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**ARTICLES OF ASSOCIATION**

**of**

**ECCLESIASTICAL INSURANCE GROUP PLC**

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(adopted with effect from (and including) 1 October 2009)

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**Articles of Association**  
**of**  
**Ecclesiastical Insurance Group plc**

(adopted with effect from (and including) 1 October 2009)

**1. EXCLUSION OF MODEL ARTICLES**

No articles set out in the legislation apply as the articles of EIG.

**2. INTERPRETATION**

(A) The following table gives the meaning of certain words and phrases as they are used in these articles. However, the meaning given in the table does not apply if it is inconsistent with the context in which a word or phrase appears.

<b>Word or phrase</b>	<b>Meaning</b>
<b>Act</b>	Companies Act 2006;
<b>address</b>	includes a number or address used for sending or receiving documents or information by electronic means;
<b>bankruptcy</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
<b>Board</b>	all or any of the directors acting as a board;
<b>chairman</b>	the chairman of the Board;
<b>clear days</b>	in relation to a period of notice, 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; so for example, if notice is to be given a number of clear days before a meeting, neither the date the notice is served, or treated as served, nor the date of the meeting is taken into account;
<b>committee</b>	includes any sub-committee permitted under these articles;
<b>company</b>	includes any corporate body;

<b>deputy chairman</b>	the deputy chairman of the Board and includes, if no one has been appointed with that specific title, a person appointed to a position with another title which the Board designates as equivalent to the position of deputy chairman;
<b>director</b>	a director of EIG, and includes any person occupying the position of director, by whatever name called;
<b>EIG</b>	Ecclesiastical Insurance Group plc;
<b>Group</b>	EIG and its subsidiary undertakings from time to time;
<b>holder</b>	in relation to any share, the person whose name is entered in the register as the holder of that share or, in the case of a share in respect of which a share warrant has been issued (and not cancelled), the person in possession of that warrant;
<b>legislation</b>	every statute (and any orders, regulations or other subordinate legislation made under it) applying to EIG;
<b>made effective</b>	signed, sealed or executed in some other legally valid way;
<b>the office</b>	the registered office of EIG;
<b>ordinary shares</b>	any class of ordinary shares in the share capital of EIG existing from time to time;
<b>paid</b>	means paid or credited as paid;
<b>people</b>	includes companies and unincorporated associations;
<b>person</b>	includes companies and unincorporated associations;
<b>register</b>	the register of shareholders and, at any time when EIG has shares in issue which are uncertificated shares, the operator register of members (maintained by the operator of the relevant system) and the issuer register of members (maintained by EIG);
<b>relevant system</b>	a relevant system, as defined in the Uncertificated Securities Regulations 2001 or any similar electronic settlement system for securities traded on a recognised investment exchange;
<b>seal</b>	any common seal or official seal that EIG may be

permitted to have under the legislation;

**secretary** the secretary, or (if there are joint secretaries) any one of the joint secretaries, of EIG and includes an assistant or deputy secretary and any person appointed by the Board to perform any of the duties of the secretary;

**shareholder** a member of EIG;

**these articles** these articles of association, including any changes made to them, and the expression “this article” refers to a particular article in these articles of association;

**uncertificated securities rules** any provision in the legislation which relates to uncertificated shares or (other than section 778 of the Act) to the transfer of uncertificated shares or how the ownership of uncertificated shares is evidenced, including the Uncertificated Securities Regulations 2001; and

**UK** Great Britain and Northern Ireland.

- (B) References in these articles to “**writing**” and to any form of “**written**” communication include references to any method of representing or reproducing words in a legible and non-transitory form, whether sent or supplied in electronic form or otherwise.
- (C) In these articles, the singular includes the plural, and the other way around, and any gender includes any other gender.
- (D) Words or phrases contained in these articles which are not given a particular meaning in the above table have, unless the way in which they are used is inconsistent with the meaning in or referred to in the legislation, the same meaning as in or as referred to in the legislation in force when these articles are adopted.
- (E) Where these articles refer to voting on a show of hands, it includes voting by electronic means or any other method which the Board approves.
- (F) Headings in these articles are included for convenience only and do not affect the meaning of these articles.

### **3. LIMITED LIABILITY**

The liability of members is limited to the amount, if any, unpaid on the shares in EIG held by them.

### **4. NAME**

EIG may change its name by resolution of the Board.

## 5. SHARE CAPITAL

EIG's shares are ordinary shares of £1 each.

## 6. VARIATION OF RIGHTS

If the legislation allows this, the rights attached to any class of shares can be changed or abrogated if this is approved by a special resolution passed at a separate meeting of the holders of the relevant class of shares. This is called a **class meeting**. The quorum for a class meeting shall be two members of that class present in person or by proxy holding at least one third in nominal value of the shares of that class.

## 7. THE BOARD'S POWER TO DEAL WITH SHARES

The Board can decide what to do with any shares. For example, it can allot them on any terms, grant options to give people a choice to acquire them in the future or dispose of them in any other way. The Board is free to decide who it deals with, when it deals with the shares, the class or classes of shares concerned, and the terms on which it deals. However, in making its decision, it must take account of:

- (i) the provisions of the legislation relating to authority, pre-emption rights and other matters;
- (ii) the provisions of these articles;
- (iii) any resolution passed by the shareholders; and
- (iv) any rights attached to existing shares;

but can nevertheless decide:

- (aa) whether the shares to be issued are to be ordinary shares, some other class of share (which may be a new share class) or a mixture of share classes; and
- (bb) the class or classes of share to be offered or issued to holders of each class of ordinary share and different classes, or mixtures of classes, of shares may be offered or issued to holders of each class of ordinary share.

## 8. THE DIRECTORS' AUTHORITY TO ALLOT SECURITIES AND "EQUITY SECURITIES"

- (A) This article regulates the authority of the Board to allot securities falling within section 551 of the Act and its power to allot equity securities for cash. This article will apply for the first time when the shareholders pass a resolution or resolutions at a general meeting to fix a prescribed period, an Allotment Amount and a Disapplication Amount by reference to this article.

- (B) The Board is authorised, generally and without conditions, under section 551 of the Act, to allot securities. It is authorised to allot them for any prescribed period. The maximum amount of securities which the Board can allot in each prescribed period is the **Allotment Amount**.
- (C) Under the Board's general authority in article 8(B), it has the power to allot equity securities, entirely paid for in cash, free of the restriction in section 561 of the Act. The Board has the power to allot them for any prescribed period. There is no maximum amount of equity securities which the Board can allot when the allotment is in connection with a rights issue. In all other cases, the maximum amount of equity securities which the Board can allot is the **Disapplication Amount**.
- (D) During any prescribed period, the Board can make offers and enter into agreements which would, or might, require shares or other securities to be allotted after that period has ended.
- (E) For the purposes of this article:
- (i) **rights issue** means an offer of equity securities which is open for a period decided on by the Board to the holders who are registered on a particular date (chosen by the directors) as holders of:
- (a) ordinary shares, in proportion to their holdings of ordinary shares; and
  - (b) other classes of equity securities or non-equity securities which give them the right to receive the offer in accordance with their rights.

However, the Board can do the following things (and the issue will still be treated as a rights issue for the purpose of this article if it does so):

- (c) sell any fractions of equity securities to which people would be entitled and keep the net proceeds for EIG's benefit or make other appropriate arrangements to deal with such fractions;
  - (d) make the rights issue subject to any limits or restrictions which the directors think are necessary or appropriate to deal with legal or practical problems under the laws of any territory, or under the requirements of any recognised regulatory body, or stock exchange, in any territory; or
  - (e) treat a shareholder's holdings in certificated form and uncertificated form as separate shareholdings.
- (ii) **prescribed period** means a period of no more than five years fixed by the shareholders by passing a resolution at a general meeting. The shareholders can, by passing further resolutions, renew or extend this power for periods of no more than five years each. Such resolutions can take the form of:

- an ordinary resolution fixing a period under article 8(B); or
  - a special resolution fixing a period under article 8(C); or
  - a special resolution fixing identical periods under article 8(B) and 8(C); or
  - a special resolution fixing different periods under article 8(B) and 8(C).
- (F) The Allotment Amount for any prescribed period is that stated in a relevant resolution passed by the shareholders at a general meeting.
- (G) The Disapplication Amount for any prescribed period is that stated in a relevant resolution passed by the shareholders at a general meeting.
- (H) In working out any maximum amounts of securities referred to in this article, the nominal value of rights to subscribe for shares, or to convert any securities into shares, will be taken as the nominal value of the shares which would be allotted if the subscription or conversion takes place.
- (I) Article 8(C) applies to a sale of shares which is treated as an allotment of shares because of Section 560(2) of the Act, but as if the words “Under the Board’s general authority in article 8(B), it” were omitted and the words “The Board” were substituted.

## **9. PAYMENT OF COMMISSION ETC.**

EIG can use all the powers given or permitted by the legislation to pay commission or brokerage to any person who applies, or agrees to apply, for any new shares, or who gets any other person to apply, or agree to apply for, any new shares. EIG can pay the commission in cash, or by allotting shares, or by a combination of both, and in respect of a conditional or an absolute subscription.

## **10. PARI PASSU ISSUES**

Unless the terms of the existing shares say otherwise, the special rights of any existing shares will not be regarded as changed or abrogated if new shares are created or issued which rank equally with any existing shares in any respect.

## **11. ISSUING SHARES WITH RIGHTS AND/OR RESTRICTIONS**

As long as this is not restricted by any rights attached to existing shares, EIG may issue shares with such rights and/or restrictions as are decided by the shareholders by passing an ordinary resolution or, in the absence of any shareholders resolution, by the Board.

## **12. DIVISION OF SHARES**

Any resolution authorising any division of shares can provide that, as between the holders of the divided shares, different rights and restrictions of a kind which EIG can apply to new shares can apply to different divided shares.

## **13. FRACTIONS OF SHARES**

- (A) This article applies if any shares are consolidated, consolidated and then divided or divided, and with any fractions of shares result or any other problem arises.
- (B) The Board can arrange for any shares representing fractions to be entered in the register as certificated shares where it believes this will make it easier to sell them.
- (C) If the Board decides to sell any shares representing fractions, it (i) must do so for the best price it can reasonably obtain and can authorise any person to transfer those shares to the buyer or in accordance with the buyer's instructions; and (ii) distribute the net proceeds of sale among shareholders in proportion to their fractional entitlements.
- (D) The Board can sell to anyone (including EIG, if the legislation allows).
- (E) The buyer does not need to take any steps to check how any money he is paying is used and his ownership will not be affected if the sale is irregular or invalid in any way.
- (F) When the directors consolidate or divide shares, they can treat certificated and uncertificated shares which a shareholder holds as separate shareholdings, as far as the legislation allows this.

## **14. REDEEMABLE SHARES**

- (A) As long as this is not restricted by any rights attached to existing shares, EIG may issue shares which are to be redeemed or are liable to be redeemed at the option of EIG or the holder.
- (B) The Board may determine the terms, conditions and manner of redemption of any redeemable share so issued.

## **15. REDUCTIONS OF CAPITAL**

EIG may reduce its share capital in accordance with the legislation.

## **16. EIG NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Subject to these articles and to any right which EIG has a legal duty to recognise, EIG will only be affected by, or recognise, a current and absolute right to whole shares. The fact that all or any part of a share may not be owned outright by the registered owner is not of concern to EIG; for example where a share is held by one

person as a nominee or otherwise as a trustee for someone else. This applies even if EIG knows about the ownership of the share.

## **17. UNCERTIFICATED SHARES**

- (A) Under the uncertificated securities rules, the Board can allow shares to be held in uncertificated form (and for their ownership to be transferred through a relevant system) or can allow shares to no longer be held and transferred in uncertificated form. Uncertificated shares do not form a class of shares separate from certificated shares with the same rights.
- (B) These articles apply to shares held in uncertificated form but only as far as they are consistent with:
  - (i) holding shares in uncertificated form;
  - (ii) transferring shares through a relevant system; or
  - (iii) the uncertificated securities rules.
- (C) Provided the requirements of the uncertificated securities rules are met, uncertificated shares can be changed to become certificated shares and certificated shares can be changed to become uncertificated shares.
- (D) Unless the Board decides otherwise, uncertificated shares held by a shareholder will be treated as separate holdings from any certificated shares which that shareholder holds.
- (E) Unless the uncertificated securities rules otherwise require or the Board otherwise determines, shares which are issued or created from or in respect of uncertificated shares will be uncertificated shares and shares which are issued or created from or in respect of certificated shares will be certificated shares.
- (F) EIG can assume that entries on any record of securities kept by it as required by the uncertificated securities rules and regularly reconciled with the register of securities held by the operator of a relevant system are a complete and accurate reproduction of the particulars entered in that register and therefore will not be liable in respect of anything done or not done by or on its behalf in reliance on such assumption; in particular, any provision of these articles which requires or envisages action to be taken in reliance on information contained in the register will be taken to allow that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

## **18. SHARE CERTIFICATES**

- (A) When a shareholder is first registered as the holder of any class of certificated shares, he is entitled, free of charge, to one certificate for all the certificated shares of that class which he holds. If a shareholder holds certificated shares of more than

one class, he is entitled to a separate certificate for each class. This does not apply if the legislation allows EIG not to issue share certificates. EIG can deliver a certificate to a broker or agent who is acting for a person who is buying certificated shares or who is having certificated shares transferred to him.

- (B) If a shareholder receives more certificated shares of any class, he is entitled, free of charge, to a certificate for the extra shares. If a shareholder transfers some of the shares covered by a certificate, he is entitled, free of charge, to a new certificate for the balance if the balance is to be held in certificated form.
- (C) EIG does not have to issue more than one certificate for a certificated share, even if that share is held jointly. The maximum number of joint holders is four. When EIG delivers a certificate to the first-named joint holder of certificated shares, this is treated as delivery to all of the joint holders.
- (D) Share certificates must be sealed or made effective in such other way as the Board decides, having regard to the terms of issue and any listing requirements. The Board can resolve that signatures on any share certificates can be applied by mechanical or other means or can be printed on them or that signatures are not required.
- (E) A share certificate must state the number and class of shares to which it relates, the nominal value of those shares, and the amount paid up on those shares. It cannot be for shares of more than one class.
- (F) The time limit for EIG to provide a share certificate under this article is as prescribed by the legislation or, if this is earlier, within any prescribed time limit or within a time specified when the shares were issued.

## **19. REPLACING SHARE CERTIFICATES**

- (A) A shareholder with two or more certificates for shares of the same class can ask EIG to cancel and replace these with a single new certificate; EIG must comply with this request. A shareholder can ask EIG to cancel and replace a single share certificate with two or more certificates for the same total number of shares; EIG may comply with this request and, if it does, the Board can require the shareholder to pay for the new certificates.
- (B) A shareholder can ask EIG for a new certificate if the original is worn out, damaged, defaced, lost, stolen or destroyed.
- (C) If a certificate has been worn out, damaged or defaced, EIG can require the certificate to be returned to it before issuing a replacement. EIG can also require satisfactory evidence of a certificate being worn out, lost, stolen or destroyed and insist on receiving an indemnity before issuing a replacement.

- (D) The Board can require the shareholder to pay any exceptional out of pocket expenses of EIG incurred in connection with issuing a new certificate under this article.

## **20. LIEN ON SHARES NOT FULLY PAID**

- (A) EIG has a lien on all partly paid shares. This lien has priority over claims of others to the shares. The lien is for any money owed to EIG for the shares. The Board can decide to give up any lien which has arisen and can also decide to suspend any lien which would otherwise apply to particular shares. This lien also extends to dividends and other amounts payable in respect of the shares.

### *Enforcing lien by sale*

- (B) If a shareholder fails to pay EIG any amount due on his partly paid shares, the Board can enforce EIG's lien by selling all or any of them in any way they decide. The Board 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 Board must have given notice to the shareholder. The notice must state the amount of money due, it must demand payment of this sum and state that the shareholders' shares may be sold if the money is not paid;
  - (iii) the notice must have been served on the shareholder or on any person who is entitled to the shares by law and can be served in any way that the Board decides; and
  - (iv) the money has not been paid by at least 14 clear days after the notice has been served.

The Board can authorise any person to sign a document transferring the shares. Any such transferee will not be bound to ensure that his purchase moneys are transferred to the person whose shares have been sold, nor will his ownership of the shares be affected by any irregularity or invalidity in relation to the sale to him.

### *Application of proceeds of sale*

- (C) If the Board sells any shares on which EIG has a lien, the proceeds will first be used to pay EIG's expenses associated with the sale. The remaining money will be used to pay off the amount which is then payable on the shares and any balance will be passed to the former shareholder or to any person who would otherwise be entitled to the shares by law. But EIG's lien will also apply to any such balance to cover any money still due to EIG in respect of the shares which is not immediately payable. EIG has the same rights over the money as it had over the shares immediately before they were sold. EIG need not pay over anything until the certificate representing the shares sold has been delivered to EIG for cancellation.

## 21. CALLS

### *Power to make calls*

- (A) The Board can call on shareholders to pay any money which has not yet been paid to EIG for their shares. This includes the nominal value of the shares and any premium which may be payable on those shares. If the terms of issue of the shares allow this, the Board can do any one or more of the following:
- (i) make calls at any time and as often as they think fit;
  - (ii) decide when and where the money is to be paid;
  - (iii) decide that the money may be paid by instalments; and/or
  - (iv) revoke or postpone any call.

A shareholder who has received at least 14 clear days' notice giving details of the amount called and of the time and place for payment, must pay the call as required by the notice. A person remains liable to pay calls even after he has transferred the shares to which they relate.

### *Timing of calls*

- (B) A call is treated as having been made as soon as the Board has passed a resolution authorising it.

### *Liability of joint holders*

- (C) Joint shareholders are jointly and severally liable to pay any calls in respect of their shares. This means that any of them can be sued for all the money due on the shares or they can be sued together.

### *Interest due on non-payment*

- (D) Where a call is made and the money due remains unpaid, the shareholder will be liable to pay interest on the amount unpaid from the day it is due until it has actually been paid. The Board will decide on the annual rate of interest, which must not exceed 10 per cent. The shareholder will also be liable to pay all expenses incurred by EIG as a result of the non-payment of the call. The Board can decide to forego payment of any or all of such interest or expenses.

### *Sums due on allotment treated as calls*

- (E) If the terms of a share require any money to be paid at the time of allotment, or at any other fixed date, the money due will be treated in the same way as a valid call for money on shares which is due on the same date. If this money is not paid, everything in these articles relating to non-payment of calls applies. This includes articles which allow EIG to forfeit or sell shares and to claim interest.

#### *Power to differentiate*

- (F) On or before an issue of shares, the Board can decide that shareholders can be called on to pay different amounts or that they can be called on at different times.

#### *Payment of calls in advance*

- (G) The Board can accept payment in advance of some or all of the money from a shareholder before he is called on to pay that money. The Board can agree to pay interest at a rate (not exceeding (unless EIG passes an ordinary resolution to allow a higher rate) 10 per cent per annum) fixed by the directors on money paid in advance until it would otherwise be due to EIG.

#### *Notice if call or instalment not paid*

- (H) If a shareholder fails to pay a call or an instalment of a call when due, the Board can send the shareholder a notice requiring payment of the unpaid amount, together with any interest accrued and any expenses incurred by EIG as a result of the failure to pay.

#### *Form of notice*

- (I) This notice must:
- (i) demand payment of the amount immediately payable, plus any interest and expenses;
  - (ii) give the date by when the total amount due must be paid. This must be at least 14 clear days after the date of the notice;
  - (iii) say where the payment must be made; and
  - (iv) say that if the full amount demanded is not paid by the time and at the place stated, EIG can forfeit the shares on which the call or instalment is outstanding.

The Board can accept the surrender of any share which would otherwise be forfeited. Where they do so, references in these articles to forfeiture include surrender.

#### *Forfeiture for non-compliance with notice*

- (J) If the notice is not complied with, the shares it relates to can be forfeited at any time while any amount is still outstanding. This is done by the Board passing a resolution stating that the shares have been forfeited. The forfeiture will extend to all dividends and other sums payable in respect of the forfeited shares which have not been paid before the forfeiture.

#### *Notice after forfeiture*

- (K) After a share has been forfeited, EIG will notify the person whose share has been forfeited. However, the share will still be forfeited even if such notice is not given. An entry of the notice and the date of forfeiture will be made in the register.

*Sale of forfeited shares*

- (L) A forfeited share becomes the property of EIG and the Board can sell or dispose of it on any terms and in any way that they decide. This can be with, or without, a credit for any amount previously paid up for the share. It can be sold or disposed of to any person, including the previous shareholder or the person who was previously entitled to the share by law. The Board can, if necessary, authorise any person to transfer a forfeited share.

After a share has been forfeited, the Board can cancel the forfeiture, but only before the share has been sold or disposed of. This cancellation of forfeiture can be on any terms the Board decides.

*Arrears to be paid notwithstanding forfeiture*

- (M) When a person's shares have been forfeited, he will lose all rights as a shareholder in respect of those forfeited shares. He must return any share certificate for the forfeited shares to EIG for cancellation. However, he will remain liable to pay calls which have been made, but not paid, before the shares were forfeited. He must also pay interest on the unpaid amount until it is paid. The Board can fix the annual rate of interest, but it must not be more than 10 per cent. The shareholder continues to be liable for all claims and demands which EIG could have made relating to the forfeited share. He is not entitled to any credit for the value of the share when it was forfeited or for any consideration received on its disposal unless the Board decides to allow credit for all or any of that value. The Board can decide to waive payment of any or all amounts for which the shareholder would otherwise be liable under this article.

*Statutory declaration as to forfeiture*

- (N) A director or the secretary can make a statutory declaration declaring:
- (i) that he is a director or the secretary of EIG;
  - (ii) that a share has been properly forfeited under the articles;
  - (iii) when the share was forfeited; and
  - (iv) if relevant, the date that the share was sold or disposed of.

The declaration will be evidence of these facts which cannot be disputed.

If such a declaration is delivered to a new holder of a share along with a completed transfer form (if one is required), this gives the buyer good title. The new shareholder does not need to take any steps to see how any money paid for the

share is used. His ownership of the share will not be affected if the steps taken to forfeit, sell or dispose of the share were invalid or irregular, or if anything that should have been done was not done.

## **22. POWER TO SURRENDER**

- (A) A shareholder may surrender any share:
  - (i) in respect of which the Board may issue a notice of intended forfeiture;
  - (ii) which the Board may forfeit; or
  - (iii) which has been forfeited.
- (B) The Board may accept the surrender of any such share.
- (C) The effect of surrender on a share is the same as the effect of forfeiture on that share.
- (D) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

## **23. TRANSFERRING SHARES**

- (A) Unless these articles say otherwise, any shareholder can transfer some or all of his shares to another person. However, transfers cannot be in favour of more than four joint holders.
- (B) Every transfer of certificated shares must be in writing and either in the usual standard form or another form approved by the Board.
- (C) Every transfer of uncertificated shares must be made through a relevant system and comply with the uncertificated securities rules.
- (D) A transfer form must be made effective by or on behalf of the person making the transfer.
- (E) A transfer form cannot be used to transfer more than one class of shares; each class needs a separate form.
- (F) The transfer form for certificated shares must be delivered to the office or any other place the Board decides. It must have with it:
  - (i) the share certificate for the shares being transferred unless the transfer is being made by a person to whom EIG was not required to, and did not send, a certificate;
  - (ii) any other evidence which the Board asks for to prove that the person wanting to make the transfer is entitled to do this; and

- (iii) if the transfer form is made effective by someone other than the person making the transfer, evidence of the authority of that person to do so.

It must also be properly stamped to show payment of any applicable stamp duty or certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty.

- (G) No fee is payable to EIG for transferring shares or registering changes relating to the ownership of shares.
- (H) If EIG registers a transfer, it can keep the transfer form.
- (I) The Board can refuse to register a transfer of an uncertificated share in the circumstances stated in the uncertificated securities rules.
- (J) The Board can refuse to register the transfer of:
  - (i) a share that is not fully paid. However, if those shares are admitted to the Official List and to trading on the London Stock Exchange's market for listed securities, the Board may not exercise its powers in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis; or
  - (ii) a share on which EIG has a lien.
- (K) If the Board decides not to register a transfer of a share, it must notify the person to whom that share was to be transferred and state the reasons for such refusal. This must be done no later than two months after EIG receives the transfer form (in the case of a certificated share) or instruction from the operator of a relevant system (in the case of an uncertificated share).
- (L) The person making a transfer will be treated as continuing to be the holder until the name of the person to whom the share is being transferred is entered on the register for that share.
- (M) Where a share has not yet been entered on the register, the Board can recognise a renunciation by that person of his right to the share in favour of some other person. Such renunciation will be treated as a transfer and the Board has the same powers of refusing to give effect to such a renunciation as if it were a transfer.

## **24. PEOPLE AUTOMATICALLY ENTITLED TO SHARES BY LAW**

### *When shareholders die*

- (A) If any shareholder who is a joint shareholder dies, the remaining joint shareholder or shareholders will be the only person or people who EIG will recognise as being entitled to his shares. When any sole shareholder (or a shareholder who is the last survivor of joint shareholders) dies, his legal personal representatives will be the only people who EIG will recognise as being entitled to his shares. Nothing in these

articles releases the estate of a shareholder who dies from any liability in respect of a share solely or jointly held by that shareholder.

*Registering those automatically entitled to a share by law*

- (B) Any person who becomes automatically entitled to a share by law can either be registered as the holder or can select some other person to have the share transferred to. The automatically entitled person must provide any evidence of his entitlement which the Board reasonably requires. In the case of certificated shares, the Board must note this entitlement in the register within two months of receiving such evidence.

*People who want to be registered must give notice*

- (C) If any person who is automatically entitled to a share by law wants to be registered as the holder, he must deliver or send a notice to EIG saying that he has made this decision (in the case of a certificated share) or must do so in accordance with the uncertificated securities rules (in the case of an uncertificated share). The notice must be in the form which the Board requires and it will be treated as a transfer form. All the provisions of these articles about registering transfers of shares apply to it. The Board has the same power to refuse to register the automatically entitled person as it would have had in deciding whether to register a transfer by the person who was previously entitled to the share.

*Having another person registered*

- (D) If a person who is automatically entitled to a share by law wants the share to be transferred to another person, he must do this by signing a transfer form to the person he has selected (in the case of a certificated share) or by using a relevant system (in the case of an uncertificated share). The Board has the same power to refuse to register the person selected as it would have had in deciding whether to register a transfer by the person who was previously entitled to the share.

*Rights of people automatically entitled to shares by law*

- (E) Where a person becomes automatically entitled to a share by law, the rights of the registered shareholder in relation to that share will cease to have effect.
- (F) A person who becomes automatically entitled to a share by law is entitled to any dividends or other money relating to the share even though he is not registered as the holder of that share, on supplying evidence the Board reasonably requires to show his title to the share. However, the Board can send written notice to the person saying that he must either be registered as the holder of the share or transfer the share to some other person; if the automatically entitled person does not do this within 90 days of the notice, the Board can withhold all dividends or other money relating to the share until he does.

- (G) Unless registered as the holder of the share, the person automatically entitled to a share by law is not entitled (in respect of the share) to:
- (i) receive notices of shareholders' meetings or attend, speak or vote at these meetings; or
  - (ii) exercise any other rights of a shareholder in relation to any of these meetings

unless the Board decides to allow this.

## 25. DISENFRANCHISEMENT

- (A) Unless the Board decides otherwise, no shareholder shall be entitled in respect of shares held by him:
- (i) to vote at a general meeting or meeting of the holders of any class of shares of EIG, either personally or by proxy, or
  - (ii) to exercise any other right conferred by membership in relation to any general meeting or class meetings,

if any call or other sum presently payable by him to EIG in respect of such shares remain unpaid.

- (B) If any shareholder, or any person appearing to be interested in shares held by such shareholder, has been duly served with a notice under section 793 of the Act and is in default for the prescribed period in supplying to EIG the information thereby required, then the Board may in its absolute discretion at any time thereafter serve a notice (a **direction notice**) upon such member as follows:
- (i) a direction notice may direct that, in respect of the shares in relation to which the default occurred (**default shares**), the shareholder shall not be entitled to attend and vote at a general meeting either personally or by proxy; and
  - (ii) where the default shares represent at least 0.25 per cent of the class of shares concerned, then the direction notice may additionally direct that:
    - (a) in respect of the default shares any dividend which would otherwise be payable on such shares (or any shares issued in lieu of dividend) shall be retained by EIG without any liability to pay interest thereon when such money is finally paid to the shareholder;
    - (b) none of the shares held by such shareholder shall be transferred unless the transfer is an approved transfer or:

- (aa) the shareholder is not himself in default as regards supplying the information requested; and
- (bb) the transfer is of part only of the shareholder's holding and when presented for registration is accompanied by a certificate by the shareholder in a form satisfactory to the Board to the effect that after due and careful enquiry the shareholder is satisfied that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

EIG shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by EIG to do so shall not invalidate such notice.

(C) Any direction notice shall cease to have effect not more than seven days after the earlier of:

- (i) receipt by EIG of notice that the default shares have been transferred by means of an approved transfer; and
- (ii) due compliance, to the satisfaction of the Board, with the notice under section 793 of the Act.

(D) For the purpose of this article:

- (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to EIG a notification under section 793 which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant section 793 notification) EIG knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (ii) the **prescribed period** in respect of any particular shareholder is 14 days from the date of service of the notice under section 793 of the Act;
- (iii) a transfer of shares is an **approved transfer** if but only if:
  - (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer, which for this purpose shall mean an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them; or

- (b) the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with a shareholder and with other persons appearing to be interested in such shares; or
  - (c) the transfer results from a sale made through a recognised investment exchange, as defined in the Financial Services and Markets Act 2000, or any other stock exchange outside the United Kingdom on which EIG's shares are normally traded.
- (E) Nothing contained in this article shall limit the power of the Board under section 794 of the Act.

## **26. SHAREHOLDERS WHO CANNOT BE TRACED**

- (A) EIG can sell any shares if:
  - (i) during the previous ten years, the shares have been in issue, EIG has tried to pay at least two dividends in respect of those shares and neither of them has been cashed or satisfied by a transfer of funds to a bank account;
  - (ii) after this ten year period, EIG publishes a notice, stating that it intends to sell the shares, in a UK national newspaper and in a local newspaper appearing in the area in the UK which includes the address held by EIG for serving notices relating to the shares; and
  - (iii) so far as any director of EIG at the end of the ten year period ending on the date of publication of the first of the notices referred to in paragraph (ii) is aware, during this ten year period, and for three months after the last notice appears in the newspapers, EIG has not heard from the shareholder or any person automatically entitled to the shares by law.
- (B) To sell any shares in this way, the Board can authorise any person to transfer the shares. This transfer will be just as effective as if it had been made by the shareholder, or by a person automatically entitled to the shares by law. The ownership of the person to whom the shares are transferred will not be affected even if the sale is irregular or invalid in any way.
- (C) The net sale proceeds belong to EIG but it must pay an amount equal to them to the shareholder who could not be traced, or to the person automatically entitled to the shares by law, if that shareholder, or that other person, asks for them. After the sale, EIG must record the name of that shareholder, or that other person, as a creditor for this money in its accounts. The money is not held on trust and no interest is payable on it. EIG can keep any money which it has earned on the net sale proceeds. EIG can use the money for its business, the business of any one or more of its holding companies (if any) and/or the business of any one or more of its subsidiaries (if any), or it can invest the money in any way that the Board decides.

- (D) In the case of uncertificated shares, this article is subject to any restrictions which apply under the uncertificated securities rules.

## **27. SEPARATE GENERAL MEETINGS**

If a separate general meeting of holders of shares of a class is called otherwise than for changing or abrogating the rights of the shares of that class, the provisions of these articles relating to general meetings will apply to such a meeting with any necessary changes. A general meeting where ordinary shareholders are the only shareholders who can attend and vote in their capacity as shareholders will also constitute a separate general meeting of the holders of the ordinary shares.

## **28. ENTITLEMENT TO NOTICE**

Notice of general meetings shall be given to such persons as are, under the legislation, entitled to receive such notices from EIG.

## **29. ATTENDANCE AT MEETINGS**

Subject to any restrictions contained in the legislation or in any other of these articles every shareholder shall be entitled to attend and speak at a meeting of EIG either in person or by proxy.

## **30. SPECIAL AND ORDINARY BUSINESS**

All business that is transacted at a general meeting shall be regarded as special business, with the exception of the following business conducted at an annual general meeting: declaring a dividend, the consideration of the accounts, balance sheets and the reports of the directors and auditors; the election of directors in the place of those retiring; and the appointment of, and the fixing of the remuneration of, the auditors (or the determination of the manner in which such remuneration is to be fixed), unless the legislation requires special notice of such resolution.

## **31. MOVING OR POSTPONING MEETINGS**

- (A) If the Board considers that it is impractical or undesirable to hold a general meeting on the date or at the time or place stated in the notice of meeting, it can change the place of, or postpone, the meeting, or do both of these things. If the Board does this, and if it is practical, EIG will announce the date, time and place of the rearranged meeting by publishing an advert in at least two UK national newspapers. Notice of the business of the meeting does not need to be given again.
- (B) The Board must take reasonable steps to ensure that any shareholder trying to attend the meeting at the original time and place is informed of the new arrangements. If a meeting is rearranged in this way, proxy appointments are valid if they are received as required by these articles not less than 48 hours before the time of the rearranged meeting.

- (C) The Board can also move or postpone the rearranged meeting, or do both, under this article.

### **32. SECURITY AND OTHER ARRANGEMENTS AT GENERAL MEETINGS**

The Board can put in place arrangements, both before and during any general meeting, which it considers to be appropriate for the proper and orderly conduct of the general meeting and the safety of people attending it. This authority includes power to refuse entry to, or remove from meetings, people who fail to comply with the arrangements.

### **33. CHAIRMAN OF GENERAL MEETINGS**

- (A) Generally, the chairman or, in his absence, the deputy chairman will be the chairman at every general meeting. If EIG does not have a chairman or a deputy chairman, or if neither the chairman nor the deputy chairman is willing and able to chair the meeting, after waiting five minutes from the time that the meeting is due to start, the directors who are present can choose one of themselves to act as chairman of the meeting. If only one director is present, he will be the chairman of the meeting if he agrees. If no director is willing and able to be chairman of the meeting, the secretary will be chairman of the meeting if he is present and agrees. If the secretary is not willing then those present at the meeting and entitled to vote can decide which member present in person (but not by proxy) is to be chairman of the meeting.
- (B) Nothing in these articles restricts or excludes, or is intended to restrict or exclude, any power or right of a chairman of a meeting which is given by law.

### **34. QUORUM**

- (A) There must be a quorum present before a general meeting starts any business. If a quorum is not present, a chairman of the meeting can still be chosen and this will not be treated as part of the business of the meeting. Unless these articles say otherwise, a quorum for all purposes is two people who are entitled to vote; they can be shareholders or proxies or a combination of both.
- (B) If a quorum is not present within thirty minutes after the time fixed for a general meeting to start (or within any longer period which the chairman of the meeting decides) or if a quorum ceases to be present during a general meeting then the meeting is cancelled if it was called by shareholders. If it was not called by shareholders, it is adjourned to the day, time and place stated in the notice of meeting or, if the notice does not provide for that, to a day, time and place decided by the chairman of the meeting.

### **35. CONDUCT**

The chairman of a meeting can take any action he considers appropriate for proper and orderly conduct at a general meeting. His decision on points of order, matters of

procedure or on matters arising incidentally out of the business of a general meeting is final, as is his decision, acting in good faith, on whether a point or matter is of this nature.

### **36. ENTITLEMENT OF NON-SHAREHOLDERS TO ATTEND AND SPEAK**

- (A) Each director can attend and speak at any general meeting.
- (B) The chairman of a meeting can also allow anyone who is not a shareholder or otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak where he considers that this will help the business of the meeting.

### **37. ADJOURNING MEETINGS**

- (A) The chairman of a meeting can adjourn the meeting before or after it has started if he considers that:
  - (i) there is not enough room for the number of shareholders and proxies who want to attend the meeting;
  - (ii) the behaviour of anyone present prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way; or
  - (iii) it is necessary for any other reason so that the business of the meeting can be properly carried out.

The chairman of the meeting can adjourn the meeting for any of these reasons to a day, time and place which he decides, or to a later time on the same day or indefinitely. The chairman does not need the consent of the meeting to do this.

- (B) Additionally, the chairman of a meeting can adjourn a meeting which has a quorum present if the meeting agrees. The chairman must adjourn the meeting if the meeting directs this. The adjournment can be to a day, time and place which the chairman decides, or can be indefinite.
- (C) If a meeting is adjourned for less than 30 days, there is no need to give notice of the adjourned meeting, or of the business to be considered there.
- (D) If a meeting is adjourned for 30 days or more or indefinitely, at least seven clear days' notice must be given for the adjourned meeting in the same way as was required for the original meeting, including notice of the business to be considered there.
- (E) If a meeting is adjourned indefinitely, the Board will decide the day, time and place of the adjourned meeting.
- (F) Meetings can be adjourned more than once.

- (G) A reconvened meeting can only deal with business that could have been dealt with at the meeting which was adjourned.

### **38. AMENDING RESOLUTIONS**

- (A) The chairman of a meeting can propose amendments to any resolution if they are clerical or are to correct an obvious error in the resolution.
- (B) Amendments to an ordinary resolution which are within the scope of the resolution can be proposed if notice of the proposed amendment is delivered to the office addressed to the secretary at least five working days before the day fixed for the meeting or adjourned meeting or the chairman of the meeting decides that the amendment may be proposed.
- (C) Save as provided in this article, no other amendments can be proposed to any resolution.
- (D) The chairman of the meeting can agree to the withdrawal of any proposed amendment before it is put to the vote.
- (E) If the chairman of the meeting rules that a proposed amendment is out of order, any error in that ruling will not affect the validity of a vote on the original resolution.

### **39. METHOD OF VOTING**

If a resolution is put to the vote at a general meeting, it will be decided by a show of hands, unless a poll is demanded as soon as, or before, the result of the show of hands is declared by the chairman.

### **40. VOTES OF SHAREHOLDERS**

- (A) A shareholder present in person or by proxy has one vote on a show of hands and, on a poll, has one vote for every share which he holds or represents. This is subject to any special rights or restrictions as to voting which are given to any shares or upon which any shares may be held at the relevant time and to the rest of these articles.
- (B) If a shareholder votes on a poll, he does not have to use all of his votes or cast all his votes in the same way.
- (C) If more than one joint shareholder votes (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share.
- (D) Where a shareholder is unable to manage his affairs and a court or official with jurisdiction to protect people who are unable to manage their own affairs has made an order about the shareholder, the person appointed to act for that shareholder can vote for him and exercise any of his other rights relating to meetings. This includes appointing a proxy, voting on a show of hands and voting on a poll.

However, before the representative does so, such evidence of his authority as the Board requires must be delivered to the office, or any other place the Board specifies for delivery of proxy forms, not later than the latest time at which proxy forms must be received to be valid for use at the relevant meeting or on the holding of the relevant poll.

#### **41. DEMANDING A POLL**

- (A) A poll on a resolution may be demanded:
- (i) in advance of the general meeting where it is to be put to the vote; or
  - (ii) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (B) Subject to the legislation, a poll can be demanded by:
- (i) the chairman of the meeting;
  - (ii) any director;
  - (iii) at least two shareholders at the meeting who are entitled to vote (or their proxies); or
  - (iv) by one or more shareholders at the meeting who are entitled to vote (or their proxies) and who have, between them, at least ten per cent. of the total votes of all shareholders who have the right to vote at the meeting. The chairman of the meeting can also demand a poll before a resolution is put to the vote on a show of hands.
- (C) A demand for a poll can be withdrawn if the poll has not yet been taken and the chairman of the meeting agrees to this.
- (D) If no poll is demanded or a demand for a poll is withdrawn, any declaration by the chairman of the meeting of the result of a vote by a show of hands on that resolution will stand as conclusive evidence of the result without proof of the number or proportion of the votes recorded for or against the resolution.

#### **42. HOW POLLS ARE TAKEN**

- (A) Unless these articles say otherwise, the chairman of the meeting can decide where, when and how to take a poll. In particular, he can:
- (i) decide that a ballot, electronic voting, voting papers or tickets will be used;
  - (ii) appoint one or more scrutineers (who need not be shareholders);

- (iii) adjourn the meeting to a date, time and place which he decides for the result of the poll to be declared; and/or
- (iv) declare the result of the poll or decide how it should be declared.

The result will be treated as the decision of the meeting where the poll was demanded even if the poll is taken after the meeting.

- (B) A poll on a vote to elect the chairman of the meeting or to adjourn a meeting must be taken immediately at the meeting. Any other poll demanded can be taken either at the meeting or within 30 days. No notice is required for a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice must be given stating the day, time and place at which the poll is to be taken.

#### **43. MEETING CONTINUES AFTER POLL**

A demand for a poll on a particular matter (other than on the election of the chairman of the meeting or on the adjournment of the meeting) does not stop a meeting from continuing and dealing with other matters. Once all these matters have been dealt with, the meeting is treated as having ended immediately after the poll has been taken even though the result of the poll is to be worked out and announced later.

#### **44. CHALLENGING VOTES**

- (A) If:
  - (i) any objection to the right of any person to vote is made; or
  - (ii) any votes have been counted which ought not to have been counted or which might have been rejected; or
  - (iii) any votes are not counted which ought to have been counted,the objection or error must be raised or pointed out at the meeting (or the adjourned meeting) or poll at which the vote objected to is cast or at which the error occurs.
- (B) Any objection or error must be raised with or pointed out to the chairman of the meeting. His decision is final.
- (C) If a vote is allowed at a meeting or poll, it is valid for all purposes and if a vote is not counted at a meeting or poll, this will not affect the decision of the meeting or poll.

#### **45. APPOINTMENT OF PROXIES**

- (A) A proxy need not be a shareholder and a shareholder can appoint more than one proxy to attend on the same occasion. If a shareholder appoints more than one proxy, he must specify the number of shares in relation to which each proxy is

appointed and each proxy will only be entitled to exercise voting rights in relation to the number of shares for which he is appointed. If a shareholder appoints more than one proxy, he must ensure that no more than one proxy is appointed in relation to any share.

- (B) A proxy is appointed by using a proxy form which must be in writing; it can otherwise be in any form approved by the Board. Where the proxy is appointed by an individual, the proxy form must be signed by the individual or his attorney or authenticated in such other manner as the Board may decide. Where the proxy is appointed by a company, it must be sealed with the company's seal or signed by someone authorised to sign it or authenticated in such other manner as the Board may decide.
- (C) A proxy form gives the proxy the authority to speak at a general meeting and demand, or join in demanding, a poll. It also allows him to vote on any amendment to a resolution put to, or any other business which may properly come before, the meeting.

#### **46. RECEIPT OF PROXIES**

- (A) A proxy form must be received at the office, or any other place specified by the Board for the receipt of appointments of proxy. The place specified can be different depending on whether the appointment is in hard copy form, by electronic means or otherwise.
- (B) Notices of appointments of proxies must be received:
  - (i) 48 hours (or such shorter time as the Board decides) before a meeting or an adjourned meeting;
  - (ii) 24 hours (or such shorter time as the Board decides) before a poll is taken, if the poll is taken more than 48 hours after it was demanded; or
  - (iii) before the end of the meeting at which the poll was demanded, if the poll is taken after the end of the meeting or adjourned meeting but 48 hours or less after it was demanded

and when calculating these periods the Board can decide not to take account of any part of a day that is not a working day.

- (C) Any power of attorney or other authority relied on to appoint a proxy, or a copy which has been certified by a solicitor or notary, must be received with the proxy form unless the Board decides to disapply this requirement generally or in any specific case.
- (D) If the requirements in paragraphs (A) to (C) are not complied with, the proxy will not be able to act for the person who appointed him.

- (E) The Board may, in any notice of meeting or proxy form or otherwise, set out the principles it will apply in relation to the appointment of multiple proxies. If it does not do this then if more than one valid proxy form is received in respect of the same share for use at the same meeting or poll, only the last appointment received will be treated as valid (regardless of when it was signed or by what means it was submitted). If EIG does not know which is the last appointment received, EIG can decide which appointment to treat as valid or whether any of them is valid.
- (F) A shareholder can attend and vote at a general meeting or on a poll even if he has appointed a proxy to attend and vote at that meeting or on that poll.
- (G) The proceedings at a general meeting will not be invalidated where an appointment of a proxy in respect of that meeting is sent in electronic form as provided in these articles, but because of a technical problem it cannot be read by the recipient.

#### **47. CANCELLATION OF A PROXY'S AUTHORITY**

- (A) Any vote cast in the way a proxy form authorises and any demand for a poll made by a proxy will be valid even though:
  - (i) the person who appointed the proxy has died or is unable to manage his affairs;
  - (ii) the proxy form has been cancelled; or
  - (iii) the authority of the person who signed the proxy form has been cancelled.

However, this does not apply if written notice of any of these events has been received in any way specified for the appointment of proxies not later than the last time at which a proxy form should have been received to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll taken.

- (B) A proxy form will cease to be valid 12 months from the date of its receipt. However, unless the proxy form itself states otherwise, its use is still valid at an adjourned meeting or on a poll demanded at a meeting or adjourned meeting even after 12 months if it was valid for the original meeting.

#### **48. APPOINTMENT OF CORPORATE REPRESENTATIVES**

##### *Appointment*

- (A) Any corporation which is a shareholder may authorise any person or persons to act as its representative or representatives at any general meeting or at any class meeting. The authorisation must be made either by instrument under seal or, if lodged at the office at least 48 hours before the time appointed for the meeting, by instrument under the hand of an officer duly authorised by it or by resolution of its directors or other governing body.

##### *Multiple corporate representatives*

- (B) Where one person is so authorised he shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder. Where more than one person is so authorised they can all speak at the meeting and any one of them shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder. However, if they exercise any power in different ways such power shall be treated as if it had not been exercised.

#### **49. CANCELLATION OF A COMPANY REPRESENTATIVE'S AUTHORITY**

Any vote cast, or demand made for a poll, by a company representative will be valid even though his authority has been cancelled. However, this does not apply if written notice of this has been received in any way specified for the appointment of proxies not later than the last time at which a proxy form should have been received to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll taken.

#### **50. GENERAL POWERS OF EIG VESTED IN THE DIRECTORS**

- (A) The Board will manage the business of EIG. It can use all the powers of EIG except where the legislation or these articles say that powers can only be used by the shareholders voting to do so at a general meeting. The general management powers under this article are not limited in any way by specific powers given to the Board by other articles.
- (B) The Board's management powers are subject to the legislation, these articles and any other regulations laid down by the shareholders by passing an ordinary resolution at a general meeting which are not inconsistent with the legislation or these articles.
- (C) If a change is made to these articles or if the shareholders lay down any regulation relating to something which the Board has already done which was within its powers, that change or regulation cannot invalidate the Board's previous action.
- (D) The Board can exercise the powers under the legislation to make provision for the benefit of employees or former employees of EIG or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer of all or some of the business of EIG or that subsidiary.

#### **51. DELEGATING POWERS TO COMMITTEES**

- (A) The Board can delegate any of its powers, authorities and discretions to committees of one or more persons and can change the basis on which they are delegated or withdraw them from the committee. It can allow any committee to sub-delegate any of its powers, authorities and discretions to sub-committees. The ability of the Board to delegate under this article applies to all its powers, authorities and discretions and is not limited because certain articles refer to powers, authorities and

discretions being exercised by committees authorised by the Board while other articles do not.

- (B) Any committee must comply with any regulations laid down by the Board. These regulations can require or allow people who are not directors to be members of the committee and can give voting rights to such people. However, apart from any committee authorised to use any seal of EIG, there must be more directors on a committee than persons who are not directors and a resolution of the committee is only effective if a majority of the members of the committee present at the time of the resolution were directors.
- (C) If a committee has more than one member, the provisions of these articles which regulate board meetings and the procedure at them will also apply to committee meetings (if possible) unless they are inconsistent with any regulations for the committee which the Board has laid down.
- (D) If the Board has delegated any power, authority or discretion to a committee, any references in these articles to using or exercising that power, authority or discretion include its use or exercise by the committee.

## **52. AGENTS**

- (A) The Board can appoint anyone (including the members of a group which changes over time) as the agent of EIG (including by way of a power of attorney). The agent can either be appointed directly by the Board or the Board can give someone else the power to select an agent. The Board or the persons who are authorised by it to select agents can decide on the purposes, powers, authorities and discretions of agents but an agent cannot be given any power, authority or discretion which the Board does not have under these articles.
- (B) The Board can decide for how long an agent's appointment will last and can apply any conditions to it. The appointment can include any provisions which the Board decides on for the protection and convenience of anybody dealing with the agent. The appointment can also allow the agent to grant all or any of his powers, authorities or discretions to any other person.
- (C) The Board can:
  - (i) delegate any of its powers, authorities or discretions to any manager or agent of EIG;
  - (ii) allow managers or agents to delegate to another person;
  - (iii) remove any people it has appointed in any of these ways; and
  - (iv) cancel or change anything that it has delegated, although this will not affect anybody who acts in good faith who has not had any notice of any cancellation or change.

Any appointment or delegation by the Board which is referred to in this article can be on any conditions decided on by the Board.

- (D) The ability of the Board to delegate under this article applies to all its powers, authorities and discretions and is not limited because certain articles refer to powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board while other articles do not.

### **53. DELEGATION OF POWERS TO INDIVIDUAL OFFICERS**

- (A) The Board can give a director or the secretary any of the powers, authorities and discretions which it has jointly as the Board. These powers, authorities and discretions can be given on any terms and conditions the Board decides either in parallel with, or in place of, the powers, authorities and discretions of the Board acting together, and can be given with the power to sub-delegate.
- (B) The Board can change the basis on which these powers, authorities and discretions are given or withdraw them. No person dealing in good faith who does not know about the change or withdrawal will be affected by it.
- (C) If the Board has delegated a power, authority or discretion to a director or the secretary, any references in these articles to using or exercising that power, authority or discretion include its use or exercise by the director or secretary.
- (D) The ability of the Board to delegate under this article applies to all its powers, authorities and discretions and is not limited because certain articles refer to powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board while other articles do not.

### **54. NUMBER OF DIRECTORS**

EIG must have at least five directors and not more than fifteen. Subject to the legislation, the shareholders can change this minimum and/or change a maximum number by passing an ordinary resolution.

### **55. DIRECTORS NEED NOT BE SHAREHOLDERS**

No director need be a shareholder.

### **56. POWER TO APPOINT DIRECTORS**

Subject to these articles, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director, either as an additional director or as a replacement for another director:

- (i) by ordinary resolution; or
- (ii) by a decision of the directors.

## **57. PEOPLE WHO CAN BE DIRECTORS**

Only the following can be appointed as a director at a general meeting:

- (i) a director who is retiring at the meeting;
- (ii) anyone recommended by the Board; or
- (iii) anyone proposed in the following way:
  - (aa) a shareholder who is entitled to attend and vote at the meeting (other than the proposed director) must sign and deliver a written notice to EIG;
  - (bb) the notice must state that he intends to propose the person for appointment and whether the person is proposed as an additional director or to replace a director who is retiring or being removed;
  - (cc) the notice must be delivered not less than seven nor more than 42 days before the date of the meeting; and
  - (dd) the person to be proposed must sign a written confirmation that he is willing to be appointed and this must be delivered with the notice.

## **58. AUTOMATIC RETIREMENT**

- (A) At every annual general meeting the following directors shall retire from office:
  - (i) any director who has been appointed by the Board since the last annual general meeting; and
  - (ii) any director who held office at the time of the two preceding annual general meetings and who did not retire at either of them.
- (B) Any director who retires at an annual general meeting may offer himself for re-appointment by the shareholders.
- (C) Subject to these articles, at the general meeting at which a director retires, shareholders can pass an ordinary resolution to re-appoint him or to appoint some other eligible person in his place.

## **59. TIMING OF RETIREMENT AT A GENERAL MEETING**

A director retiring at a general meeting retires at the end of that meeting or (if earlier) when a resolution is passed to appoint another person in his place or when a resolution to re-appoint him is put to the meeting and lost. Where a retiring director is re-appointed, he continues as a director without a break.

## **60. TERMINATION OF DIRECTOR'S APPOINTMENT**

- (A) A director automatically stops being a director if:
- (i) he stops being a director under the legislation or is removed from office under these articles;
  - (ii) he is prohibited from being a director under the legislation;
  - (iii) he becomes bankrupt or a composition is made with his creditors generally in satisfaction of that person's debts;
  - (iv) a registered medical practitioner who is treating that person gives a written opinion to EIG stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - (v) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
  - (vi) except where his contract prevents him resigning, he delivers to EIG a written notice of resignation from office which has become effective or he offers to resign and the Board passes a resolution accepting his offer;
  - (vii) he has missed board meetings for a continuous period of six months without permission from the Board and the Board passes a resolution removing him from office;
  - (viii) his contract expires or is terminated for any reason and is not renewed or replaced within 14 days; or
  - (ix) he shall be requested by all his fellow directors to resign.
- (B) If a director stops being a director, he automatically stops being a member of any committee or sub-committee of the Board.

## **61. ALTERNATE DIRECTORS**

- (A) Any director (but not an alternate director) may by sending a written notice to the secretary at the office, or in any other way the Board approves, appoint as his alternate director another director or any other willing person approved by the Board. No appointment of anyone who is not already a director is effective until his consent to act as a director in the form prescribed by the legislation has been received at the office.
- (B) The appointment of an alternate director ends:

- (i) on the happening of any event which, if he were a director, would cause him automatically to stop being a director under these articles;
  - (ii) if the alternate director resigns his office by written notice to the secretary at the office;
  - (iii) if his appointor stops being a director, unless that director retires at a general meeting at which he is re-appointed;
  - (iv) if the director removes his alternate director by a written notice sent to the office or to an address specified by EIG or tabled at a meeting of the Board.
- (C) An alternate director is entitled to be given notice of all board meetings. If his appointor is absent from those meetings, he is entitled to attend and vote at them and generally at those meetings perform all the functions of his appointor as a director. The provisions of these articles regulating the meeting apply as if he (instead of his appointor) were a director. If the Board decides to allow this, this article also applies to any meeting of any board committee of which his appointor is a member.
- (D) A director acting as alternate director has a separate vote at board meetings and board committee meetings for each director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.
- (E) An alternate may sign a written resolution, but only if it is not signed or to be signed by that person's appointor.
- (F) Except as set out in this article, an alternate director:
- (i) does not have power to act as a director
  - (ii) is not deemed to be a director for the purposes of these articles; and
  - (iii) is not deemed to be the agent of his appointor.

## **62. EXECUTIVE DIRECTORS**

- (A) The Board or any committee authorised by the Board can appoint one or more directors to any executive position it decides. As far as the legislation allows, it can decide for how long these appointments will be and what their terms will be. It can also vary the terms of or end these appointments.
- (B) The Board or any committee authorised by the Board 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.

- (C) If the Board terminates the appointment, the termination will not affect any right of EIG or the director in relation to any breach of any employment contract which may be involved in the termination.

### **63. DIRECTORS' FEES**

- (A) The Board or any committee authorised by the Board can decide on the amount, timing and method of payment of directors' fees, but the total fees paid to all the directors, excluding amounts payable under any other provision of these articles, must not exceed the sum decided on by an ordinary resolution at a general meeting (whether before or after the date on which these articles became effective), which resolution can increase the fee paid to all or any directors either permanently or for a particular period.
- (B) A fee payable to a director pursuant to this article is distinct from any salary, remuneration or other amount payable to him pursuant to any other provision of these articles.
- (C) An alternate director is not entitled to a fee under these articles for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor.

### **64. ADDITIONAL REMUNERATION**

The Board or any committee authorised by the Board can award extra fees to any director who, in their view, performs any special or extra services for EIG. Extra fees can take the form of salary, commission, profit sharing or other benefits (and can be paid partly in one way and partly in another). They can also include any kind of benefit for the director's dependants. This is all decided by the Board or any committee authorised by the Board.

### **65. DIRECTORS' EXPENSES**

- (A) EIG will repay to a director all expenses properly incurred by him in attending and returning from general meetings, board meetings, board committee meetings and any other meetings which, as a director, he is entitled to attend. EIG will pay all other expenses properly and reasonably incurred by each director in connection with the business of EIG or in the performance of his duties as a director.
- (B) EIG can also fund a director's expenditure and that of a director of any holding company of EIG for the purposes permitted by the legislation and can do anything to enable a director or a director of any holding company of EIG to avoid incurring such expenditure all as provided in the legislation.
- (C) EIG can repay to an alternate director all expenses properly incurred by him which he could have repaid to him under this article had he been a director.

**66. PENSIONS AND OTHER BENEFITS**

- (A) The Board or any committee authorised by the Board can decide whether to provide pensions, annual payments or other allowances or benefits to any people including people who are or who were directors. The Board can decide to extend these arrangements to relations or dependants of, or people connected to, these people. The Board can also decide to contribute to a scheme or fund or to pay premiums to a third party for these purposes.
- (B) No director or former director is accountable to EIG or the shareholders for a benefit of any kind given in accordance with this article. The receipt of a benefit of any kind given in accordance with this article does not prevent a person from being or becoming a director.

**67. BOARD MEETINGS**

The Board can decide when and where to have meetings and how they will be conducted. They can also adjourn their meetings.

**68. NOTICE OF BOARD MEETINGS**

- (A) A meeting can be called by any director or the secretary. The secretary must call a meeting if asked to by any director.
- (B) Board meetings are called by giving notice to all the directors. Notice is treated as properly given if it is given personally, by word of mouth or in writing to the director's last known address or any other address given by him to EIG for this purpose.
- (C) Any director can waive his entitlement to notice of a meeting, including one that has already taken place. Any waiver after the meeting has taken place will not affect the validity of the meeting or any business conducted at it.

**69. APPOINTMENT OF A CHAIRMAN AND DEPUTY CHAIRMAN**

- (A) The Board can appoint any director as chairman or as deputy chairman for whatever periods the Board decides.
- (B) Generally, such chairman or, in his absence, such deputy chairman, will chair every board meeting.
- (C) If there is no chairman or deputy chairman willing and able to chair the meeting within ten minutes from the time that the meeting is due to start, the chair will be taken by a director nominated by the chairman in writing. If the chairman has not done this, the directors and alternate directors (in the absence of their appointors) present can decide which one of them is to be chairman of the meeting.

## **70. QUORUM**

- (A) If no other quorum is fixed by the Board, two directors present in person or by alternate director form a quorum.
- (B) A meeting at which a quorum is present can exercise all the powers, authorities and discretions of the Board.
- (C) A director who ceases to be a director at a board meeting can continue to be present and act as a director and be counted in the quorum until the end of that board meeting if no other director objects and a quorum of the Board would not otherwise be present.

## **71. DIRECTORS POWER TO ACT IF BELOW MINIMUM NUMBER**

If one or more of the directors stops being a director, the remaining director or directors can continue to act. However, if the number of directors falls below the minimum which applies under these articles (including any change to that minimum approved by an ordinary resolution of shareholders), or the number fixed as the quorum for board meetings, the remaining director or directors can only act to appoint a further director or directors to make up the shortfall or convene a general meeting. If no director is, or directors are, willing or able to act under this article, any two shareholders (excluding any shareholder holding shares as treasury shares) can call a general meeting to appoint a director or directors to make up the shortfall.

## **72. PARTICIPATION IN MEETINGS**

- (A) All or any of the directors can take part in a board meeting by way of:
  - (i) any communication equipment which allows everybody to take part in the meeting by being able to hear each of the other people at the meeting and by being able to speak to all of them at the same time; or
  - (ii) a series of video conferences or telephone calls from the chairman of the meeting.
- (B) A person taking part in this way will be treated as being present in person at the meeting. A meeting which takes place by a series of video conferences or telephone calls from the chairman will be treated as taking place where the chairman is. Otherwise meetings will be treated as taking place where the largest group of the participants is or, if there is no such group, where the chairman is, unless the Board decides otherwise.

## **73. VOTING AT BOARD MEETINGS**

- (A) Matters to be decided at a board meeting will be decided by a majority of the votes of those participating and who are eligible to vote on that matter.

- (B) If the votes are equal, the chairman of the meeting has a second, or casting, vote unless the matter is one upon which the chairman of the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes.

#### **74. DIRECTOR'S INTERESTS**

##### *Conflicts of interest requiring board authorisation*

- (A) The Board may, subject to the quorum and voting requirements set out in this article, authorise any matter which would otherwise involve a director breaching his duty under the legislation to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of EIG (a **Relevant Situation**).
- (B) A director seeking authorisation in respect of a Relevant Situation must tell the Board of the nature and extent of his interest in a Relevant Situation as soon as possible. The director must give the Board sufficient details of the relevant matter to enable it to decide how to address the Relevant Situation together with any additional information which it may request.
- (C) Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Relevant Situation. Such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of these articles except that:
- (i) the relevant director and any other director with a similar interest cannot count in the quorum or vote on a resolution giving such authority; and
  - (ii) the relevant director and any other director with a similar interest may, if the other directors so decide, be excluded from any meeting of the Board while the Relevant Situation is under consideration.
- (D) Where the Board gives authority in relation to a Relevant Situation:
- (i) it may impose (whether at the time of giving the authority or subsequently) or subsequently vary any terms upon the relevant director which it thinks fit, including, but not limited to:
    - (aa) the exclusion of that director from the receipt of information, or participation in discussion (whether at meetings of the Board or otherwise) related to the Relevant Situation;
    - (bb) the extent to which the relevant director may vote (or by counted in any quorum at a meeting) in relation to any resolution relating to the Relevant Situation;

- (cc) the imposition of a specific duty of confidentiality for any confidential information of EIG relating to the Relevant Situation;
- (ii) the relevant director must conduct himself in accordance with any terms imposed by the Board in relation to the Relevant Situation;
- (iii) it may provide that where the relevant director obtains (otherwise than through his position as a director of EIG) information that is confidential to a third party, he will not be obliged to disclose that information to EIG, or to use the information in relation to the affairs of EIG, where to do so would amount to a breach of that confidence;
- (iv) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (v) the Board may revoke such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.

*Other conflicts of interest*

- (E) When a director knows that he is in any way, directly or indirectly, interested in a proposed contract with EIG or a contract that has been entered into by EIG, he must tell the other directors of the nature and extent of that interest in accordance with the legislation.
- (F) If the director has disclosed the nature and extent of his interest to the other directors in accordance with the legislation, he can:
  - (i) have any kind of interest in a contract with or involving EIG or another company in which EIG has an interest;
  - (ii) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of EIG or any other company in which EIG has an interest;
  - (iii) hold any other office or place of profit with EIG (other than as auditor) in conjunction with his office of director for such period and on such terms, including as to remuneration, as the Board may decide;
  - (iv) alone (or through some company or firm with which he is associated) do paid professional work (other than as auditor) for EIG or another company in which EIG has an interest on such terms as the Board may decide; and
  - (v) be or become a director of any other company in which EIG does not have an interest and which cannot reasonably be regarded as giving rise to a

conflict of interest at the time of his appointment as a director of that other company.

*Benefits*

- (G) A director does not have to hand over to EIG any benefit received or profit made as a result of anything authorised or allowed under this article nor is any type of contract authorised or allowed under this article liable to be avoided.

*Quorum and voting requirements*

- (H) A director cannot vote or be counted in the quorum on a resolution of the Board concerning his own appointment to a position with EIG or any company in which EIG has an interest or the terms or the termination of the appointment. Where the Board is considering proposals about appointing two or more directors to positions with EIG or any company in which EIG has an interest (or the terms or the termination of their appointments), these proposals can be split up to deal with each director separately. If this is done, each director can vote and be counted in the quorum for each resolution, except the one concerning him.
- (I) A director cannot vote or be counted in the quorum on a resolution of the Board about a contract in which he has an interest which (together with any interest of any person connected with him within the meaning of section 252 of the Act) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through EIG and, if he does vote, his vote will not be counted, but this restriction will not apply to any resolution where that interest cannot reasonably be regarded as likely to give rise to a conflict of interest or where that interest arises only because of one or more the following things, namely it is a resolution about or relating to:
- (i) giving him or any other person a guarantee, security or indemnity for any money lent, or obligation incurred, by him or that other person at the request of, or for the benefit of, EIG or any of its subsidiary undertakings;
  - (ii) giving of a guarantee, security or indemnity to any other person for a debt or obligation which is owed by EIG or any of its subsidiary undertakings to that other person if he has taken responsibility for all or some of that debt or obligation by giving a guarantee, security or indemnity;
  - (iii) a contract relating to any offering of shares, debentures or other securities of EIG or any of its subsidiary undertakings for subscription or purchase if he takes part because he is a holder of shares, debentures or other securities, or if he takes part in the underwriting or sub-underwriting of the offer;
  - (iv) any contract concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not to his knowledge the holder of or

beneficially interested in one per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or, except in relation to charitable companies, of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this article to be a material interest in all the circumstances);

- (v) any contract concerning any charitable company, charitable trust or other charity (whether incorporated or not) of which he may be a member, officer or trustee;
  - (vi) any proposal concerning any type of insurance or assurance policy or contract which are or have been issued in the ordinary course of business of EIG or any subsidiary notwithstanding that a director proposes to, or has effected, or is interested in, an individual policy or contract of that type;
  - (vii) a contract relating to an arrangement for the benefit of employees of EIG or any of its subsidiary undertakings which only gives him benefits which are also generally given to the employees to whom the arrangement relates;
  - (viii) a contract relating to a pension, superannuation or similar scheme, or a retirement, death or disability benefits scheme or employees' share scheme, which gives him benefits which are also generally given to the employees to whom the scheme relates;
  - (ix) a contract relating to any insurance which EIG can buy or renew for the benefit of directors or of a group of people which includes them;
  - (x) giving him any other indemnity where all other directors are also being offered indemnities on substantially the same terms;
  - (xi) EIG funding his expenditure on defending proceedings or EIG doing something to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements; or
  - (xii) a contract in which he has an interest because of his interest in shares or debentures or other securities of EIG or because of any other interest in or through EIG.
- (J) Where a company in which a director has an interest is interested in a contract, the director will also be treated as being interested in that contract. Interests which are unknown to the director and which it is unreasonable to expect him to know about are ignored. Interests of a person who is connected with a director are added to his interests. In relation to an alternate director, the interest of his appointor is treated as the interest of the alternate director in addition to an interest which the alternate

director otherwise has. A director can vote if his interest is only an interest in the shares, debentures or other securities of EIG.

- (K) Subject to these articles, the Board can exercise, or arrange for the exercise of, the voting rights attached to any shares in another company held by EIG and the voting rights which they have as directors of that company in any way that it decides. This includes voting in favour of a resolution appointing any of them as directors or officers of that company and deciding their remuneration. Subject to these articles, a director can also vote and be counted in the quorum as a director in connection with any of these things.
- (L) If a question comes up at a board meeting about whether a director (other than the chairman of the meeting) has an interest in a contract and whether it is likely to give rise to a conflict of interest or whether he can vote or be counted in the quorum and he does not agree to abstain from voting on the question or not be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman of the meeting's ruling about the other director is final unless the nature and extent of the director's interest (so far as it is known to him) has not been fairly disclosed to the other directors. If the question comes up about the chairman of the meeting, the question must be referred to the Board. The chairman cannot vote on the question but can be counted in the quorum. The Board's resolution about the chairman is final unless the nature and extent of the chairman's interest (so far as it is known to him) has not been fairly disclosed to the other directors.

#### *General*

- (M) The shareholders can by passing an ordinary resolution suspend or relax the provisions of this article to any extent or ratify any contract which has not been properly authorised in accordance with this article.
- (N) References in this article to:
- (i) a contract include references to an existing or proposed contract and to an existing or proposed transaction or arrangement whether or not it is a contract; and
  - (ii) a conflict of interest include a conflict of interest and duty and a conflict of duties.

#### **75. VALIDITY OF ACTS OF THE BOARD OR COMMITTEES**

Everything which is done by a board meeting, by a board committee meeting or by any person acting as a director, or member of a board committee, will be valid even if it is discovered later that any person was not properly appointed. This also applies if it is discovered later that anyone was disqualified from being a director or had ceased to be a director or was not entitled to vote. In any of these cases, anything done will be as valid as if there was no defect or irregularity of the kind referred to in this article.

## **76. WRITTEN RESOLUTIONS**

- (A) A written resolution must be signed by all of the directors who at the time are entitled to receive notice of a board meeting and who would be entitled to vote on the resolution at a board meeting and who together meet the quorum requirement for board meetings. This kind of resolution is just as valid and effective as a resolution passed by those directors at a meeting which is properly called and held.
- (B) The resolution can be passed using several copies of a document if each copy is signed by one or more directors.
- (C) The resolution need not be signed by an alternate director if it is signed by his appointor and a resolution signed by an alternate director need not be signed by his appointor.
- (D) These copies can be made by electronic means. No signature is necessary if electronic means are used, subject to any terms and conditions the Board decides.
- (E) The secretary must ensure that EIG keeps a record in writing of all directors' written resolutions for at least ten years from the date of their adoption.

## **77. POSITIONS WITH TITLES INCLUDING THE WORD "DIRECTOR"**

The Board can appoint anyone to a position having a title including the word "director" or give a title including the word "director" to an existing position and can end that appointment or the use of that title. The use of the word "director" in the title of a position does not imply that the holder is, or is deemed to be, or is empowered to act as, a director and the holder does not have the power to act as a director and is not treated as a director for the purposes of the legislation or these articles.

## **78. BORROWING POWERS**

- (A) The Board may exercise all the powers of EIG to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities, whether outright or as security for any debt, liability or obligations of EIG or any third party. The directors shall restrict the borrowings of EIG and exercise all voting and other rights and powers of control exercisable by EIG in respect of its subsidiaries so as to ensure (as regards its subsidiaries so far as by such exercise it can secure) that the aggregate amount for the time being outstanding in respect of the monies borrowed or secured by the Group (exclusive of inter-group borrowings) shall not at any time, without the previous sanction of EIG in general meeting, exceed an amount equal to the aggregate of:
  - (i) 25 per cent. of the amount of the long term assurance funds of the companies in the Group which carry on long term insurance business and any reserve attributable to those funds; and

- (ii) twice the aggregate of share capital of EIG and the consolidated reserves (other than long term assurance funds) of the Group;

all as shown by the latest audited consolidated balance sheet of EIG and its subsidiaries.

- (B) For the purposes of this article **borrowings** and **monies borrowed** include loan capital, whether issued for cash or in whole or in part for a consideration other than cash, but do not include any pre-payments.
- (C) Notwithstanding the foregoing, no lender or other person dealing with EIG shall be concerned to see or enquire whether the limit contained in this article is observed. No debt incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of any security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

## **79. DIVIDENDS**

- (A) No dividend may be declared or paid unless it is in accordance with the shareholders' respective rights.
- (B) Shareholders can declare dividends by passing an ordinary resolution, but no dividend can exceed the amount recommended by the Board.

### *Fixed and interim dividends*

- (C) If the Board considers that the financial position of EIG justifies such payments, it can pay:
  - (i) interim dividends on any class of shares of any amounts, on any dates and for any periods which it decides; and
  - (ii) fixed or other dividends on any class of shares on the dates stated for the payment of those dividends.
- (D) If the Board acts in good faith, it will not be liable to any shareholders for any loss they suffer because a lawful dividend has been paid on other shares which rank equally with or behind their shares.

## **80. CALCULATION OF DIVIDENDS AND CURRENCY**

- (A) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be:
  - (i) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

- (ii) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (B) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- (C) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.
- (D) Unless the rights attached to any shares, the terms of any shares or these articles say otherwise, a dividend or any other money payable in respect of a share can be paid in whatever currency the Board decides using an exchange rate selected by the Board for any currency conversions required. The Board can also decide how any costs relating to the choice of currency will be met.

## **81. DISTRIBUTIONS IN KIND**

- (A) Subject to the terms of issue of the shares in question, if the Board recommends this, shareholders can pass an ordinary resolution to direct all or some of a dividend to be paid by distributing specific assets (and, in particular, paid-up shares or debentures of any other company). The Board must give effect to that resolution.
- (B) Where a difficulty arises on the distribution, the Board can settle it as it decides. For example, it can:
  - (i) authorise any person to sell and transfer any fractions and/or ignore any fractions;
  - (ii) issue fractional certificates;
  - (iii) value the assets for distribution purposes;
  - (iv) pay cash of a similar value to adjust the rights of shareholders and/or;
  - (v) transfer any assets to trustees for the benefit of more than one shareholder.

## **82. PAYMENTS TO SHAREHOLDERS**

- (A) A dividend or other money payable in cash relating to a share can be paid:
  - (i) by cheque or warrant payable to the shareholder or person automatically entitled to the shares by law who is entitled to it or to another person named in a written instruction from the shareholder (or all joint shareholders or people jointly and automatically entitled to the shares by law);

- (ii) in the case of uncertificated shares, through a relevant system;
  - (iii) by bank transfer or other electronic means directly to an account named in a written instruction from the shareholder (or all joint shareholders or people jointly and automatically entitled to the shares by law); and/or
  - (iv) in any other way agreed between the shareholder (or all joint shareholders or people jointly and automatically entitled to the shares by law) and EIG.
- (B) For joint shareholders, or people jointly and automatically entitled to shares by law, EIG can rely on a receipt for a dividend or other money paid on shares from any one of them.
- (C) Cheques and warrants are sent, and payment in any other way is made, at the risk of the people who are entitled to the money. EIG is treated as having paid a dividend if the cheque or warrant is cleared or if a payment is made through a relevant system, bank transfer or other electronic means. EIG will not be responsible for a payment which is lost or delayed.
- (D) No dividend or other money payable by EIG in respect of its shares carries a right to interest from EIG unless the rights of the shares say something different.
- (E) The Board may deduct from any dividend or other money payable by EIG in respect of a share, all sums presently payable in respect of that share.

### **83. UNCLAIMED DIVIDENDS AND OTHER MONEY**

- (A) Unclaimed dividends and other money payable in respect of a share can be invested or otherwise used by the Board for the benefit of EIG until they are claimed. The Board can decide to pay the unclaimed dividends and other money into a separate account, but EIG will not be a trustee of the money and will not be liable to pay interest on it. If a dividend or other money has not been claimed for ten years after it was declared or became due for payment, it will be forfeited and belong to EIG again unless the Board decides otherwise.
- (B) EIG can stop paying dividends if cheques or warrants for two dividends in a row are sent back or not cashed or if payment by any other means has not been able to be made twice in a row through no fault of EIG. EIG must start paying dividends in the same way again if the shareholder or a person automatically entitled to the shares by law claims those dividends in writing (before they go back to EIG under these articles) and does not ask EIG to start paying dividends in some other way.

### **84. WAIVER OF DIVIDENDS**

- (A) All or any dividends or other distribution payable in respect of a share can be waived by a document which is accepted by EIG or on which EIG acts.

- (B) The document must be signed by the shareholder (or the person automatically entitled to the shares by law) and delivered to EIG.
- (C) If the share has more than one holder, or more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise the document is not effective unless it is expressed to be given, and signed, by all the holders or the persons otherwise entitled to the share.

## **85. CHANGING RESERVES INTO CAPITAL**

- (A) If the Board recommends this, shareholders can pass an ordinary resolution to allow the Board to change into capital an amount which is part of the reserves of EIG (including any share premium account, capital redemption reserves or other undistributable reserves) or which EIG is holding as net profits.
- (B) Unless the ordinary resolution states otherwise, the Board will use the sum which is changed into capital by setting it aside for the persons who are holders of ordinary shares according to the register at the stated time on the day the resolution is passed (or whatever day is stated in the resolution or fixed as stated in the resolution). If no time is stated in the resolution, the close of business applies.
- (C) The sum set aside must be used to pay up in full shares of EIG and to allot such shares and distribute them to shareholders as bonus shares in proportion to the amounts paid up on their holdings of ordinary shares at the time. EIG is entitled to participate in the relevant distribution in relation to any shares of the relevant class held by it as treasury shares and the proportionate entitlement of the relevant class of shareholders to the distribution will be calculated on this basis.
- (D) Subject to the directions of any general meeting that approves the issue and to the rights attached to existing shares, the Board can decide:
  - (i) whether the bonus shares are to be ordinary shares some other class of share (which may be a new share class) or a mixture of share classes; and
  - (ii) the class or classes of bonus share to be issued to holders of each class of share and, subject always to obeying the requirement in paragraph (C) of this article, different classes, or mixtures of classes, of bonus shares may be paid up and allotted to holders of each class of share.
- (E) If a difficulty arises in connection with any distribution of any capitalised reserve or fund, the Board can resolve it in any way which it decides. For example, it can decide that the benefit of fractions of shares belongs to EIG or that fractions are ignored or deal with fractions in some other way.
- (F) The Board can appoint any person to sign a contract with EIG on behalf of those who are entitled to shares under the resolution. Such a contract is binding on all concerned.

**86. RECORD DATES**

Any dividend or distribution on, and any allotment or issue of, any shares can be paid or made to the shareholders shown on the register at whatever time on whatever day is stated in the resolution declaring the dividend or providing for the distribution, allotment or issue. If no time is stated, the close of business applies. This article applies whether what is being done is the result of a resolution of the Board or a resolution passed at a general meeting. The time and date can be before the relevant resolution was passed. This article does not affect the rights between past and present shareholders to payments or other benefits.

**87. ASSETS TREATED AS REVENUE**

Where an asset, business or property is bought by EIG as at a past date, if the legislation allows this the Board can decide that any of the related profits and losses as from that date can be added to the revenue account of EIG and treated for all purposes as profits or losses of EIG. Where any securities are bought by EIG with any dividend or interest, if the legislation allows this the Board can decide that the dividend or interest can be treated as revenue rather than capital.

**88. POWER TO SET ASIDE RESERVES**

The Board may, before recommending any dividend, set aside out of the profits of EIG such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of EIG may be properly applied, and so that, in the event of EIG being wound up, such reserve or reserves (except so much thereof as either (a) shall be required to be applied in supplementing any deficiency in the other funds of EIG as respects meeting claims on or liabilities of EIG or repaying the paid up capital thereof, or (b) shall be transferred to another company in case of such sale to or promotion of or amalgamation with another company as contemplated in EIG's memorandum of association as it was immediately before the commencement of Part 3 of the Companies Act 2006), shall be applied in like manner as grants are by article 89 declared to be applicable. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide. In carrying sums to reserve and in applying the same the directors shall comply with the Statutes.

**89. CHARITABLE GRANTS**

- (A) Grants shall be applicable in the discretion of the Board for any of the purposes or objects expressed in clauses 4(7) and 4(23) of EIG's memorandum of association as it was immediately before the commencement of part 3 of the Companies Act 2006 in such amounts and in such manner and by such means as the Board may from time to time determine and subject to such, if any, regulations as to the application thereof as may from time to time be framed or promulgated by the Board.

- (B) The selection of bodies or objects towards which contributions shall be made shall rest wholly with the Board, who shall not be called upon to state reasons for its selection or for any refusal of contribution.
- (C) The Board may at its discretion, and upon such terms as it decides, from time to time enter into agreements or otherwise undertake to make grants over a period of years or for a fixed period to any one or more of the objects contemplated by this article and no agreement or undertaking in this sense shall be invalid merely because it is made with a company or institution whose board of directors or management is wholly or partially identical with that of EIG.

## **90. INSPECTION OF RECORDS**

A shareholder is not entitled to inspect any accounting records or other books or papers of EIG unless the legislation or a court order gives him that right, the Board authorises him to do so or the shareholders pass an ordinary resolution authorising him to do so.

## **91. SECRETARY, AND DEPUTY AND TEMPORARY SECRETARIES**

- (A) The secretary is appointed by the Board. The Board decides the terms and period of the appointment. The Board can also remove the secretary. This does not affect any claim for damages against EIG for breach of any contract of employment the secretary may have.
- (B) The Board can appoint two or more people to be joint secretaries.
- (C) The Board can also appoint one or more people to be deputy secretaries or one person to be a temporary secretary. The Board decides the terms and period of the appointment. The Board can also remove a deputy or temporary secretary. This does not affect any claim for damages against EIG for breach of any contract of employment they may have.
- (D) Anything which these articles require or allow to be done by the secretary can also be done by a deputy or temporary secretary.
- (E) Anything which the legislation or these articles require or allow to be done by or to a director and the secretary cannot be done by or to one person acting as both a director and as, or in place of, the secretary.

## **92. SEALS**

- (A) The Board must arrange for every seal to be kept safely and any such seal can only be used with the authority of the Board or a committee authorised by the Board (but such committee may consist solely of people who are not directors).
- (B) Subject as otherwise provided in these articles, every document which is sealed using the common seal must be signed by at least one authorised person in the

presence of a witness who attests the signature. An authorised person for this purpose is (i) any one director; (ii) the secretary; or (iii) any other person authorised to do so by the Board for the purpose of signing documents to which the seal is applied.

- (C) The official seal can be used only for sealing securities issued by EIG and documents creating or evidencing securities issued by EIG. Securities and documents which have been sealed with the official seal do not need to be signed unless the Board decides otherwise or the legislation requires it.
- (D) The Board can resolve that the requirement for any counter-signature in this article can be dispensed with on any occasion.
- (E) The Board can use all the powers given by the legislation relating to official seals.
- (F) For the purposes of the articles, references to the sealing of any document creating or evidencing securities by using the official seal for securities include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the Board in relation to that document or documents of a class to which it belongs.

### **93. REGISTERS**

EIG can keep an overseas, local or other register. The Board can make and change any regulations previously made by them relating to any of such registers.

### **94. SIGNATURE OF DOCUMENTS IN ELECTRONIC FORM**

Where under these articles a document, including a proxy form, needs to be signed by a shareholder or other person and it is in electronic form, the Board may, if it chooses, disapply the requirement for a signature or require the communication in electronic form to incorporate the electronic signature or personal identification details (which may be details previously allocated by EIG or its agent) of that shareholder or other person, in the form the Board approves, or be accompanied by any other evidence the Board may specify. EIG can designate mechanisms for validating any document of this kind, and any document not validated by the use of these mechanisms can be treated by the Board as never having been received by EIG or its agent.

### **95. CERTIFYING COPIES OF DOCUMENTS**

- (A) Any director or the secretary can decide that any of the following is genuine and to certify copies of or extracts from them as true copies or extracts:
  - (i) documents relating to the constitution of EIG;
  - (ii) resolutions passed by the shareholders or a class of shareholders, or by the Board or a board committee; and

- (iii) books, documents, records or accounts which relate to the business of EIG.

The Board can also give this power to other people.

- (B) A document which appears to be a copy of a resolution or an extract from the minutes of a meeting and which is certified as a true copy or extract as described in this article is conclusive evidence for a person who deals with EIG on the strength of the document that the resolution has been properly passed or the extract is a true and accurate record of the proceedings of a valid meeting.

## **96. DESTROYING OR DELETING DOCUMENTS**

- (A) EIG can destroy or delete:

- (i) all transfer forms for shares, documents sent to support a transfer and any other documents which were the basis for making an entry on the register, six years after the date of registration;
- (ii) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
- (iii) all share certificates which have been cancelled from one year after the date of the cancellation;
- (iv) all paid dividend warrants and cheques from one year after the date of actual payment; and
- (v) all proxy notices from one year after the end of the meeting to which the proxy notice relates.

- (B) A document destroyed or deleted by EIG under this article is conclusively treated as having been a valid and effective document in accordance with EIG records relating to the document. Any action of EIG in dealing with the document in accordance with its terms before it was destroyed or deleted is conclusively treated as having been properly taken.

- (C) This article only applies to documents which are destroyed or deleted in good faith and if EIG does not know that keeping the documents is relevant to any claim.

- (D) If the documents relate to uncertificated shares, EIG must also comply with any requirements of the uncertificated securities rules which limit its ability to destroy or delete these documents.

- (E) This article does not make EIG liable if it:

- (i) destroys or deletes a document earlier than the time limit stated in this article;

- (ii) does not comply with the conditions in this article; or
  - (iii) would not be liable if this article did not exist.
- (F) This article applies whether a document is destroyed or deleted or disposed of in some other way.

## **97. COMMUNICATIONS BY EIG**

### *Means of communication to be used*

- (A) EIG can send or supply any notice, document, including a share certificate, or other information to a shareholder:
- (i) by delivering it to him personally;
  - (ii) by addressing it to him and posting it to, or by leaving it at, the address recorded for the shareholder on the register;
  - (iii) where appropriate, by sending it by fax to a fax number notified by the shareholder in writing for that purpose;
  - (iv) where appropriate, by sending or supplying it in electronic form to an address notified by the shareholder in writing for that purpose;
  - (v) where appropriate, by making it available on a website and notifying the shareholder of its availability in accordance with this article;
  - (vi) through a relevant system where it relates to uncertificated shares;
  - (vii) as authorised in writing by the shareholder; or
  - (viii) by advertisement in at least two UK national newspapers.

Where there are joint shareholders, the notice, document or other information can be sent or supplied to any one of the joint holders and if this is done it will be treated as having been sent or supplied to all the joint holders.

### *Agreement from joint shareholders*

- (B) Where there are joint shareholders, anything which needs to be agreed or specified in relation to any notice, document or other information to be sent or supplied to them can be agreed or specified by any one of the joint shareholders. The agreement or specification of the senior will be accepted to the exclusion of the agreement or specification of the other joint shareholder(s). For this purpose, seniority will be determined by the order in which the joint shareholders' names stand in the register in respect of the joint shareholding.

### *Undelivered communications*

- (C) If on two consecutive occasions any notice, document or other information sent or supplied to a shareholder has been returned undelivered, EIG need not send or supply further notices, documents or other information to that shareholder until he has communicated with EIG and supplied EIG (or its agents) with a new registered address, or a postal address within the UK for the service of notices and the despatch or supply of documents and other information, or has informed EIG of an address for the service of notices and the sending or supply of documents and other information in electronic form. Any notice, document or other information sent by post will be treated as returned undelivered if the notice, document or other information is sent back to EIG (or its agents), and any notice, document or other information sent or supplied in electronic form will be treated as returned undelivered if EIG (or its agents) receives notification that the notice, document or other information was not delivered to the address to which it was sent.

*Hard copy communications*

- (D) EIG may at any time and in its sole discretion choose to serve, send or supply notices, documents or other information in hard copy form alone to some or all shareholders.

*Record dates*

- (E) Where EIG sends or supplies notices, documents or other information to shareholders, it can do so by reference to the register as it stands at any time not more than 15 days before the date the notice, document or other information is sent or supplied. Any change of details on the register after that time will not invalidate the sending or supply and EIG is not obliged to send or supply the same notice, document or other information to any person entered on the register after the date selected by EIG.

*Registered address outside the UK*

- (F) If a shareholder's address on the register is outside the UK, he can give EIG a UK postal address to which notices, documents or other information can be sent or supplied to him. If he does, he is entitled to have notices, documents or other information sent to him at that address or, where applicable, to be notified at that address of the availability of the notice, documents or other information on a website. Alternatively, a shareholder whose address on the register is outside the UK can give EIG an address for the purposes of communications in electronic form. If he does, notices, documents or other information may, subject to these articles, be sent or supplied to him at that address. Otherwise, he is not entitled to receive any notices, documents or other information from EIG.

*Branch registers*

- (G) For a shareholder registered on a branch register, notices, documents or other information can be posted or despatched in the UK or in the country where the branch register is kept.

*Persons entitled to shares*

- (H) Where a person is registered as a sole or first-named joint shareholder but someone else is automatically entitled to his shares by law, the person who proves that he is automatically entitled to the shares by law to the reasonable satisfaction of the Board can give EIG a UK postal address for the sending or supply of notices, documents and other information. If this is done, subject to these articles, notices, documents and other information must be sent to that address or, where applicable, he must be notified at that address of the availability of the notice, document or other information on a website. Alternatively, a person who is entitled to that shareholder's shares by law, and who proves this to the reasonable satisfaction of the Board, can give EIG an address for the purposes of communications by electronic means. If this is done, subject to these articles, notices, documents or other information may be sent or supplied to him at that address or, where applicable, he may be notified at that address of the availability of the notice, document or other information on a website. Otherwise, if any notice, document or other information is sent or supplied to the shareholder named on the register, this will be valid even though someone else is automatically entitled to his shares by law. This applies even if EIG knew of this. If any notice, document or other information is sent or supplied in accordance with this article, there is no need to send or supply it in any other way to any other people involved.

**98. WHEN COMMUNICATIONS ARE DELIVERED**

- (A) If any notice, document or other information is left by EIG at the address recorded for the shareholder on the register or at a postal address notified to EIG in accordance with these articles by a shareholder or a person who is entitled to a share by law, it is treated as being received on the day it was left.
- (B) If any notice, document or other information is given, sent or supplied by EIG by post, it is treated as being received the day after it was posted if first class post was used or 48 hours after it was posted if first class post was not used. In proving that any notice, document or other information was received, it is sufficient to show that the envelope was properly addressed and put into the postal system with postage paid.
- (C) If any notice, document or other information is given, sent or supplied by EIG using electronic means, it is treated as being received on the day it was sent.
- (D) In the case of any notice, document or other information made available on a website, the notice, document or other information is treated as being received on the day on which the notice, document or other information was first made available

on the website, or, if later, when a notice of availability is received or treated as being received by the shareholder in accordance with these articles.

- (E) If a notice is sent through a relevant system, it is treated as being received when EIG, or any a relevant system participant acting for EIG, sends the issuer-instruction relating to the notice, document or other information.
- (F) If any notice, document or other information is given, sent or supplied by EIG by any other means authorised in writing by a shareholder, it is treated as being received when EIG has done what it was authorised to do by that shareholder.
- (G) If any notice, document or other information is given, sent or supplied by EIG by advertisement in at least two UK national newspapers, it is treated as being received at midday on the day when the last of the two advertisements appears.
- (H) In proving that any notice, document or other information given, sent or supplied by electronic means was received, it is sufficient to show that it was properly addressed.

#### **99. COMMUNICATIONS WHEN POST ETC. NOT AVAILABLE**

If a general meeting cannot be called by sending or supplying notices through the post or by electronic means or by making the notice available on a website because the postal service in the UK or some part of the UK or the relevant communication system is suspended or restricted, the Board can give notice of the meeting to shareholders affected by the suspension or restriction by publishing a notice in at least one UK national newspaper. Notice published in this way will be treated as being properly served on affected shareholders who are entitled to receive it on the day the advertisement appears. If it becomes generally possible to send or supply notices by post or by electronic means or by making the notice available on a website at least six clear days before the meeting, the Board will send or supply a copy of the notice by post or by electronic means to those entitled to receive it by way of confirmation or, where applicable, notify the affected shareholders of the availability on a website.

#### **100. FAILURE TO SEND, OR NON-RECEIPT OF, ANY NOTICE ETC.**

- (A) If any notice, proxy form, document or other information relating to any meeting or other proceeding is accidentally not sent or supplied, or is not received, the meeting or other proceeding will not be invalid as a result.
- (B) A shareholder present in person or by proxy at a shareholders' meeting is treated as having received proper notice of that meeting and, where necessary, of the purpose of that meeting.

**101. SHAREHOLDERS BOUND BY PRIOR NOTICES ETC.**

Every person who, through automatic entitlement by law or by transfer or other means whatsoever, becomes entitled to any share, is bound by every notice, document or other information in respect of such share which, before his name and address is entered on the register, shall have been duly given to the person from whom he derives his title to such share.

**102. INDEMNITY**

- (A) As far as the legislation allows, EIG will indemnify every director, alternate director, secretary and manager of EIG and every director, alternate director, secretary and manager of any associated company of EIG,

in each case out of its own funds against all costs, charges, losses, expenses and liabilities incurred by him in performing his duties, in exercising his powers, in claiming to do any of these things and/or otherwise in relation to or in connection with his duties, powers or offices whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise and including any liabilities incurred by him in defending any regulatory or other proceedings (civil or criminal) in which judgment is given in his favour, he is otherwise not found to be in material breach of his duties or in which he is acquitted or relief is granted by the court;

- (B) EIG may indemnify a person who is a director of a company which is a trustee of an occupational pension scheme for employees of the company or of an associated body corporate against liability incurred by such director from time to time in connection with the company's activities as a trustee of the scheme.

- (C) However, this article shall not grant indemnification to any person, nor entitle any such person to, indemnification to the extent that it would cause all or any part of this article to be void under the legislation.

**103. INSURANCE**

As far as the legislation allows and without limiting any other article in any way, the Board can arrange for EIG to purchase and maintain insurance against any liability for or for the benefit of any people who are or were at any time directors, alternate directors, the secretary, managers, officers or employees of:

- (i) EIG;
- (ii) a body (whether or not incorporated) in which EIG has or had an interest (whether direct or indirect); and/or
- (iii) a body (whether or not incorporated) which is in any way allied to or associated with EIG, or any subsidiary undertaking of EIG or such other body.

