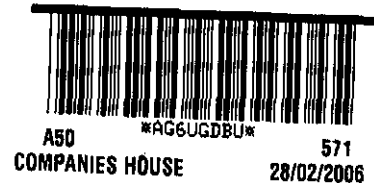


3641947

A PRIVATE COMPANY LIMITED BY SHARES

Articles of Association ¹

of



NATIONAL PROVIDENT LIFE LIMITED ²

(as adopted by Special Resolution dated 9 September 1999)

Regulations of the company

1. (1) The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 (the "Act") and in force on the date of incorporation of the company).
- (2) ³In these Articles, references to "directors" include directors and non-directors.
2. ⁴Regulations 8, 24, 53, 54, 60-62 (inclusive), 64-69 (inclusive), 73-80 (inclusive), 87, 90, 93, 100 and 118 in Table A do not apply to the company.

The regulation of Table A numbered 1 is modified to include the following definitions:

"Approved Person" means a person in relation to whom the Financial Services Authority has given its approval under section 59 of the Financial Services and Markets Act 2000 ("FSMA") for the performance of a controlled function (which is a function relating to the carrying on of a regulated activity specified in Part II of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001) in respect of the Company.

"the Act" means the Companies Act 1985 and every statutory modification or re-enactment of it for the time being in force;

"Indemnified Person" means any person who is or was a director, alternate director, secretary or Approved Person;

"the Statutes" means the Act, the Companies Act 1989 and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company

Share capital

- 3.⁵ The share capital of the company is £10,000,000 divided into 10,000,000 shares of £1 each ranking pari passu in all respects.
4. (1) Subject to the provisions of paragraph (2) of this Article the directors are hereby

¹ The Company adopted new Articles of Association by Special Resolution of the Company passed on 9 September 1999.

² The name of the Company was changed from Precis (1685) Limited to NPI Life Limited on 18 December 1998 and to National Provident Life Limited 25 March 1999.

³ By Special Resolution dated 26 November 2004 Clause 1(2) was deleted and Clause 1(3) was renumbered as 1(2).

⁴ This Article 2 was deleted and replaced by written resolution on 23 February 2006.

⁵ By a Special Resolution passed on 9 September 1999 the share capital of the Company was increased from £100 to £10,000,000 by the creation of 9,999,900 Ordinary Shares of £1 each.

authorised to exercise the powers of the company to offer, allot, agree to allot, grant any right to subscribe for, or to convert any security into, and otherwise dispose of any of the shares in the capital of the company for the time being unissued to such persons (including any directors) at such times and generally on such terms and conditions as they think proper but subject to any direction to the contrary given by the company in general meeting and to the terms on which any shares are created or issued and provided that no shares shall be issued at a discount contrary to the Act. Section 89(1) of the Act is hereby excluded.

- (2) The directors may not in the exercise of the authority conferred on them by paragraph (1) of this Article allot relevant securities if:
- (i) the amount of such allotment, added to the amount of relevant securities previously allotted pursuant to such authority, would exceed £10,000,000; or
 - (ii) a period of five years has elapsed from the date of incorporation and the allotment is not made pursuant to an offer or agreement made by the company during such period.
- (3) The authority of the directors conferred on them by paragraph (1) of this Article to allot relevant securities may be varied, revoked or renewed by ordinary resolution of the company in accordance with the provisions of the Act.

Variation of rights

5. The rights attached to any existing shares shall not (unless otherwise expressly provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking pari passu therewith or subsequent thereto.

Share certificates

6. In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company if the company has a seal, or otherwise executed in such manner as may be permitted by the Act".

Lien

7. The company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

Calls on shares

8. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no part of that amount has been called up.

Transfer of shares

9. The directors may in their absolute discretion, and without giving any reason, refuse to register any transfer of shares or other securities.

Compliance with the Scheme

10. No person may be registered as the holder of any shares unless such person has agreed to be bound by the terms of the Scheme (as defined in the Schedule to these Articles) in a manner satisfactory to the National Provident Life Fund Supervisory Board established pursuant to Article 22(2).

Transmission of shares

11. There shall be inserted at the end of Regulation 31 in Table A the following proviso, namely: "provided always that the directors shall as soon as practicable upon becoming aware of such entitlement give notice requiring any such person to elect either to become or to have another person registered as the holder of the share and if the requirements of the notice are not

complied with within 21 days, the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with".

Proceedings at general meetings

12. In paragraph (b) of Regulation 38 in Table A, there shall be inserted after the words: "giving that right", the following words, namely: "(or such lesser percentage as may be permitted by the Act and agreed by the members)".
13. In Regulation 40 in Table A, the following words shall be added to the end of the second sentence, namely: "Except where the company is a private company limited by shares or by guarantee and having one member, in which case the quorum shall be one person, being the member or a proxy for the member or a duly authorised representative of a corporation".
14. In Regulation 41 in Table A, there shall be inserted after the words "the directors may determine" the following words, namely: "and if at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, one member present in person or by proxy or (being a corporation) by its duly authorised representative shall be a quorum".
15. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.
16. A resolution in writing of all the member who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present shall be as effectual as if it had been passed at a general meeting duly convened and held either:
 - (1) if it consist of an instrument executed by or on behalf of each such member; or
 - (2) if it consists of several instruments in the like form each either:
 - (i) executed by or on behalf of one or more of such members; or
 - (ii) sent by or on behalf of one or more of such members by telex or facsimile transmission and deposited or received at the office or received by the secretary.

Votes of members

17. Subject to any rights or restrictions as to voting attached to any shares by the terms on which they were issued or by or in accordance with the articles or otherwise, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by its duly authorised representative not being himself a member entitled to vote, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by its duly authorised representative shall have one vote for every share of which he is the holder.
18. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile transmission of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the company.
19. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notorially certified copy of such power or authority, shall be deposited or received at the office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

Number of Directors

20. The minimum number of directors is one.

Alternate directors

21. (1) *A director may by written notice signed by him (except in the case of an appointment by telex or a facsimile transmission of an appointment otherwise complying with the requirements of this Article) and deposited or received at the office or received by the secretary or in such other manner as the directors may approve, appoint another director or any other person approved by resolution of the directors and willing so to act as his alternate director.*
- (2) Every alternate director shall (subject to his giving to the company an address within the United Kingdom at which notices may be given to him) be entitled to notice of meetings of the directors and, to the extent required by the constitution of any committee established by the directors, to notice of meetings of any such committee, *to attend and vote as a director at any such meeting at which the director appointing him is entitled to attend and vote but is not personally present and generally at such meeting to exercise all the powers, rights, duties and authorities of the director appointing him.* Every alternate director shall also be entitled to sign or, in the case of a telex or facsimile transmission, send on behalf of the director appointing him a resolution in writing of the directors pursuant to Article 31.
- (3) Any person appointed as an alternate director shall neither be an officer of the company nor entitled to any remuneration from the company for acting as an alternate director.
- (4) A director may, by written notice signed by him or sent by him by telex or facsimile transmission and deposited or received at the office or received by the secretary or in such other manner as the directors may approve at any time, revoke the appointment of an alternate director appointed by him.
- (5) If a director shall cease to hold the office of director for any reason, the appointment of his alternate director shall thereupon automatically cease.

Delegation of directors' powers

22. (1) Regulation 72 in Table A shall be amended as follows:
- (i) the following words shall be substituted for the first sentence "The directors may delegate any of their powers other than those delegated by these Articles to the National Provident Life Fund Supervisory Board to any committee, whether or not such a committee includes a director"; and
- (ii) the following words shall be added at the end of the paragraph: "to the extent permitted by law".
- (2) Forthwith upon the Effective Date (as defined in the Schedule to these Articles) the directors shall establish a committee to be known as the National Provident Life Fund Supervisory Board with the composition, powers and duties set out in the Schedule to these Articles. The provisions of Article 29(2) shall not have effect in relation to the proceedings of the National Provident Life Fund Supervisory Board.

Retirement, appointment and removal of directors

23. (1) A member or members holding a majority in nominal value of the issued shares for the time being conferring the right to vote at general meetings of the company shall have power from time to time and at any time to appoint any person or persons as a director or directors and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument which shall be in writing and shall (except in the case of an appointment or removal by telex or a facsimile copy of an appointment or removal otherwise complying with the requirement of this Article) be executed by the member or members making the same or by their duly authorised attorneys or in such other manner as the directors may approve, and shall take effect upon such appointment or removal being deposited or received at the office or otherwise communicated to the company at the office or

being handed or otherwise communicated to the chairman of a meeting of the directors at which a quorum is present.

- (2)⁶ Without prejudice to paragraph (1) of this Article:
- (i) the company may by ordinary resolution appoint any person to be a director either to fill a vacancy or as an additional director; and
 - (ii) the directors may appoint any person to be a director either to fill a vacancy or as an additional director.

Disqualification and removal of directors

24. In Regulation 81 in Table A:

- (1) there shall be inserted after the word "company" in paragraph (d) the following words namely: ", provided that such action shall be without prejudice to the terms of and to any rights of the company under any contract between the director and the company"; and
- (2) paragraph (e) shall be deleted.

Remuneration of directors

25. (1) At the beginning of Regulation 82 in Table A, there shall be inserted the following words, namely: "Subject to clause 13 of the Schedule".
- (2) The following sentence shall be added at the end of Regulation 82 in Table A namely: "Any director who serves on any committee, or who devotes special attention to the business of the company, or who otherwise performs services which in the opinion of the directors are in addition to or outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors may determine".
- (3)⁷

Directors' appointments and interests

26. In Regulation 84 in Table A there shall be substituted for the words "shall not be subject to retirement by rotation" the following words, namely: "shall be subject to the same provisions as to resignation and removal as other directors of the company".
27. No person shall be disqualified from being or becoming a director by reason of his attaining or have attained the age of 70 or any other age, nor shall it be necessary by reason of his age to give special notice under the Act of any resolution appointing, reappointing or approving the appointment of a director.

Directors' and employees' gratuities and pensions

28. The directors may:
- (1) establish and maintain, or procure the establishment and maintenance of, any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's-worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment or service of the company, or of any company which is a subsidiary of the company, or is allied to or associated with the company or with any such subsidiary, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;

⁶ By Special Resolution dated 26 November 2004 Clause 23(2) was deleted, Clause 23(3)(i) and 23(3)(ii) were renumbered to 23(2)(i) and 23(2)(ii). Clause 23(2) as renumbered was amended.

⁷ By Special Resolution dated 26 November 2004 Clause 25(3) was deleted.

- (2) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the company, or of any such other company as aforesaid, or of any such persons as aforesaid;
- (3) make payments for or towards policies of assurance on the lives of any such persons *and policies of insurance for the benefit of or in respect of any such persons* (including insurance against their negligence or breach of duty to the company) as aforesaid;
- (4) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general or useful object; and
- (5) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the company and to the payment being approved by the company, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

Proceedings of directors

29. In Regulation 88 in Table A, there shall be substituted for the third sentence the following sentences, namely: "Every director shall be given reasonable notice of every meeting of the directors, such notice to be sent to such address as is notified by him to the company for this purpose or otherwise communicated to him personally. Any director may by notice to the company either before or after the meeting waive his right to receive notice of the meeting and any director who either:
 - (1) is present at the commencement of a meeting whether personally or by his alternate director; or
 - (2) does not, within seven days following its coming to his attention that a meeting has taken place without prior notice of such meeting having been given to him pursuant to this Regulation, notify the company that he desires the proceedings at such meeting to be regarded as a nullity, shall be deemed hereafter to have waived his right to receive notice of such meeting pursuant to this Regulation".
30. The following sentence shall be substituted for the final sentence of Regulation 89 in Table A, namely: "For the purpose of determining whether a quorum exists for the transaction of the business of the board of directors:
 - (1) in the case of a resolution of directors, who would (if attending a meeting) comprise a quorum, who are communicating with each other by any technological means by which they are able simultaneously to hear each other and participate in discussion, any such resolution shall be as valid and effectual as if passed at a meeting of the board of directors duly convened and held;
 - (2) in the case of a meeting of the board of directors, in addition to the directors present at the meeting, any director(s) communicating by any technological means by which they are able simultaneously to hear each other and participate in discussion with such meeting shall be counted in the quorum and entitled to vote; and
 - (3) any person attending a meeting of the board, or communicating by any technological means by which he/she is able simultaneously to hear the others and participate in discussion with such a meeting, who is acting as an alternate director for one or more of the directors shall, for the purposes of the quorum, be counted as one for each such person for whom he is acting as an alternate director and, if applicable, also be counted as a director, but not less than two individuals shall constitute a quorum".
31. ⁸A resolution in writing of all the directors in the United Kingdom or all the members of a committee of directors in the United Kingdom shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:

⁸ By Special Resolution passed on 26 February 2001 the words "in the United Kingdom" were inserted after the words "directors" in line 1

- (1) if it consists of an instrument executed by or on behalf of each such director or committee member; or
- (2) if it consists of several instruments in the like form each either:
 - (i) executed by or on behalf of one or more of such directors or committee members;
or
 - (ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary.

32. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulation 94 in Table A shall be construed subject to this provision.

33. In Regulation 97 in Table A:

- (1) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment"; and
- (2) the following words shall be deleted, namely; "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely; "and shall be counted in the quorum in respect of each resolution including that concerning his own appointment, and Regulation 95 shall be construed subject to this provision".

(A)⁹¹⁰

Minutes

34. The directors shall cause minutes to be made in books kept for the purpose:

- (1) of all appointments of officers and alternate directors made by the directors; and
- (2) of all proceedings at meetings of the company, of the holders of any class of shares in the company, of the directors, and of committees of directors, including the names of the persons present at each such meeting.

The seal

35. In Regulation 101 of Table A, there shall be substituted for the first sentence the following sentence, namely: "The company need not have a seal but if the company does have a seal, the seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors".

36. The company is authorised pursuant to section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in the territory, district, or place elsewhere than in the United Kingdom.

Notices

37. In Regulation 112 of Table A, the final sentence shall be deleted and the following words shall be inserted at the end of the first sentence, namely: "or by sending it by telex or facsimile transmission to such telex or facsimile number as the member shall have given to the company for the purpose".

38. In Regulation 115 of Table A, there shall be inserted:

- (1) after the words: "prepaid and posted", the following words, namely: "or that a notice was properly sent by telex or facsimile transmission"; and

⁹ By a Special Resolution passed on 26 April 2001 the wording of 33A as shown replaced the previous wording which itself was incorporated by written resolution passed on 15 February 2001.

¹⁰ By Special Resolution dated 26 November 2004 Clause 33A was deleted.

- (2) after the words: "it was posted", the following words, namely: "or after the time at which it was sent by telex or facsimile transmission".

39. Indemnity¹¹

- (1) Subject to article 39(2) and the provisions of the Statutes and provided always that this article 39(1) shall not apply in connection with liability to the Company or an associated company (as defined in section 309A(6) of the Act) for any negligence, default, breach of duty or breach of trust by an Indemnified Person, but without prejudice to any indemnity to which an Indemnified Person may otherwise be entitled, any Indemnified Person may, to the fullest extent permitted under the Act, be indemnified out of the assets of the Company against any costs, charges, losses, expenses or liabilities (together, "Losses") incurred by the Indemnified Person in the proper exercise, execution or discharge of his powers, authorities, discretions or duties as a director, alternate director, secretary or Approved Person or in relation thereto.
- (2) Subject to the provisions of the Statutes the Company may, in addition to any indemnity provided under article 39(1), provide any Indemnified Person with an indemnity out of the assets of the Company against any Losses incurred by the Indemnified Person in the exercise, execution or discharge of his powers, authorities, discretions or duties as a director, alternate director, secretary or Approved Person or in relation thereto provided always that such an indemnity satisfies the conditions for a qualifying third party indemnity provision under section 309B of the Act (which shall apply as a condition of the indemnity provided in this article 39(2) taking effect regardless of whether the Indemnified Person is or is not a director of the Company).
- (3) Subject to the provisions of the Statutes the Company may, to the fullest extent permitted under the Act, provide every Indemnified Person with funds (by way of a loan) to meet expenditure incurred or to be incurred by him in defending any proceedings (whether civil or criminal) brought against him as a director, alternate director, secretary or Approved Person or in connection with any application for relief in such proceedings.

¹¹ This Article 39 was deleted and replaced by written resolution on 23 February 2006.

SCHEDULE
The National Provident Life Fund Supervisory Board

Definitions

1. In the Articles and this Schedule:

1.1 ¹²"Reserved Matters" means:

- (a) the engagement or change of any investment manager for the National Provident Life Fund;
- (b) the engagement or change of any employee or provider of management services for the account of the National Provident Life Fund;
- (c) the acquisition of any assets for the account of the National Provident Life Fund otherwise than for investment purposes;
- (d) the sale or disposal of any part of the business or assets of the National Provident Life Fund other than the disposal of investments for investment purposes;
- (e) the entry into any liabilities for the account of the National Provident Life Fund other than as expressly contemplated by the Transfer Agreement or the Scheme;
- (f) the formation, acquisition or disposal of any subsidiary for the account of the National Provident Life Fund;
- (g) the acquisition of any shares for the account of the National Provident Life Fund constituting more than five per cent of the issued share capital of any other company or the participation for the account of the National Provident Life Fund in any partnership or joint venture;
- (h) the borrowing of any money for the account of the National Provident Life Fund;
- (i) the creation of any mortgage or charge for the account of the National Provident Life Fund; and
- (j) the taking of any step wholly or partly intended to mitigate taxation (whether arising in the United Kingdom or elsewhere) which might arise from time to time in relation to, or for the account of, the National Provident Life Fund other than any step intended to mitigate taxation arising directly from the transfers effected by or pursuant to the Scheme or the Reorganisation Agreements (as defined in the Scheme)

1.2 "Appointed Actuary" means the appointed actuary from time to time of the company.

1.3 "Capital Funds" means the separate accounts having the names "Loan Capital Fund" and "Transfer Capital Fund" to be established pursuant to the Scheme.

1.4 "Effective Date" means 00.01 am on 1 January 2000.

1.5 "Excluded Policies" has the same meaning as in the Scheme.

1.6 "Insurance Regulator" means HM Treasury or (where relevant) the Financial Services Authority, or such other governmental, statutory or other authority as shall from time to time carry out such functions in relation to long term business carried on in the United Kingdom as were on 26 March 1999 allocated to HM Treasury under the Insurance Companies Act 1982.

1.7 "Membership Compensation" means the cash amounts to be paid to Qualifying Members and others pursuant to the Scheme.

1.8 "National Provident Life Fund" means the separate fund having that name to be established pursuant to the Scheme.

1.9 "National Provident Life Supervisory Board" or the "Supervisory Board" means a committee of the directors appointed pursuant to Article 22(2), which shall be solely responsible for the management of the National Provident Life Fund.

¹² By Special Resolution dated 26 November 2004 Paragraph 1.1 was amended.

- 1.10 "NED Member" means a member of the National Provident Life Fund Supervisory Board who is not employed in an executive capacity by, and does not hold any other non-executive position on, the board of the company or any holding company of the company or any subsidiary or subsidiary undertaking of any such holding company.
- 1.11 "NPI" means National Provident Institution, a company incorporated under the National Provident Institution Act 1987.
- 1.12 "NPI's Rules" means the rules of NPI set out in the Schedule to the National Provident Institution Act 1987.
- 1.13 "Qualifying Member" means any person who was a member of NPI in accordance with NPI's Rules, as amended by the Resolution (as defined in the Scheme), at 11.59 pm on 1 October 1998 (or is immediately prior to the Effective Date treated by NPI, whether pursuant to NPI's Rules as so amended or otherwise, as having been such a member at that time) and remains so continuously (or is immediately prior to the Effective Date treated by NPI, whether pursuant to NPI's Rules as so amended or otherwise, as having remained so continuously) until the Effective Date.
- 1.14 "Regulatory Body" means the Personal Investment Authority Limited ("PIA"), and any other governmental, statutory or other authority as shall from time to time carry out such functions in relation to the business of the company as were on 26 March 1999 carried out by PIA pursuant to the Financial Services Act 1986 in relation to the business of NPI.
- 1.15 "Scheme" means the scheme pursuant to section 49 of and Part I of Schedule 2C to the Insurance Companies Act 1982 under which the long term business of NPI is to be transferred to the company.
- 1.16 "subsidiary" and "subsidiary undertaking" each have the meaning ascribed to them in the Companies Act 1985 as in force on the date of incorporation of the company.
- 1.17 "Transfer Agreement" means the agreement dated 18 December 1998 between (1) NPI, (2) AMP (UK) Plc and (3) Pearl Assurance Public Limited Company relating to the transfer of the long term business of NPI to the company.

Powers of the Supervisory Board

- 2. Save as otherwise provided in this Schedule and subject to the Scheme, the Supervisory Board may exercise all the powers of the board in connection with the management (including, subject to the express terms of the Scheme, investment and bonus policy) of the National Provident Life Fund (except the Capital Funds). The Supervisory Board may take the advice of the Appointed Actuary on any issues that may affect the equitable treatment of policyholders.

Membership Compensation

- 3. If there is any doubt as to whether or not a person qualifies for Membership Compensation, the determination of the Supervisory Board with effect from the Effective Date shall be final and binding in respect thereof.

¹³Reserved Matters

- 4. The board of directors and the Supervisory Board shall use their respective powers to procure, so far as they are able, that no action or decision relating to the Reserved Matters will be taken without the prior approval of the board of directors and the Supervisory Board.

Reasonable expectations of policyholders

- 5. The members of the Supervisory Board shall observe and perform the terms of the Scheme and subject thereto shall, in carrying out their duties as members of the Supervisory Board, have regard solely to the interests and reasonable expectations of the holders of policies allocated to the National Provident Life Fund and of Excluded Policies.

Composition of the Supervisory Board

¹³ By Special Resolution dated 26 November 2004 Paragraph 4 was amended.

6. The Supervisory Board shall comprise not more than seven persons of whom the majority shall be NED Members.

Appointment and removal of members of the Supervisory Board

7. The appointment or removal of a member of the Supervisory Board shall be made by the board of directors and shall be effected by notice in writing to the chairman for the time being of the Supervisory Board and to the member concerned signed by any director on behalf of the board and shall take effect, subject to any contrary intention expressed in the notice, when the notice effecting the same is delivered either to such chairman or to such member, whichever is the sooner.

Chairman of the Supervisory Board

8. The chairman of the Supervisory Board shall be an NED Member and may be appointed or removed by notice in writing to the secretary of the company signed by or on behalf of a majority of the NED Members and shall take effect, subject to any contrary intention expressed in the notice, when the notice effecting the same is delivered to the secretary of the company.

Alternates

9. For the purposes of Article 21 as applied to the Supervisory Board by Regulation 72 in Table A, no person may be appointed as an alternate member by any member of the Supervisory Board except another member of the Supervisory Board.

Advice

10. The Supervisory Board may take, at the cost of the National Provident Life Fund, external financial, accounting, actuarial, legal or other advice as it reasonably requires. The company shall provide, or procure the provision of, administrative and secretarial support to the Supervisory Board as is reasonably necessary to enable it properly to carry out its functions under the Scheme and these Articles.

Discussions with the Insurance Regulator

11. A member of the Supervisory Board may discuss the implementation of the Scheme or the reasonable expectations of the holders of policies allocated to the National Provident Life Fund or the Excluded Policies with the Insurance Regulator or any other Regulatory Body, but only after first discussing the matter with the Supervisory Board, the board of directors and the Appointed Actuary.

Remuneration

12. Remuneration shall be payable from the National Provident Life Fund to each of the NED Members in an amount approved by the directors.

Proceedings of the Supervisory Board

13. The quorum for the transaction of the business of the Supervisory Board shall be two NED Members present in person or by their alternates.
14. Provided that a member of the Supervisory Board has first discussed a matter as envisaged by paragraph 49.6 of the Scheme with the Appointed Actuary and the Supervisory Board, he shall be entitled to request the secretary of the company to convene a meeting of directors for the sole purpose of discussing the matter in question. The secretary shall ensure that such meeting shall be held as soon as practicable and in any event, within fourteen days of such request