

27. **Power to Differentiate**

When shares are issued, the directors can decide that shareholders may be called on to pay *different amounts or that they may be called on at different times*. The terms of issue of the shares must, however, be observed.

28. **Payment of Calls in Advance**

A shareholder can pay some or all of the money due in respect of his shares before he is called on to pay it, if the directors choose to accept it. The directors can agree to pay interest on any money paid in advance but the shareholder will not be entitled to a dividend on that money. This interest will run until the money would have been due. The directors can decide on the interest rate.

**Forfeiture of Shares**

29. **Notice if Call or Instalment of a Call Not Paid**

If a shareholder fails to pay a call or an instalment of a call, when it is due, the directors can send him a notice requiring him to pay the unpaid amount, together with interest (if any).

30. **Form of Notice**

The notice must contain the following items:

- (i) a demand for payment of the amount immediately payable, plus any interest;
- (ii) the date by which the total amount due must be paid. This date must be at least 14 clear days after the date of the notice;
- (iii) where the payments must be made; and
- (iv) a statement that if the full amount demanded is not paid by the time stated, or at the place stated, the Company can forfeit the shares.

*The directors can accept the surrender of any share liable to be forfeited. If that occurs, references in these articles to forfeiture shall include surrender.*

31. **Forfeiture if Non-Compliance with Notice**

If the notice is not complied with, the shares it relates to can be taken from the shareholder, or forfeited, at any time while any amount is still outstanding. The directors can forfeit the shares simply by passing a resolution to that effect. When shares are forfeited, the shareholder also loses his right to any dividend or other amounts relating to the shares which have not been paid to him.

**32. Notice after Forfeiture**

After a share has been forfeited, the person whose share has been forfeited must be notified. However, if this is not done, the share will still be forfeited.

**33. Sale of Forfeited Shares**

*Unless a forfeited share has been cancelled, the directors can sell or dispose of it on any terms and in any way they decide. The share can be transferred to any person, including the previous shareholder. The directors can, if necessary, authorise anyone to transfer it. If any money is paid for the share when it is transferred, the Company can keep the money. The person who buys or otherwise acquires the share can be registered as the holder of the share if it is in registered form.*

After a share has been forfeited, the directors can cancel the forfeiture. They can, however, only do this before the share has been disposed of or sold. The directors can decide on the terms of any cancellation.

**34. Arrears to be Paid Notwithstanding Forfeitures**

A person whose shares have been forfeited will automatically stop being a shareholder in respect of those shares. He must return the share certificates for the forfeited shares to the Company for cancellation. He will, however, still be liable to pay any calls which were made, but not paid, before the shares were forfeited. He must also pay interest on the unpaid amount until it is paid. The directors will decide the interest rate. When considering how much money the original shareholder still owes, the directors do not need to take account of any money they receive on selling the shares, or the value of the shares themselves.

**35. Statutory Declaration as to Forfeiture**

A director or the secretary can make a statutory declaration declaring:

- (i) his position within the Company;
- (ii) that a share has been properly forfeited under the articles; and
- (iii) when the share was forfeited.

The declaration will be conclusive evidence of these facts.

If the buyer of a share is given such a declaration with a completed share transfer form (if one is required), he will acquire good title to the share. The new shareholder does not need to see how any money paid for the share is used. He will still have good title to the share if the directors did not act properly in forfeiting the share, or in its sale or disposal.

### CREST Shares

#### 36. CREST shares

- (A) Under the Uncertificated Securities Regulations, the directors may allow the ownership of a class or classes of shares to be evidenced without share certificates and for these shares to be transferred through CREST. The directors may select and make arrangements for any class of shares to participate in CREST, provided that the shares of the class are identical in all respects.

As long as the directors comply with the Uncertificated Securities Regulations and the rules of CREST, they may also withdraw a class of shares from being transferred through CREST and from allowing ownership of them to be evidenced without share certificates.

For the avoidance of doubt, CREST shares do not form a class of shares separate from certificated shares with the same rights.

- (B) These articles will not apply to CREST shares to the extent that they are inconsistent in any way with:

- (i) holding shares in an *uncertificated form*;
- (ii) transferring shares through CREST; or
- (iii) any provision of the Uncertificated Securities Regulations.

- (C) CREST shares may be changed to become certificated shares and certificated shares may be changed to become CREST shares, provided the requirements of the Uncertificated Securities Regulations and the rules and practices of CREST are met. The directors will record in the register whether particular shares are held as certificated shares or CREST shares.

### Transfer of Shares

#### 37. Form of Transfer

- (A) Certificated shares

Unless the articles say otherwise, any shareholder may transfer some or all of his certificated shares to anyone else. A transfer of certificated shares must be made in writing and either in the usual standard form or in any other form approved by the directors.

## (B) CREST shares

Unless the articles say otherwise, any shareholder may transfer some or all of his CREST shares in any manner allowed by the Uncertificated Securities Regulations and the rules of CREST. No provision of these articles will apply to CREST shares to the extent that it deals with transferring shares by means of a share transfer form or by producing a share certificate.

## 38. Execution of Transfer for Certificated Shares

A share transfer form must be signed by, or on behalf of, the person making the transfer. If the share is not fully paid-up, the person it is being transferred to must also sign the form. The person making a transfer will be treated as the shareholder until the name of the new shareholder is put on the register for that share. The Company can keep all share transfer forms once it has registered the transfer.

## 39. Right to Decline Registration of Partly Paid Certificated Shares

The directors can, without giving any reason, refuse to register a transfer of any certificated shares which are not fully paid-up.

## 40. Other Rights to Decline Registration

## (A) Certificated Shares

A share transfer form must relate to only one class of shares. The number of people to whom a share is transferred must not exceed four. The share certificate relating to the shares being transferred must be sent to the Company with the share transfer form. The directors can also ask for any other evidence to show that the person transferring the shares was entitled to do so. If they do so, the evidence must be provided. If this article is not complied with, the directors can refuse to register the share transfer.

## (B) CREST Shares

The directors may refuse to register a transfer in the circumstances set out in the Uncertificated Securities Regulations or where the number of people to whom the shares are being transferred is greater than 4.

## 41. Notice of Refusal

If the directors refuse to register a share transfer, they must notify the person to whom the shares were being transferred. They must do this within two months of receiving the share transfer form (in the case of certificated shares) or the CREST operator instruction (in the case of CREST shares).

**42. No Fee for Registration**

The directors cannot charge any fees for registering a share transfer or making any other amendment to the register.

**43. Untraced Shareholders**

The Company can sell any certificated shares where:

- (i) over the previous 12 years at least three cash dividends have become payable on the shares and none have been claimed;
- (ii) the shares have been in issue for at least the previous 12 years;
- (iii) after the 12 year period, the Company advertises in a national newspaper and in a local newspaper for the area which includes the address for that shareholder held by the Company for sending notices relating to those shares. The advertisement must state that the Company intends to sell the shares;
- (iv) three months have passed since the publication of the advertisements, or the date when the later one was published if they were published on different dates;
- (v) the directors believe that, during the 12 year period and the 3 month period following the publication of the advertisements referred to in paragraphs (iii) and (iv) above, the Company has not received any notice about the existence or whereabouts of the shareholder or someone automatically entitled to the shares by law; and
- (vi) the Company notifies the London Stock Exchange that it intends to sell the shares.

If any shares have been issued to the shareholder since the 12 year period referred to above began, the directors can also sell the further shares.

To sell any shares in this way, the directors can appoint any person to sell the shares at the best price reasonably obtainable at the time of sale. A share transfer form signed by that person will be just as effective as if it had been signed by the registered holder of the shares, or by a person automatically entitled to the shares by law. The person who buys the shares will not need to see how the Company uses the proceeds of sale and will receive good title to the shares even if the sale is irregular or invalid in any way.

The proceeds of sale will belong to the Company, although it must pay that amount of money to the shareholder, or to a person automatically entitled to the shares by law, if requested. The Company can deduct its expenses of sale from the amount it

pays to the individual. Following a sale, the amount to be paid to the shareholder will be a debt of the Company in the Company's books.

The proceeds of sale will not be held on trust and the Company will not pay interest on the amount. The Company will not have to pay over any money which it has earned by using the money. The directors can decide how the money is used or invested.

#### **Automatic entitlement to shares by law**

##### **44. Automatic entitlement**

If a sole shareholder dies, his personal representatives will be the only people whom the Company will recognise as being entitled to his shares. This is also the case if a shareholder who is the last survivor of joint shareholders dies. If a joint shareholder dies and is survived by other joint shareholders, the Company will deal with the surviving joint shareholders. The articles do not discharge the estate of any shareholder from any liability whether the shareholder is a sole or joint shareholder.

##### **45. Entry of automatic entitlement in Register**

If someone becomes automatically entitled to a share by law, the directors must note his entitlement in the register. The person must provide the directors with any proof of his entitlement they require. They will then note his entitlement within two months of receiving sufficient proof.

##### **46. Election when automatically entitled by law**

If a person becomes automatically entitled to a share by law, he can either be registered as the shareholder himself or choose another person to become the shareholder.

If he chooses to be registered himself, he must let the Company know by notice in writing. If he chooses to have another person registered as the shareholder, he must transfer the share to the person he has selected.

The directors can at any time ask the person to choose to be registered as the shareholder or to transfer the share to another person. If he does not comply with the request within 60 days, the directors can withhold payment of any money due in respect of the share until someone has been properly registered as the shareholder.

For the purpose of these articles, a letter or transfer form signed by the person entitled by law will be treated as if it was signed by the original shareholder.

47. Rights when automatically entitled by law

A person automatically entitled to a share by law is entitled to receive any dividends or other money relating to the share. He is not, however, entitled to attend and vote at shareholder meetings or at any class meeting until he is registered as the shareholder but otherwise he shall have the same rights as the original shareholder.

As soon as someone else is automatically entitled to a share by law, the original shareholder loses all his rights as a shareholder.

Alteration of Share Capital

48. Increase, Consolidation, Sub-Division and Cancellation

The shareholders can pass an ordinary resolution to do any of the following:

- (i) increase the Company's share capital;
- (ii) consolidate, or consolidate and then divide, all or any of its share capital into shares of a larger nominal amount than the existing shares;
- (iii) divide some or all of its shares into shares of a smaller nominal amount. The resolution can provide that one or more of these shares may be given preferential treatment concerning dividends, capital, voting or anything else;
- (iv) cancel any shares which have not been taken, or agreed to be taken, by anyone at the date of the resolution and reduce the amount of the Company's share capital by the amount of the cancelled shares.

49. Fractions

If any shares are consolidated, the directors can deal with any fractions of shares which result from the consolidation as they choose. If any fractions are sold, the buyer does not need to see how any purchase money is used. His title will also not be affected if the sale was irregular or invalid in any way.

50. Reduction of Capital

The shareholders can pass a special resolution to reduce the Company's share capital, any capital redemption reserve or its share premium account in any way.



### **General Meetings**

#### **51. Annual General Meetings**

Each year the Company must hold an annual general meeting as legislation requires. The directors will decide when and where to hold the annual general meeting and will call it.

#### **52. Extraordinary General Meetings**

Any general meeting which is not an annual general meeting is called an extraordinary general meeting.

#### **53. Convening of Extraordinary General Meetings**

The directors can call an extraordinary general meeting at any time.

#### **54. Separate General Meetings**

A separate meeting of the holders of a particular class of shares is called a class meeting. The articles relating to general meetings will also apply to class meetings, with any necessary changes. Slightly different provisions are relevant for class meetings called to change or remove any of the rights attached to shares of the class. These are referred to in article 9.

### **Notice of General Meetings**

#### **55. Length of Notice**

At least 21 clear days' notice must be given for every annual general meeting and for any other meeting called to pass any special resolution or where special notice of a resolution is required. For all other general meetings, at least 14 clear days' notice must be given.

The notice for any general meeting must be in writing and say:

- (i) where the meeting is to be held,
- (ii) the date and time of the meeting, and
- (iii) the general nature of the business for the meeting.

All shareholders must be given notice of every general meeting. The only exception is those shareholders who are not entitled to receive a notice because of:

- (i) a provision in these articles, or

- (ii) the terms of issue of the shares they hold.

Notice must also be given to the Company's auditors.

**56. Omission or Non-Receipt of Notice**

If the Company accidentally fails to send someone notice of a meeting or a proxy form, the proceedings at that meeting will not be affected. Similarly, if for whatever reason someone does not receive a notice or proxy form which the Company did send, the proceedings will not be affected.

**57. Postponement of General Meetings**

If the directors think that it is impractical or unreasonable to hold a general meeting when or where the notice specified, they can move or postpone the meeting. If they do this, an announcement of the date, time and place of the rearranged meeting will, if practicable, be given in at least two national newspapers but no further notice need be given. Notice of the business of the meeting does not need to be given again.

**Proceedings at General Meetings**

**58. Quorum**

Before a meeting starts to do business, there must be a quorum present. Unless one of the exceptions set out in the articles applies, a quorum is present if there are twenty shareholders present personally or by proxy and they are entitled to vote. If a quorum is not present, the meeting can still appoint a chairman of the meeting.

**59. Procedure if Quorum Not Present**

If a quorum is not present within five minutes of the time fixed for the general meeting to start, the meeting will be adjourned. The chairman can extend the waiting time for up to one hour.

The chairman of the meeting will decide when and where the adjourned meeting will take place. He must choose a date which is not less than 10 and not more than 28 days later. Details of the adjournment will then be sent to shareholders at least 7 clear days before the adjourned meeting.

At any adjourned meeting, one shareholder present either personally or by proxy will be a quorum. It does not matter how many shares he holds. The notice of an adjourned meeting must state this.

**60. Security Arrangements**

The directors can put in place what they consider in their absolute discretion to be appropriate security arrangements for general meetings. They can, for instance,

require individuals to be searched before coming in. The directors can arrange for people to be denied entry if they refuse to be searched or do not comply with any other security arrangements. They can also arrange for individuals to be removed from a meeting.

**61. Arrangements for simultaneous attendance**

The directors may, notwithstanding that a venue for a general meeting (the "Principal Venue") has been specified in the notice of the meeting, make arrangements for simultaneous attendance and participation at other venues by *members and proxies entitled to attend the general meeting but excluded from the Principal Venue* under the provisions of this and the following two articles. The chairman of the meeting shall preside at the Principal Venue.

**62. Arrangements regarding level of attendance**

Any arrangements for simultaneous attendance at the meeting may include limits on the level of attendance at the Principal Venue or other venues. These arrangements must allow any members and proxies excluded from attendance at the Principal Venue to attend at one of the other venues. For the purpose of all other provisions of these articles any meetings simultaneously held at one of the other venues shall be treated as being held and taking place at the Principal Venue.

**63. Arrangements for place of attendance**

The directors may make such arrangements as they consider in their absolute discretion to be appropriate for organising attendance at meetings. These arrangements may include the issue of tickets (on a basis intended to afford to all members and proxies entitled to attend the meeting an equal opportunity of being admitted to the Principal Venue) or the imposition of some random means of selection for admission to the Principal Venue. The directors may from time to time vary any such arrangements and the entitlement of any member or proxy to attend a general meeting at the Principal Venue shall be subject to such arrangements as may be for the time being in force whether stated in the notice of the meeting to apply to that meeting or notified to the members concerned subsequent to the giving of the notice of the meeting.

**64. Chairman of General Meeting**

The Company's chairman will be the chairman of every general meeting where he is present. If the chairman is not present, a vice chairman will take the chair. If neither are present within five minutes of the time for the meeting to start, or if the chairman and any vice chairman are not willing to be chairman, the directors present can choose one willing director to be chairman of the meeting. If no willing director is present, the shareholders present will decide which one of them is to be chairman of the meeting.

**65. Orderly Conduct**

The chairman of a meeting can take any action he considers appropriate for the proper and orderly conduct of the business to be carried out at the general meeting. *The chairman's decision on matters of procedure or arising incidentally from the business of the meeting (including whether or not a matter falls in these categories) shall be final.*

**66. Entitlement to Attend and Speak**

Directors can attend and speak at any general meeting and at any class meeting. The chairman of the meeting can allow anyone (including anyone who is a beneficial owner of any shares held by a company nominee) to attend and speak at any general meeting.

**67. Adjournments**

The chairman of a meeting can adjourn a meeting before or after it has started and whether or not a quorum is present. He can only do this if he thinks that:

- (i) there is not enough room for the number of shareholders wanting to attend;
- (ii) the behaviour of the people present is disrupting or is likely to disrupt the meeting; or
- (iii) an adjournment is necessary so that the business of the meeting can be properly carried out.

The chairman does not need the consent of the shareholders to adjourn the meeting for any of these reasons.

The chairman can also adjourn a meeting at which a quorum is present if the shareholders agree. He must adjourn a meeting if the majority of the shareholders, or their proxies, tell him to.

The chairman can decide on the time and place of the adjourned meeting, or can adjourn it indefinitely. If the meeting is adjourned indefinitely, the directors will fix the time and place of the adjourned meeting. A reconvened meeting can only deal with business that could have been dealt with at the meeting which was adjourned.

**68. Notice of Adjournment**

If a meeting is adjourned indefinitely or for three months or more, the directors will give notice of the date, time and place of the adjourned meeting in the same way as for the original meeting. If the meeting is adjourned to a specific day less than three months later, no further notice needs to be given. It is not necessary to give notice of the business of any adjourned meeting.

### Amendments

#### 69. Amendments to Resolutions

Amendments can be proposed to any resolution at any time if they are to correct some obvious error in the resolution. No other amendments can be proposed to any special or extraordinary resolution. Other amendments to ordinary resolutions can only be proposed if:

- (A) written notice of the amendment is delivered to the office at least 48 hours before the time of the meeting or the adjourned meeting; or
- (B) the chairman of the meeting decides in his absolute discretion that the amendment is appropriate for consideration by the meeting.

#### 70. Amendments Ruled Out of Order

If the chairman of a meeting decides that a proposed amendment to a resolution is out of order, the amendment will not be put to the meeting. Even if he is wrong to do this, the meeting's decision on the unamended resolution will not be affected.

### Voting

#### 71. Votes of Members

Only shareholders who are present in person at a general meeting can vote on a show of hands. They will have one vote each. Proxies cannot vote on a show of hands. On a poll, every shareholder present in person or by proxy will have one vote for every share which he holds. Shareholders can vote unless restricted by these articles or the rights attached to their shares.

#### 72. Method of Voting

Voting will be carried out by a show of hands unless a poll is demanded when or before the chairman of the meeting declares the result of the show of hands. A poll can be demanded by:

- (A) the chairman of the meeting;
- (B) at least five shareholders who are present in person or by proxy and who are entitled to vote;
- (C) one or more shareholders who are present in person or by proxy and whose shares give them together at least 10 per cent. of the total votes of all shareholders who can vote at the meeting; or

- (D) one or more shareholders who are present in person or by proxy and whose shares allow them to vote at the meeting and where the total amount paid up on those shares is at least 10 per cent. of the total sum paid up on all shares giving the right to vote at the meeting.

If there is a vote by show of hands and no poll is demanded, or any demand for a poll is withdrawn, the chairman's declaration of the outcome of the vote will be conclusive. If a poll is demanded and the demand is then withdrawn with the consent of the chairman, any declaration by the chairman of the result of an earlier vote on that resolution by a show of hands will stand.

**73. Procedure if Poll Demanded**

If a poll is demanded and it is allowed by the articles, the chairman of the meeting will decide where, when and how it will be taken. The chairman may appoint scrutineers who need not be members. The result of the poll will be treated as a decision of the meeting at which the poll was demanded.

**74. When Poll to be Taken**

If a poll is demanded on a vote to elect the chairman of the meeting, or to adjourn a meeting, the poll must be taken immediately. In all other cases, the chairman will decide when and where the poll is to be taken. The poll must be taken within 30 days from the date it was demanded. It is not necessary (unless the chairman directs otherwise) to give notice of a poll.

**75. Continuance of Other Business after Poll Demand**

A demand for a poll on a particular matter will not stop a meeting from continuing to deal with other matters.

**76. Votes on a Poll**

On a poll a shareholder can vote either in person or by his proxy voting for him. A shareholder can appoint more than one proxy to attend on the same occasion.

**77. Casting Vote of Chairman**

If equal votes are cast on a show of hands or on a poll, the chairman of the meeting will have the casting vote.

**78. Votes of Joint Holders**

If a share is held by more than one shareholder, only the vote of the most senior voting shareholder present at the meeting and wishing to vote or voting by proxy will count. For this purpose, seniority is determined by the order in which the shareholders' names appear in the register for that share.

#### 79. Voting on Behalf of Incapable Member

If a court has made an order about a shareholder because he is suffering from mental disorder or he is incapable of managing his affairs, a person appointed to act for that shareholder can vote for him. Before the representative votes however, he must deliver evidence of his authority to vote to the registered office at least 48 hours before the relevant meeting (or adjourned meeting). If the notice of meeting specifies a different place for the delivery of proxy forms, the evidence can be delivered to that address. The person appointed to act can appoint a proxy.

#### 80. No Right to Vote where Sums Overdue on Shares

A shareholder cannot vote (either in person or by proxy) at any general meeting or class meeting if he has not paid all amounts relating to his shares which are due at the time of the meeting.

#### 81. Objections or Errors in Voting

Any objection to the right of any person to vote or the declared result of a vote must be made at the meeting at which the vote is taken. Objections must be raised with the chairman of the meeting. If the chairman decides that the vote should stand, the vote is valid for all purposes. The chairman's decision is final. Any objection raised after the meeting will have no effect on the vote.

### Proxies

#### 82. Execution of Proxies

A proxy form must be in writing, signed by the shareholder appointing the proxy, or by an attorney who must have written authority to sign the form. If the proxy is appointed by a company, the proxy form should either be sealed by the company or signed by a director or someone else authorised to sign for the company.

#### 83. Delivery of Proxies

Proxy forms must be delivered to the registered office, or to any other place specified in the notice of meeting or in the form itself, at least:

- (i) 48 hours before the meeting or adjourned meeting or a poll taken on the same day as the meeting; and
- (ii) 24 hours before any other poll is taken.

The directors can, but do not have to, ask for evidence showing the authority of anyone who has signed a form on behalf of someone else. If such evidence is requested, the original authority, or a copy which has been certified as a true copy by

a notary or in some other manner approved by the directors, must be delivered with the proxy form.

If more than one valid proxy form is delivered in respect of the same share for use at the same meeting and the details on them differ, the one which is delivered to the Company last (disregarding its date of execution) will be valid. All the forms delivered earlier will have no effect. If the directors cannot decide which was delivered last, none of the forms will be treated as valid.

Even where a shareholder has delivered a proxy form, he can still attend and vote in person at the meeting or poll.

**84. Maximum Validity of Proxy**

A proxy form will expire twelve months after the date given on the form as the date of its signature.

**85. Form of Proxy**

A proxy form must be in any commonly used form or in any other form which is approved by the directors. A proxy form will automatically give the proxy the right to demand a poll or to join others as the proxy thinks fit in demanding a poll. A proxy can also vote on any amendment to a resolution. A proxy form will be valid for any adjournment of the meeting to which it relates, unless the form itself says that it is not. A proxy will not be entitled to speak at the meeting without the chairman's permission.

**86. Cancellation of Proxy's Authority**

If a proxy form is to be cancelled, or the authority of a representative of a company is to be withdrawn, notice of the cancellation or withdrawal must be given in writing to the registered office (or whatever place was specified for the delivery of proxy forms in the original notice or accompanying document). The notice must be given at least:

- (i) 48 hours before the meeting or adjourned meeting or a poll taken on the same day as the meeting; and
- (ii) 24 hours before any other poll is taken.

**Appointment, Retirement and Removal of Directors**

**87. Number of Directors**

The Company must have at least two directors and not more than 15. The shareholders can change these requirements by passing an ordinary resolution at a general meeting.



#### 88. Age of Directors

No one shall be eligible for appointment as a director after he has reached the age of 70 and every director shall retire from office at the conclusion of the next annual general meeting following his seventieth birthday.

#### 89. Directors' Shareholding Qualification

Each director is required to hold 300 ordinary shares in the Company. These ordinary shares must be held in his name and not jointly. Each director must hold these ordinary shares within 6 months of:

- (i) the date of admission of the ordinary shares to the London Stock Exchange in the case of directors already appointed at the date of adoption of these articles; or
- (ii) the date of his appointment if this is after the date of adoption of these articles.

For the purposes of this article, a director shall be deemed to hold shares if he has an absolute beneficial interest in them.

#### 90. Power of Company to Appoint Directors

The shareholders can pass an ordinary resolution to elect any willing person to be a director, either to fill a vacancy or as an additional director. Any appointment must comply with the articles.

#### 91. Power of Board to Appoint Directors

The directors can also pass a resolution to appoint any willing person to be a director, either to fill a vacancy or as an additional director. Any director appointed by the directors must retire from office at the next annual general meeting. Any appointment must comply with the articles. He may, however, be reappointed by the shareholders.

#### 92. Number to Retire by Rotation<sup>o</sup>

- (i) Each director must retire not later than the third annual general meeting following his last appointment or reappointment in general meeting.
- (ii) In any event, at every annual general meeting, a minimum number of the directors must retire, and that number includes any directors retiring under article 92(i). The minimum number is one-third, or where the number of directors is not divisible by three, the number which is nearest to and less than one-third. Directors retiring under article 91 shall not be counted as part of the minimum number, nor for the purpose of calculating what that number

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<sup>o</sup> Article 92 amended by a special resolution passed at the annual general meeting of the Company on 12 May 1989.

should be. If there are fewer than three directors (apart from those retiring under article 91) they shall all retire.

- (iii) Any director retiring at an annual general meeting may, if willing, be reappointed by the shareholders at that meeting. Any such reappointment must comply with the articles.

**93. Identity of Directors to Retire**

Unless legislation or these articles provides otherwise, the identity of the directors to retire by rotation at any annual general meeting will be determined on the date of the notice calling the annual general meeting and will be those directors who wish to retire and not offer themselves for re-election and, if further directors are required, those directors who have been longest in office since their last appointment or reappointment as a director. If there are directors who were last elected on the same date, they can agree on who is to retire among themselves, but if they do not agree, they must draw lots to decide.

**94. Filling Rotation Vacancies**

The shareholders can pass an ordinary resolution to elect a new director or a willing retiring director to replace any director who retires at any meeting. If no resolution concerning the vacancy is proposed to the meeting, the retiring director will, if willing, be reappointed automatically.

**95. Power of Removal by Special Resolution**

The shareholders can pass a special resolution to remove any director from office at any time and can elect a person to replace a director who has been removed in this way by passing an ordinary resolution.

**96. Persons Eligible as Directors**

Provided that the requirements of article 88 are followed, the only people who may be elected as directors at a general meeting are the following:

- (i) directors retiring at the meeting;
- (ii) anyone recommended by the directors; or
- (iii) anyone nominated by 10 shareholders in the following way:

the shareholders must be entitled to attend and vote at the meeting and they must deliver:

- (a) a written notice to the registered office not less than 6 nor more than 35 clear days before the day of the meeting. The notice must state that they intend to nominate another person for election as a director; and
- (b) written confirmation from that person that he is willing to be elected.

**97. Position of Retiring Directors**

If a retiring director is not reappointed, he will cease to be a director when the shareholders appoint someone in his place or, if they do not so, at the end of the meeting.

**98. Vacation of Office by Directors**

In addition to the other provisions in these articles relating to the retirement of directors, a director will no longer be a director if:

- (A) his resignation is requested by notice in writing signed by three-quarters of the other directors;
- (B) he writes a letter of resignation which is delivered at a meeting of the directors or to the registered office; or
- (C) he is or has been suffering from mental ill health and the directors pass a resolution stating that he has ceased to be a director; or
- (D) he has missed directors' meetings for a continuous period of six months without permission from the directors and the directors pass a resolution stating that he has ceased to be a director; or
- (E) a bankruptcy order is made against him or he makes any arrangement or composition with his creditors; or
- (F) he is prohibited from being or ceases to be a director by virtue of legislation or any power conferred on the directors or shareholders under these articles; or
- (G) without the permission of the chairman of the directors he becomes a director, auditor or other officer of any company which, or a subsidiary of which, carries on any business carried on by the Company or its subsidiaries and the directors pass a resolution stating that he has ceased to be a director; or
- (H) his appointment as an executive director is terminated or expires and the directors resolve that his office is vacated.

When a director stops being a director for any reason, he will also automatically cease to be a member of any committee or sub-committee appointed by the directors.

#### 99. Executive Directors

The directors can appoint a director to any executive position, on such terms and for such periods as they think fit. They can decide on the terms of the appointment and how long it will last. They may also terminate an appointment at any time. The directors will decide how much remuneration a director appointed to an executive office will receive (whether as salary, commission, profit share or any other form of remuneration) and whether this is in addition to or in place of his fees as a director.

If the directors terminate the appointment, the termination will not affect any right of the Company or the director in relation to any breach of any employment contract between the director and the Company.

#### Fees, Additional Remuneration, Expenses and Pensions

#### 100. Directors' Fees

The total fees paid to directors must not exceed £600,000 a year or any other higher sum decided on by an ordinary resolution at a general meeting. The fees will be divided between some or all of the directors in a way which the directors or a committee appointed by the directors decide. In addition, directors can receive remuneration paid either under employment or service contracts or other provisions of these articles or by payments to companies of which they are directors.

#### 101. Additional Remuneration

If the directors consider that a particular director has acted for the Company in a way which goes beyond his ordinary duties as a director, they can choose to pay him additional remuneration. This amount can be in addition to his fees as a director and any remuneration paid to him as an executive and may be paid in any form.

#### 102. Expenses

The Company can pay the reasonable travel, hotel and incidental expenses properly incurred by directors in attending general meetings, meetings of the directors and meetings of committees of the directors and in any other way connected with the Company's business or in the performance of their duties as directors.

#### 103. Pensions and Gratuities for Directors

The Company may provide benefits, whether by the payment of gratuities or pensions or otherwise, for any director or former director who has held, but no longer holds, any executive office or employment with the Company, or with any body corporate which is or has been a subsidiary of the Company, or any predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse), or any person who is or was dependent on him, and

may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay any premiums for the purchase or provision of any such benefit.

#### Directors' Interests

##### 104. Permitted Interests and Voting

- (A) The directors can use the votes relating to any shares held by the Company in any other company in any way they decide. If the Company has any power of appointment in relation to another company, the directors can use this power as they think fit. The Company can vote in favour of one of its own directors to be a director or officer of the other company. It can also vote on the remuneration to be given to directors or officers of the other company.
- (B) As long as the director complies with article 104(J), a director can enter into any contract with the Company, or have any interest in any contract with the Company and he can keep any profit he makes as a result of the contract. Any reference in this article to a contract includes a reference to any proposed contract and to any other transaction or arrangement.
- (C) A director can hold any other position within the Company as well as being a director. The directors will decide the terms of his other appointment, including the length of the appointment and any associated remuneration. A director cannot, however, be the Company's auditor.
- (D) A director can be, or become, a director or other officer or shareholder of any company in which the Company has any interest. He can keep any money he receives because of his interest in the other company.
- (E) A director can act for the Company in a professional capacity, either alone or through his firm. He and his firm can be paid for professional services as if he were not a director. However, neither he nor his firm can be the auditor of the Company.
- (F) A director cannot vote on any resolution about, or be counted in the quorum in relation to, his own appointment as an officer or employee of the Company or any other company in which the Company has an interest, or about the terms or termination of such appointment. A director also cannot vote on a resolution appointing, or terminating or varying the terms of appointment of, anyone else as an officer or employee of a company in which the Company has an interest where the director wanting to vote owns 1 per cent. or more of the company. Article 104(H) explains how the level of a director's ownership is measured.
- (G) A director cannot vote on, or be counted in the quorum at the meeting considering, any resolution concerning any contract in which he knows he has a material interest, unless the articles expressly allow it. For this purpose, the

interests of anyone connected with him under section 346 of the Companies Act are added to the interests of the director himself. However, a director can vote on resolutions about any of the following things, as long as the only material interests the director has (including people connected with him) in the resolution arise because of one or more of the following matters:

- (i) giving any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by anyone else at the request of or for the benefit of the Company or any of its subsidiary undertakings;
  - (ii) giving a third party any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by giving security;
  - (iii) where the Company or any of its subsidiary undertakings is offering securities and the director is or may be entitled to participate in the offer as a holder of securities or he is to participate in underwriting or sub-underwriting the offer;
  - (iv) any contract in which he is interested because of holding shares or other securities of the Company or because of having any other interest in the Company;
  - (v) any contract concerning another company in which he does not own 1 per cent. or more. Article 104(H) explains how the level of a director's ownership is measured;
  - (vi) any contract relating to:
    - (a) the adoption, modification or operation of a pension fund or retirement death or disability benefits scheme; or
    - (b) an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings

which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or
  - (vii) any contract concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons including directors.
- (H) Where a company in which a director owns 1 per cent. or more is materially interested in a contract, he also shall be deemed materially interested in that contract. A director will be treated as owning 1 per cent. or more of a

company if he knows that he and the people connected with him (as defined in section 346 of the Companies Act) hold an interest in shares representing 1 per cent. or more of any class of equity share capital of the company or the voting rights in the company. Shares will not count if the director (or the connected person) has no beneficial interest in the shares or is only entitled to the shares in the future. In addition, shares do not count if they are held in an authorised unit trust scheme in which the director, or connected person, is involved only as a unit holder.

- (I) If any question comes up at a meeting about whether a director has a material interest or whether he can vote or whether he can be counted in the quorum, and the director does not agree to abstain from voting on the issue, the question must be referred to the chairman of the meeting. The chairman's ruling will be conclusive, unless the nature or extent of the director's interest has not been fairly disclosed to the directors. If the director concerned is the chairman of the meeting, the matter will be decided by a resolution of the directors. This resolution will be conclusive, unless the nature and extent of the chairman's interest has not been fairly disclosed to the directors. If this course is adopted, the chairman may be counted in the quorum, but cannot vote on the matter.
- (J) When a director knows that he is in any way interested in a contract with the Company, he must tell the other directors. He must do this at the first directors' meeting after he knows that he is interested in the contract. To meet the requirements of this article, he can give a general notice to the directors stating that:
  - (i) he is a shareholder of a specified company, or partner in a specified business and is interested in any contract between the Company and that company or business; or
  - (ii) he is interested in any contract between the Company and a specified person who is connected with him.

The notice will not be effective unless it is given at a directors' meeting or discussed at the next directors' meeting after it is given.

- (K) The shareholders can suspend or relax the provisions of this article by passing an ordinary resolution. They can also pass an ordinary resolution to ratify any contract which would otherwise be in breach of this article.

#### **Powers and Duties of the Board**

##### **105. General Powers of Company Vested in Board**

The directors will manage the Company's business and in general can use all the powers of the Company. If, however, any legislation or special resolution of the

shareholders, the Company's memorandum of association or these articles say that a particular power can only be exercised by the shareholders voting at a general meeting or may not be exercised by the directors, the directors may not exercise that power. Whether the directors can exercise a particular power at a specific time is determined by whether a prohibition is in place when the directors actually exercise the power. The powers given by this article shall not be limited by any special power given to the directors by any other article.

#### 106. Agents

The directors can appoint any person as the Company's agent on such terms as they think fit. These may include the purpose, powers, authorities and discretions of the agent and any limitations or conditions. The directors can decide how long such an appointment will last and can fix any terms relating to remuneration. The terms of appointment can also allow the agent to grant any or all of his powers, authorities or discretions to any other person. At any time the directors may remove any person appointed under this article or may vary the terms of the appointment. If a person deals with an agent in good faith without knowing of the termination or amendment of his appointment, he will not be affected by such termination or amendment. Any power to delegate in this article will be effective for all the powers of the directors whether or not in these articles they are exercised by the director or an authorised committee appointed by the directors.

#### 107. Delegation to Individual Directors

The directors can delegate any of their powers, authorities and discretions to any director on such terms and conditions as they think fit. The directors can delegate in such a way that they no longer have the powers and authorities delegated, or they can retain the delegated powers and authorities as well. The directors may terminate or amend any delegation under this article, but if a person deals with the delegate in good faith without knowing of the termination or amendment of his delegation, he will not be affected. Any power to delegate in this article will be effective for all the powers of the board. This includes powers exercised by the board or an authorised committee of the board.

#### 108. Official Seals

The directors can exercise all the Company's powers given by statute relating to official seals.

#### 109. Registers

The Company can use the powers given by legislation to keep an overseas, local or other register. The directors can make and change any regulations allowed by legislation relating to such registers.



#### 110. Provision for Employees

The directors can use the powers provided by legislation to provide benefits for employees or former employees of the Company or any of its subsidiaries in situations where the Company or any of its subsidiaries ceases or transfers the whole or part of its business.

### Proceedings of the Board

#### 111. Board Meetings

The directors can decide when to have meetings and how they will be conducted. They can also adjourn their meetings. Any director can call a meeting. The secretary must also call a meeting if asked to by a director.

#### 112. Notice of Board Meetings

A meeting of the directors is called by giving notice to all the directors. Notice can be given to a director personally or by word of mouth or sent to him at his last known address or any other address given by him to the Company for this purpose. A director can request that notices are sent to an address overseas during his absence from the United Kingdom. Any notices sent overseas will be sent at his risk. A director may also request that notices given during his absence from the United Kingdom are sent to him at a chosen address in the United Kingdom. These notices will be given to him at the same time as they are given to directors who are not absent from the United Kingdom. If no such request is made, a director who is absent from the United Kingdom is not entitled to receive notice of any meetings of the directors. A director can choose not to be entitled to receive notice of any past or future meeting.

#### 113. Quorum

The directors can decide on the quorum necessary for meetings of the directors. If the directors do not decide on any other number, the quorum will be five. If a director ceases to be a director during the course of a meeting and if, as a result, there would not be a quorum, he will act as a director and be included in the quorum until the meeting finishes unless another director objects.

#### 114. Directors below Minimum through Vacancies

The directors can continue to act even if one or more of them stops being a director. However, if the number of directors falls below two the continuing director can only act to appoint further directors to make up the shortfall or to convene a general meeting for the sole purpose of appointing further directors.

**115. Appointment of Chairman**

The directors can appoint one of their number to be the chairman or a vice chairman of the Company. They may also at any time remove him from that office. If the chairman is at a meeting of the directors, he will chair it if he is willing to do so. In his absence, the chair will be taken by a vice chairman, if one is present and willing. If there is no willing chairman or vice chairman present within five minutes of the time the meeting is due to start, the directors who are present can choose which one of them will be the chairman.

**116. Voting**

Matters to be decided at any meeting will be decided by a majority of votes. If there are equal votes, the chairman of the meeting will have the casting vote.

**117. Delegation to Committees**

The directors can delegate any of their powers, authorities or discretions to committees of one or more individuals. The individuals need not be directors. Any committee may sub-delegate any of its powers, authorities and discretions to any individual or individuals. These individuals need not be members of the committee or directors.

Any committee must comply with any regulations specified by the directors from time to time. The meetings of any committee will be regulated by the same provisions as those regulating meetings of the directors. Regulations imposed by the directors in respect of a committee prevail in the case of inconsistency.

Any power to delegate in this article will be effective for all the powers of the directors whether or not in these articles they are exercised by the directors or an authorised committee appointed by the directors.

**118. Participation in Meetings by Telephone or Other Communication Equipment**

Directors or members of a committee can take part in a meeting of the directors or a committee by using a conference telephone or any communication equipment (including a video link) which allows everybody participating in the meeting to speak to and hear each other. Taking part in this way will be counted as being present at the meeting. Meetings will be treated as taking place where the largest group of the participants are or, if there is no such group, where the chairman of the meeting is.

**119. Resolution in Writing**

A written resolution signed by all directors entitled to receive notice of a meeting of the directors at that time (except a director who is abroad at the time the notice is given) will be just as valid and effective as a resolution passed by the same directors at a meeting which is properly called and held. The resolution can be passed by

using several copies of the resolution, each signed by one or more directors. These copies can be faxed copies or copies sent by electronic-mail.

**120. Validity of Acts of Board or Committee**

Anything which has been done by a meeting of the directors or by a committee of the directors or by anyone acting as a director or committee member will be valid, even if it is later discovered that any director or member of such a committee, or any person acting as such, was not properly appointed. This also applies if it is later discovered that someone was disqualified from being a director or had stopped being a director or was not entitled to vote on a particular matter.

**Secretary**

**121. Appointment and Removal of the Secretary**

The directors will appoint the secretary on such terms and conditions as they think fit. The directors can also remove the secretary. They will decide how much the secretary will be paid.

**Seals**

**122. Use of Seals**

The directors will determine the safekeeping of the seal. A document can only be sealed with the Company's seal as determined from time to time by the directors.

**Dividends and Other Payments**

**123. Declaration of Final Dividends by the Company**

The directors will recommend the amount of any final dividend. The shareholders can then pass an ordinary resolution to declare the final dividend, but the amount declared must not be higher than the amount recommended by the directors.

**124. Payment of Interim Dividends by the Directors**

The directors can pay interim dividends as long as they comply with legislation. When paying interim dividends, the directors must consider the financial position of the Company. As long as the directors act in good faith, if shareholders with shares giving them preferential rights suffer because an interim dividend has been paid on other shares with non-preferential rights, the directors will not be responsible for the loss.

**125. Calculation and Currency of Dividends**

All dividends relating to particular shares will be paid to those shareholders in proportion to the amounts which were paid up on those shares during the period for which the dividend is being paid. Any sums paid up in advance of a call do not count in determining the amount of a dividend to be paid on a share. The rights attached to any shares or the terms of issue of any shares must be followed if they provide a different method of paying dividends.

Dividends can be declared or paid in any currency.

The directors can agree with any shareholder that some or all of his dividends due in one currency will be paid in another currency. They must also agree the principles for determining how and when the currency exchange calculations will be carried out and how any costs will be met.

**126. Amounts Due on Shares may be Deducted from Dividends**

If a shareholder owes the Company any money for calls or anything else relating to his shares, the directors can deduct this amount from any dividend or other money it owes the shareholder in connection with the shares.

**127. No Interest on Dividends**

The Company will not pay interest on any dividend or other money it owes to a shareholder in respect of his shares.

**128. Payment Procedure**

Any money (including a dividend) relating to a share payable in cash can be paid by cheque, warrant or other financial instrument. The money will be sent by post to the shareholder at his registered address. If there are joint shareholders, it will be sent (and be made payable) to the shareholder whose name appears first in the register for those shares. The shareholder or joint holders can ask for the money to be sent to a different address or to be made payable to another person. The Company will have fulfilled all its obligations to pay the money if the cheque, warrant or other instrument is honoured when it is presented to a bank.

The Company can also pay any money relating to a share by inter bank transfer to any account chosen by the shareholder or joint holders. The shareholder or joint holders can also agree with the Company on any other means of payment including via CREST. However, the Company will not be responsible for any money lost or delayed in the course of any inter bank transfer or where it has acted in any way agreed with the shareholder.

Where there are joint holders, one or more of them can give a valid receipt for any money paid on their shares.

If a person is automatically entitled to a share by law, money in respect of the share will be paid to him at his address as if he were the registered shareholder.

#### 129. Uncashed Dividends

The Company can stop paying dividends by post if the letter is returned undelivered or the payment left uncashed on two consecutive occasions. The Company can also stop if one payment instrument is returned undelivered or left uncashed and the Company has made reasonable enquiries to establish the new address of the registered holder but has failed to do so. The Company will start sending dividend payments again if the shareholder, or someone automatically entitled by law to the shares, requests this in writing.

#### 130. Forfeiture of Unclaimed Dividends

If any dividend remains unclaimed for a period of 12 years from the date when it became due for payment, the shareholder will lose his right to the dividend. The unclaimed dividend will become the property of the Company. The directors can then pay it into a separate account, but the Company will not be a trustee of the unclaimed dividend.

#### 131. Dividends Not in Cash

The shareholders can pass an ordinary resolution so that a dividend is paid wholly or partly by distributing the Company's assets rather than being paid in cash. The shareholders cannot do this unless it is recommended by the directors. For example, dividends can be paid in paid-up shares or debentures of any other company.

When assets are being distributed, the directors can determine the distribution of the dividends in any way they think fit. They can, in particular, issue certificates representing fractions of shares, they can authorise someone to sell any fractions or they can ignore fractions altogether. The directors will decide the value of assets to be distributed and can use cash to ensure that each shareholder receives the appropriate amount for his dividend. The directors can transfer ownership of the assets to be distributed to trustees if they see fit.

#### 132. Scrip Dividends

In a scrip dividend the directors offer ordinary shareholders the choice of further ordinary shares, credited as fully paid-up, instead of a cash dividend. The shareholders can pass an ordinary resolution allowing the directors to offer a scrip dividend. If this process is adopted, the following procedures will apply:

- (i) the ordinary resolution can apply to a particular dividend or to some or all dividends declared within a particular period. The period must not end more than five years after the ordinary resolution is passed;

- (ii) the value of the ordinary shares the shareholder can receive must be as nearly as possible equal to the cash dividend (disregarding any tax credit) he would have received, but not greater than it. For this purpose, the value of the ordinary shares will be taken as the average value of the Company's ordinary shares for the five dealing days starting from, and including, the day when the shares are first quoted "ex-dividend". The average value is worked out from the average middle market quotations for the Company's ordinary shares on the London Stock Exchange which are published in its Daily Official List. The shareholders can, if they choose to, specify a different manner of valuation in the ordinary resolution. A certificate or report by the Company's auditors stating the value of a share for any dividend will be conclusive evidence. The auditors can rely on advice from other people suitably qualified (such as stockbrokers) for this purpose;
- (iii) fractions of ordinary shares cannot be allotted. The directors can deal with any fractional entitlement to shares as they think fit. The Company can, if the directors decide, have the benefit of any left over fractions;
- (iv) when the directors declare or recommend any dividend, they must also announce their intention to offer a scrip dividend, if they intend to propose one. If a scrip dividend is adopted, once the directors have decided how many new shares the shareholders will be entitled to, they must write to them explaining that they can choose new shares instead of cash. The letter must also say what they must do if they want to receive new ordinary shares, and when they have to do it. If, by accident, the letter is not received by all ordinary shareholders the scrip dividend procedure will not be invalidated. There will be no possibility of a claim or action by ordinary shareholders;
- (v) the directors cannot offer shareholders the right to choose further ordinary shares unless the Company has sufficient unissued shares authorised for issue. The Company must also have sufficient amounts in its reserves or funds to be converted into capital equal to the total nominal amount of the new ordinary shares to be allotted. The directors can choose which sum will be converted into capital. It can be taken from any amount which is then in any reserve or fund (including the profit and loss account);
- (vi) the directors can exclude particular shareholders from any offer to choose new shares if they think that the exclusion is necessary or convenient for any reason. In particular, they can exclude shareholders because of legal or practical problems under the laws of any territory or the regulations of any overseas regulatory body or stock exchange;
- (vii) if shareholders have chosen to receive additional shares instead of cash for a dividend, the amount of cash paid to the shareholders will be reduced accordingly. Instead, new ordinary shares will be allotted to them. To do this, the directors will convert into capital a sum equal to the total nominal amount of the new ordinary shares to be allotted. They will use this sum to

pay up in full the appropriate number of new ordinary shares. These will then be allotted and distributed to the shareholders on the basis set out above;

- (viii) the new shares will be CREST Shares where they are paid as a dividend in respect of CREST Shares. However this will not be the case where the directors, the Uncertificated Securities Regulations or the rules of CREST require otherwise. The new shares will be certificated shares where they are paid in respect of a dividend on certificated shares;
- (ix) the new ordinary shares will have the same rights as the existing fully paid-up ordinary shares. The new shares will be entitled to all future dividends on ordinary shares. They will not, however, be entitled to share in the dividend from which they arose; and
- (x) the directors can put procedures in place which enable shareholders to decide in advance whether or not they will want to take shares, instead of cash, if an offer is made. The directors can alter existing procedures at any time.

#### Capitalisation of Reserves

##### 133. Power to Capitalise Reserves and Funds

The shareholders can, if the directors recommend it, pass an ordinary resolution at any time stating that any amount described in this article should be changed into capital and set aside for distribution to the shareholders. The amount must be divided between the shareholders in proportion to their entitlement to dividends. The amount capitalised must be used by the directors as specified in the ordinary resolution. However, the resolution can only authorise distribution in the following way:

- (i) It can be used to pay up some or all of any amount on any issued shares which has not already been called or paid in advance.
- (ii) It can be used to pay up in full any of the Company's unissued shares or debentures or other obligations. These would then be allotted and distributed, credited as fully paid up, to the shareholders.

Any sum in any reserve or fund (including the profit and loss account) of the Company can be changed into capital. However, any amount taken from a share premium account or a capital redemption reserve and any reserve or fund representing unrealised profits can only be used in the second way described above.

The directors can manage the capitalisation and distribution process as they think fit. They may, for instance, appoint someone to sign, on behalf of the participating shareholders, a contract with the Company dealing with the allotment of shares, debentures or other obligations to the shareholders. The agreement will be binding on the shareholders.

#### 134. *Settlement of Difficulties in Distribution*

*If any difficulty arises in connection with the distribution, the directors can settle the matter as they think fit. In particular, they can issue certificates for a fraction of a share or authorise someone to sell any fractions, or they can ignore fractions altogether. They can also provide that cash payments are made to some shareholders in order to adjust what each shareholder receives in line with his entitlement.*

#### **Record Dates**

#### 135. *Power to Choose Any Record Date*

The shareholders or the directors can fix any date and time as the record date for any dividend, distribution, allotment or issue by the Company.

#### **Accounting Records and Summary Financial Statements**

#### 136. *Records to be Kept*

The directors must make sure that proper accounting records are kept in line with legislation. These records must be able to explain the Company's transactions and to show its financial position at any time with reasonable accuracy.

#### 137. *Inspection of Records*

Shareholders are not automatically entitled to inspect any of the Company's records. A shareholder can only inspect them if:

- (i) legislation gives him that right; or
- (ii) the directors authorise him to do so; or
- (iii) the shareholders authorise him to do so by ordinary resolution.

#### 138. *Summary Financial Statements and Other Communications*

The Company can send summary financial statements to its shareholders instead of copies of its full report and accounts.

The Company may meet, but shall be under no obligation to meet, any request from any of its members to be sent additional copies of its full report and accounts or summary financial statements or other communications with its members. The Company may, in addition to sending one or more copies of its full report and accounts, summary financial statements or other communications to its members, send one or more copies to any person or persons nominated by any member.



### Service of Notices and Other Documents

#### 139. Service of Notices

The Company can give any notice or other document, including a share certificate, to a shareholder:

- (i) personally; or
- (ii) by posting it to, or leaving it at, the shareholder's registered address; or
- (iii) through CREST, where the document relates to CREST Shares; or
- (iv) as agreed in writing by the shareholder concerned.

Where there are joint shareholders, the notice or document can be given to any one of the joint holders and this will be treated as if being given to all the joint holders.

#### 140. Record Date for Service

When the Company sends out notices or documents to shareholders, it can use the list of names and addresses on the register at any time up to 21 days before the notice or document is sent. Any change in the details on the register after that time will not affect the validity of the delivery. Where a notice or document is sent to anyone in respect of a share in accordance with the articles, no-one who buys that share or is given it by that person will be entitled to receive another copy of the notice or document.

#### 141. Members Resident Abroad

If a shareholder's registered address is outside the United Kingdom, he can give the Company a United Kingdom address where notices or other documents can be sent to him. If he does not do so, he is not entitled to receive any notices or documents from the Company. However, the Company may still send any notices or documents to any shareholder who has a registered address outside the United Kingdom and who has not given a United Kingdom address.

#### 142. Service of Notice on Person Entitled Automatically by law

If someone is automatically entitled to a share by law, any notice or other document will be sent to him at his own address as if he were the registered shareholder. However, if a notice or document is sent to a shareholder in accordance with the articles, even if another person is automatically entitled to the share by law, the notice or document will be treated as if it had been properly given. This is the case whether the shareholder was a sole shareholder or a joint shareholder. It does not make any difference whether the Company knew of the event entitling the other person the share.

#### 143. When Notice Deemed Served

If a notice or document is sent by first class post, it is treated as being delivered the day after it was posted. If sent by second class post it is treated as being delivered the second day after it was posted. In proving that a notice or document was delivered, the Company must prove that the envelope was properly addressed and that it was put in the post with postage paid.

If a notice or other document is delivered to a shareholder's registered address, it is treated as being delivered on the day it was left.

Where a notice or document is sent through CREST, it is treated as being delivered when the Company, or any CREST participant acting for the Company, sends the issuer-instruction relating to the notice or document.

If a notice or document is delivered by any other approved means, it is treated as being delivered when the Company has done what it was authorised to do by the shareholder for this purpose.

#### 144. Notice When Post Not Available

If the directors think that they cannot effectively call a general meeting by sending a notice by post, they can call the meeting by publishing the notice in at least one national newspaper. If this is done, notice of the meeting will be treated as being delivered on the day the first newspaper advertisement appears. If it becomes practicable to send notices by post at least six clear days before the meeting, the directors will send a copy of the notice by post to those entitled to receive it by way of confirmation.

### Destruction of Documents

#### 145. Presumptions Where Documents Destroyed

If the Company destroys a cancelled share certificate more than one year from the date it was cancelled, it will be treated as a valid share certificate which was properly cancelled.

If the Company destroys any dividend payment instruction, or any notification of change of name or address of a shareholder more than two years after the instruction or notification was recorded by the Company, the instruction or notification will be treated as a valid and effective document. It will also be assumed that any details from it were correctly recorded.

If the Company destroys a share transfer form more than six years after the share transfer has been registered, it will be treated as a valid and effective transfer form which was properly registered.

If the Company destroys any other document which was the basis for making an entry on the register more than six years after the date of registration, the document will be treated as valid and effective. It will also be assumed that the details from it were correctly recorded in the Company's register.

This article only applies to documents which are destroyed in good faith by the Company and when the Company has no express notice of any claim which the document may relate to. It also applies whether a document is destroyed or disposed of in some other way.

If the Company destroys any document at any time, it shall not be treated as being liable in any way simply because of the contents of this article.

### Winding Up

#### 146. Distribution of Assets Otherwise Than in Cash

If the Company goes into liquidation, the Company's assets can be distributed among the shareholders or given to trustees to manage. Whichever course the liquidator adopts, he must act with the approval of a special resolution of the shareholders and any other approvals required by legislation. If any assets are to be distributed to the shareholders, the liquidator will determine the values of the property to be distributed and decide how the property will be divided between the shareholders. If any assets are transferred to trustees, the liquidator can decide on the nature of the trust. On a liquidation, no shareholder will be forced to accept any shares or other assets of the Company where there is any liability associated with those shares or assets.

### Indemnity

#### 147. Indemnity of Officers

The Company shall indemnify any director or other officer against any liability incurred by him in pursuance of or in connection with his duties, including any liability which would attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, and may purchase insurance for directors or officers against any such liability, save insofar as any such indemnity or purchase of insurance is prohibited by legislation.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of the 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 AND ADDRESSES OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
GLEN WILLIAM JAMES 35 Basinghall Street London EC2V 5DB	One
JONATHAN ANDREW DAVID MARKS 35 Basinghall Street London EC2V 5DB	One

DATED the 29th day of November 1996

WITNESS to the above Signatures:

ROBIN JARRATT

R. A. D. B. Jarratt  
35 Basinghall Street  
London  
EC2V 5DB

Trainee Solicitor

Company Number: 3290130

**COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**

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**ORDINARY AND SPECIAL RESOLUTIONS**

**OF**

**NORWICH UNION plc**

---

**Passed on 19 December 2003**

At an Extraordinary General Meeting of the above-named Company, duly convened and held at 1 Undershaft, London EC3P 3DQ, the following resolutions were duly passed as Ordinary and Special Resolutions of the Company:


Ordinary Resolution

THAT the authorised share capital of the Company be and is hereby increased from £500,000,000 to £3,500,000,000 by the creation of an additional 30,000,000,000 Ordinary Shares of 10p each.

Special Resolution

THAT the directors be and are hereby generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985 ("CA 1985"), to allot and to make offers or agreements to allot relevant securities up to a maximum value of £3,000,000,000 such authority to expire on 18 December 2008. In accordance with Section 95(2) CA 1985, Section 89(1) CA 1985 shall not apply to such authority.

Certified to be a true extract



R A Whitaker  
Secretary

A24  
COMPANIES HOUSE

0333  
14/04/04

7

Company Number: 3290130

COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

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ORDINARY AND SPECIAL RESOLUTIONS

OF

NORWICH UNION plc

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Passed on 19 November 2002

At an Extraordinary General Meeting of the above-named Company, duly convened and held at St Helen's, 1 Undershaft, London EC3P 3DQ, the following resolutions were duly passed as Ordinary and Special Resolutions of the Company:

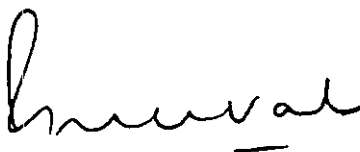
Ordinary Resolution

THAT the authorised share capital of the Company be and is hereby increased from £300,000,010 to £500,000,010 by the creation of an additional 2,000,000,000 Ordinary Shares of £0.10 each.

Special Resolution

THAT the directors be and are hereby generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985 ("CA 1985"), to allot and to make offers or agreements to allot relevant securities up to a maximum value of £500,00,010, such authority to expire on 19 November 2007. In accordance with Section 95(2) CA 1985, Section 89(1) CA 1985 shall not apply to such authority

Certified to be a true extract



R A Whitaker

Secretary

No. 3290130

IN THE HIGH COURT OF JUSTICE

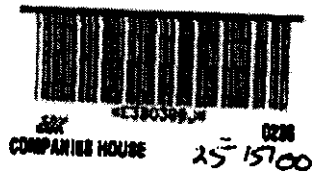
No. 1108 of 2000

CHANCERY DIVISION

COMPANIES COURT

MR JUSTICE LIGHTMAN

MONDAY THE 22ND DAY OF MAY 2000



IN THE MATTER OF NORWICH UNION plc

-and-

IN THE MATTER OF THE COMPANIES ACT 1985

UPON THE PETITION of the above-named Norwich Union plc (hereinafter called "the Company") whose registered office is situated at 8, Surrey Street, Norwich, NR1 3N4 preferred unto this Court on 12th April 2000

AND UPON HEARING Counsel for the Company

AND UPON READING the said Petition and the evidence

AND CGU plc by Counsel for the Company being its Counsel for this purpose consenting to the Scheme of Arrangement referred to below and undertaking to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the said Scheme of Arrangement

THIS COURT HEREBY SANCTIONS the Scheme of Arrangement as set forth in the First Schedule hereto

AND THIS COURT ORDERS THAT the reduction of capital of the Company from £300,000,000 to £106,123,373.50 resolved on and effected by a Special Resolution passed at an Extraordinary General



Meeting of the Company held on 31st March 2000 be and the same is hereby confirmed in accordance with the provisions of the above-mentioned Act

AND THE COURT APPROVES the Minute set forth in the Second Schedule hereto

AND IT IS ORDERED

- (1) that this order be produced by the Company to the Registrar of Companies and that it deliver an office copy to him together with a copy of the said Minute
- (2) that notice of the registration by the Registrar of Companies of this order (so far as it confirms the reduction of the capital of the Company) and of the said Minute be published by the Company once in the "Financial Times" newspaper within 21 days after such registration

AND THIS COURT DIRECTS pursuant to section 139(2) of the said Act that the Registrar of Companies do register the said order confirming the said reduction of capital of the Company under section 138(1) of the said Act Notwithstanding that the said Order has the effect of bringing the nominal value of the allotted share capital of the Company below the authorised minimum

AND THIS COURT HEREBY DIRECTS that this Order shall take effect from Tuesday 23rd May 2000