

ARTICLES OF ASSOCIATION

of

HAMPDEN & CO PLC

(Incorporated in Scotland on 12 October 2010 with registered number SC386922)

(Adopted by special resolution passed on 27 June 2017)



Dickson Minto W.S.

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

HAMPDEN & CO PLC
(the "Company")

(Registered Number SC386922)
(Incorporated in Scotland on 12 October 2010)
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PRELIMINARY

1. Exclusion of model form articles

The regulations contained in The Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) and any amendment, re-enactment or substitution thereof from time to time shall not apply to the Company except insofar as they are repeated or contained in these Articles.

2. Liability of members

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

3. Unrestricted objects

In accordance with the 2006 Act the Company's objects shall be unrestricted.

4. Definitions

In these Articles unless the context otherwise requires:

"the 2006 Act"	means the Companies Act 2006 as amended from time to time;
"address"	has the meaning given to it in section 1148 of the 2006 Act;
"these Articles"	means these articles of association as altered from time to time and the expression "this Article" shall be construed accordingly;

"the Auditors"	means the auditors from time to time of the Company or, in the case of joint auditors, all or any one of them;
"the Board"	means the board of directors from time to time of the Company or the Directors present at a meeting of the Directors at which a quorum is present;
"Business Day"	means any day other than a Saturday, Sunday or a public holiday in England and Wales;
"CI Directors"	means the non-executive directors appointed to the Board by the Cornerstone Investors pursuant to Article 86 and " CI Director " shall mean any one of them;
"clear days"	means in relation to the period of a 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;
"Connected Person"	means any person connected with another person within the definition of connected persons contained in sections 1122 and 1123 of the Corporation Tax Act 2010;
"Controller Approval"	means the approval by the FCA and the PRA required pursuant to section 178 of FSMA of the acquisition of control over the Company (as defined in section 181 of FSMA) or increase in control of the Company (as defined in section 182 of FSMA) by a proposed shareholder or a Shareholder;
"Cornerstone Investors"	means: <ul style="list-style-type: none"> (a) Catlin Insurance Company Ltd.; (b) Hampden Holdings Limited together with any entity or entities controlled or managed by Hampden Holdings Limited (including, as at the date of the adoption of these Articles, Hampden & Co L.P.) (acting together); and (c) Miamoo Investment Trust PTY Ltd together with Euripides Investments Limited (acting together), and " Cornerstone Investor " shall be construed accordingly;
"Director"	means a director of the Company and " Directors " shall be construed accordingly;

"electronic form"	when describing a document or information means sent or supplied in electronic form in accordance with section 1168 of the 2006 Act;
"electronic means"	when describing a document or information means sent or supplied by electronic means in accordance with section 1168 of the 2006 Act;
"electronic signature"	means anything in electronic form, which the Board requires to be incorporated into, or otherwise associated with, a communication in electronic form for the purpose of establishing the authenticity or integrity of the communication;
"Exit Event"	is the first occurring of any of the following: (i) a sale of the whole of the business and undertaking of the Company, (ii) the liquidation of the Company, (iii) a change of control of the Company ("control" for these purposes being a person or persons acting in concert obtaining an interest in excess of 75% of the Voting Rights of the Company through the acquisition of Shares) or (iv) a Listing;
"Extraordinary Shareholder Consent"	means either (i) the consent in writing of the holders of not less than 60% by way of nominal value of the issued Ordinary Shares, or (ii) the sanction of a resolution by 60% or more of the votes cast by the holders of Ordinary Shares in favour of the relevant resolution (whether on a show of hands or on a poll) at a general meeting of the Company;
"FCA"	means the Financial Conduct Authority and any successor body or bodies;
"FSMA"	means the Financial Services and Markets Act 2000 as amended from time to time;
"Group"	means the Company, any subsidiary or holding company of the Company, and any subsidiaries of such holding company from time to time, and the foregoing definition of "Group" shall have a like meaning in respect of any other company where the context so requires;
"the holder"	in relation to any Shares means the member whose name is entered in the Register as the holder of those Shares;

"Listing"	means the admission of any of the shares of the Company (or of any new company (" ListCo ") formed for the purposes of a Listing) by the UK Listing Authority to its Official List in accordance with its Listing Rules and London Stock Exchange plc having admitted such shares to trading on its market for listed securities or the admission of any of the shares of the Company or ListCo to trading on the Alternative Investment Market of London Stock Exchange plc or any other recognised investment exchange (as defined in section 285 of FSMA);
"NED Reserved Matters"	means the matters which require either (i) the consent of a majority of the non-executive directors of the Company or (ii) the consent of each of the CI Directors (as applicable) as set out in the NED Reserved Matters Schedule;
"NED Reserved Matters Schedule"	means the schedule of NED Reserved Matters adopted by the Board on or around 12 March 2015 and as amended from time to time in accordance with the terms of such schedule;
"the Office"	means the registered office from time to time of the Company or in the case of sending or supplying documents or information by electronic means to the Company, the address specified by the Board for the purpose of receiving documents or information by electronic means;
"Ordinary Shares"	means ordinary shares of 5p each in the capital of the Company;
"paid up"	in relation to a Share, means paid up or credited as paid up;
"person entitled by transmission"	means a person whose entitlement to a Share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the Register;
"PRA"	means the Prudential Regulation Authority and any successor body or bodies;
"the Register"	means the register of members of the Company;
"Regulatory Business Plan"	means the Company's regulatory business plan dated 1 August 2013 (as amended from time to time);

"Remuneration Committee"	means the remuneration committee of the Board constituted in accordance with Article 115 which shall operate in accordance with the Remuneration Committee Terms of Reference;
"Remuneration Committee Terms of Reference"	means the Remuneration Committee terms of reference as adopted by the Board and as may be amended by the Board from time to time;
"seal"	means any common or official seal that the Company may be permitted to have under the Statutes;
"the secretary"	means the secretary, or (if there are joint secretaries) all or any one of the joint secretaries, of the Company and includes an assistant or deputy secretary and any person appointed by the Board to perform any of the duties of the secretary;
"Shareholder"	means any holder of any Share(s);
"Shares"	means Ordinary Shares;
"Statutes"	means the 2006 Act and every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company;
"United Kingdom"	means Great Britain and Northern Ireland; and
"Voting Rights"	means the right to receive notice of, attend (in person or by proxy), speak (in person or by proxy) and vote (in person or by proxy) at general meetings of the Company.

The expression "**debenture**" shall include "**debenture stock**".

The words "**subsidiary**" and "**holding company**" shall be construed in accordance with sections 1159 and 1160 of the 2006 Act and "**subsidiary**" shall be construed to include "**subsidiary undertaking**" as that term is defined in section 1162 of the 2006 Act.

Words importing the singular number only shall be deemed to include the plural, and *vice versa*.

Words importing the masculine gender only shall be deemed to include the feminine and neuter genders and *vice versa*.

Words importing individuals shall be deemed to include bodies corporate and unincorporated bodies or associations.

Expressions referring to "**in writing**" shall be construed as including references to any method of representing or reproducing words in a legible form other than in electronic form unless specifically provided for in a particular Article or where permitted by the Board in its absolute discretion.

References to a document being "**executed**" shall be construed as including references to it being executed under hand or under seal or by any other method, as permitted by the Board in its absolute discretion, except by means of an electronic signature.

References to a document being "**signed**" or to "**signature**" include references to it being executed under hand or under seal or by any other method, as permitted by the Board in its absolute discretion, and in the case of a communication in electronic form, are to it being an electronic signature (subject to such terms and conditions as the Board may from time to time determine).

Headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

Unless otherwise stated, any reference herein to the provisions of any statute shall extend to and include any amendment or re-enactment of or substitution for the same effected by any subsequent statute provided that no modification or re-enactment after the date of adoption of these Articles of any statutory provision, instrument, regulation or order in force at that date shall be construed as imposing on any person any greater obligation than would have been the case if the statutory provision, instrument, regulation or order in force at the date of adoption of these Articles continued to apply.

Subject as aforesaid, and unless the context otherwise requires, words and expressions defined in the 2006 Act shall bear the same meanings in these Articles.

Any words following the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

Where the context permits, "**other**" and "**otherwise**" are illustrative and shall not limit the sense of the words preceding them.

5. **Form of resolution**

- (A) Subject to the Statutes, where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.
- (B) Notwithstanding the provisions of the 2006 Act relating to members' written resolutions, a resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall, in accordance with the principle established in *Re Duomatic Limited* [1969] 2 Ch 265, be as effectual as if it had been passed at a general meeting properly convened and held and

may consist of several instruments in the like form each executed by or on behalf of one or more of the members.

6. Change of name

Subject to Article 107(b), the name of the Company may be changed by resolution of the Board.

SHARE CAPITAL

7. Issue of shares

Subject to Articles 107(b) and 148 and the provisions of the Statutes and to any rights previously conferred on the holders of any Shares, the Directors may offer, allot, issue, grant options or rights over or otherwise dispose of any shares in the Company to such persons, and at such times and for such consideration and upon such terms and conditions and with such preferred, deferred or other special rights or restrictions whether in regard to dividends, voting, return of capital or otherwise as the Board may determine, but so that no shares shall be issued at a discount.

8. Redeemable shares

Subject to the provisions of the Statutes and to any rights previously conferred on the holders of any Shares, any share may be issued which is to be redeemed, or is liable to be redeemed at the option of the Company or the holder, and the Board is authorised to determine the terms, conditions and manner of redemption of any such shares.

9. Warrants to subscribe for shares

The Company may, subject to Articles 107(b) and 148 and the provisions of the Statutes and of these Articles, issue warrants to subscribe for shares in the Company. Such warrants shall be issued upon such terms and subject to such conditions as may be resolved upon by the Board including, without prejudice to the foregoing generality, terms and conditions which provide that, on a winding up of the Company, a holder of warrants may be entitled to receive out of the assets of the Company available in the liquidation *pari passu* with the holders of shares of the same class as the shares in respect of which the subscription rights conferred by the warrants can be exercised such a sum as he would have received had he exercised the subscription rights conferred by his warrants prior to the winding up but under deduction of the price (if any) payable on exercise of such subscription rights.

10. Interests in Shares

The Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

Notwithstanding the above, the Company shall be entitled to register trustees as such in respect of any Shares.

11. Classes of Shares

The share capital of the Company is divided into Ordinary Shares.

12. Rights and restrictions attaching to the Shares

The rights and restrictions attaching to the Shares are as follows.

(A) Income

Any profits which the Directors may lawfully determine to distribute in respect of any financial period shall be paid on the Ordinary Shares.

(B) Capital on the liquidation of the Company

The capital and assets of the Company on the liquidation of the Company available for distribution to the members of the Company shall be distributed amongst the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held by them.

(C) Other Exit Event proceeds

In the event of a change of control of the Company ("control" for these purposes being a person or persons acting in concert obtaining an interest in excess of 75% of the Voting Rights of the Company through the acquisition of Shares) or the sale of the whole of the business and undertaking of the Company or upon a Listing, the proceeds payable to members in connection with any such Exit Event shall be apportioned amongst the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held by them.

(D) Voting

Each holder of Ordinary Shares shall have one vote for every such Share of which he is the holder.

(E) Class rights

In respect of the Ordinary Shares, each of the following matters shall be deemed to be a variation of the class rights:

- (a) any variation of Article 12 or Article 13 of these Articles; and
- (b) changes to these Articles (other than to comply with changes in law).

(F) No entrenched rights

The rights set out in this Article 12 are not entrenched provisions as referred to in Section 22 of the 2006 Act.

13. Variation of class rights

The Company shall not vary the class rights attached to any class of shares except (i) with the consent in writing of the holders of not less than 75% by way of nominal value of the shares of the relevant class or (ii) with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the relevant class.

To every such separate class meeting held to consider a variation of class rights, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be any person or persons holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him.

14. Payment of commission

The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent permitted by, and in accordance with, the Statutes. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

15. Right to share certificates

Subject to the provisions of these Articles, every person (except a person to whom the Company is not by law required to issue a certificate) whose name is entered in the Register as a holder of any Shares shall be entitled, without payment, to receive within any time limits prescribed by the Statutes, one certificate for all those Shares of any one class or several certificates each for one or more of the Shares of the class in question upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time decide. In the case of a Share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who transfers some but not all of the Shares comprised in a certificate shall be entitled to a certificate for the balance without charge. The Company shall not be bound to register more than four persons as the joint holders of a Share.

16. Replacement of share certificates

If a share certificate is defaced, worn out, lost or destroyed, it may be replaced without charge but on such terms (if any) as to evidence and indemnity as the Board may decide and, where it is defaced or worn out, after delivery of the old certificate to the Company. Any two or more certificates representing Shares of any one class held by any member shall at his request be cancelled and a single new certificate for such Shares issued in lieu. Any certificate representing Shares of any one class held by any member may at his request be cancelled and two or more certificates for such Shares may be issued instead. The Board may require the payment of any exceptional out-of-pocket expenses of the Company incurred in connection with the issue of any certificates under this Article. Any one of two or more joint holders may request replacement certificates under this Article.

17. Execution of share certificates

Every share certificate shall be executed under a seal (or under a securities seal or, in the case of Shares on a branch Register, an official seal for use in the relevant territory) or in such other manner as the Board having regard to the terms of issue may authorise, and shall specify the number and class of the Shares to which it relates and the amount or respective amounts paid up on the Shares. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be executed by any person.

LIEN**18. Company's lien on Shares not fully paid**

The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all amounts payable to the Company (whether presently or not) in respect of that Share. The Company's lien on a Share shall extend to every amount payable in respect of it. The Board may at any time either generally or in any particular case waive any lien that has arisen or declare any Share to be wholly or in part exempt from the provisions of this Article.

19. Enforcing lien by sale

The Company may sell, in such manner as the Board may decide, any Share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been served on the holder of the Share or the person who is entitled by transmission to the Share and who has supplied the Company with an address within the United Kingdom for the service of notices, demanding payment and stating that if the notice is not complied with the Share may be sold. For giving effect to the sale the Board may authorise some person to execute an instrument of transfer of the Share sold to or in accordance with the directions of the purchaser. The transferee shall not be bound

to see to the application of the purchase money, nor shall his title to the Share be affected by any irregularity or invalidity in relation to the sale.

20. Application of proceeds of sale

The net proceeds, after payment of the costs, of the sale by the Company of any Share on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the Share prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the Share sold) be paid to the person who was entitled to the Share at the time of the sale.

CALLS ON SHARES

21. Calls

Subject to the terms of issue, the Board may from time to time make calls upon the members in respect of any moneys unpaid on their Shares (whether on account of the nominal amount of the Shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the Company serving upon him at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be made payable by instalments. A call may be revoked or postponed, in whole or in part, as the Board may decide. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

22. Payment on calls

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

23. Liability of joint holders

The joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Share.

24. Interest due on non-payment

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding 15 per cent. per annum, as the Board may decide, and all expenses that have been incurred by the Company by reason of such non-payment, but the Board shall be at liberty in any case or cases to waive payment of the interest or expenses wholly or in part.

25. Sums due on allotment treated as calls

Any amount which becomes payable in respect of a Share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the Share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these Articles shall apply as if the sum had become due and payable by virtue of a call.

26. Power to differentiate

Subject to the terms of issue, the Board may on the issue of Shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment of such calls.

27. Payment of calls in advance

The Board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any Shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as the Board and the member paying such moneys in advance may agree.

FORFEITURE AND SURRENDER OF SHARES**28. Notice to pay unpaid calls and forfeiture**

If any member fails to pay in full any call or instalment on or before the day appointed for payment thereof, the Board may, at any time thereafter, serve a notice on him requiring him to pay so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which, and the place within the United Kingdom where, such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed, the Shares in respect of which such call or instalment is payable will be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, the Board may by resolution at any time thereafter, but before the payment of all calls or instalments and interest and expenses due in respect thereof has been made, forfeit any Share in respect of which such notice has been given. Such forfeiture shall extend to all dividends declared in respect of the Shares so forfeited and not actually paid before such forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Board. The Board may accept a surrender of any Share liable to be forfeited hereunder and, in that event, reference in these Articles to forfeiture shall include surrender.

29. Notice of forfeiture

Any person whose Shares have been forfeited or surrendered shall cease to be a member in respect of those Shares. When any Share has been forfeited in accordance with these Articles, notice of the forfeiture shall be served upon the person who was, before forfeiture, the holder of the Share, or the person entitled to the Share by transmission, and an entry of the forfeiture or surrender, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.

30. Forfeited Shares to be the property of the Company

A Share so forfeited or surrendered shall become and be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of to such person (including the person who was before such forfeiture or surrender the holder thereof or entitled thereto) and in such manner and upon such terms, either subject to or discharged from all calls made or instalments due prior to the forfeiture or surrender, as the Board thinks fit; provided that the Company shall not exercise any voting rights in respect of such Share. Any such Share not disposed of in accordance with the foregoing provision of this Article within a period of three years from the date of its forfeiture or surrender shall thereupon be cancelled in accordance with the provisions of the Statutes. For the purpose of giving effect to any such sale or other disposition the Board may authorise some person to transfer the Share so sold or otherwise disposed of to the purchaser thereof or other person becoming entitled thereto.

31. Board may annul forfeiture

The Board may, at any time before any Share so forfeited or surrendered shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as it thinks fit.

32. Forfeiture not to extinguish liability to pay

Any person whose Shares have been forfeited or surrendered shall, notwithstanding that he shall have ceased to be a member in respect of those Shares, remain liable to pay to the Company all moneys which, at the date of the forfeiture or surrender, were presently payable by him to the Company in respect of the Shares, together with interest thereon at the rate of 15 per cent. per annum (or such lower rate as the Board may determine) from the time of forfeiture or surrender until the time of payment, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares, together with interest as aforesaid. The Board may at its absolute discretion enforce payment without any allowance for the value of the Shares at the time of forfeiture or surrender or for any consideration received on their disposal or waive payment in whole or in part.

33. Statutory declaration as to forfeiture

A statutory declaration that the declarant is a Director of the Company or the secretary and that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is sold or otherwise disposed of shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale or disposal.

TRANSFER OF SHARES**34. Transfer**

Subject to the restrictions on transfer set out in these Articles, any member may transfer all or any of his Shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid Share) the transferee, and the transferor shall be deemed to remain the holder of the Share concerned until the name of the transferee is entered in the Register in respect of it. All instruments of transfer, when registered, may be retained by the Company.

The instrument of transfer shall be left at the Office or such other place as the Board may from time to time determine accompanied (save in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the Share to which it relates and such other evidence as the Board may reasonably require to show the right of the person executing the instrument of transfer to make the transfer. If stamp duty is generally chargeable on transfers of Shares the instrument of transfer must be duly stamped or adjudged or certified as not chargeable to stamp duty. An instrument of transfer shall be in respect of only one class of share and in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred must not exceed four. No fee shall be charged by the Company for

registering any transfer, document or instruction relating to or affecting the title to any Share or for making any other entry in the Register.

35. In these Articles, reference to the transfer of a Share includes without limitation, each of the following:-

- (a) any sale or other disposition or transfer or transmission including by way of mortgage, charge or other security interest of the whole or any part of the legal or beneficial interest in any Shares (including any voting right attached to it or issue of a derivative interest in a Share or contract for differences or any naked total return swaps) (i) whether or not by the relevant holder, (ii) whether or not for consideration, (iii) whether or not effected by an instrument in writing and (iv) whether or not made voluntarily or by operation of law;
- (b) the grant of any option or other rights over the whole or any part of the legal or beneficial or equitable or economic interest in any Shares (including any total return swap); and
- (c) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted or transferred to some person other than himself.

36. Subject to Article 34 and, if applicable, to Controller Approval being obtained in relation to the relevant transfer, Ordinary Shares shall be freely transferable.

Subject to the provisions of this Article, the Directors must register any duly stamped transfer made in accordance with these Articles and shall not refuse to register any transfer of Shares made in compliance with these Articles.

37. **Notice of refusal**

If the Board declines to register a transfer of a Share it shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal, together with its reasons for refusal.

TRANSMISSION OF SHARES

38. **Transmission on death**

If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his Shares; but nothing contained in these Articles shall release the estate of a deceased holder from any liability in respect of any Share held by him solely or jointly with other persons.

39. Entry of transmission in register

Where the entitlement of a person to a Share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof cause the entitlement of that person to be noted in the Register.

40. Election of person entitled by transmission

Any person entitled by transmission to a Share may, subject as provided elsewhere in these Articles, elect either to become the holder of the Share or to have some person nominated by him registered as the holder. If he elects to be registered himself he shall give notice to the Company to that effect. If he elects to have another person registered, he shall transfer title to the Share to that person. The Board may at any time give notice requiring the person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within sixty days the Board may withhold payment of all dividends and other moneys payable in respect of the Share until the requirements of the notice have been complied with. All the provisions of these Articles relating to the transfer of, and registration of transfers of, Shares shall apply to the notice or transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or transfer was given or executed by the member.

41. Rights of person entitled by transmission

Where a person becomes entitled by transmission to a Share, the rights of the holder in relation to that Share shall cease, but the person entitled by transmission to the Share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the Share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the Share (except with the authority of the Board) to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of Shares in the Company.

ALTERATION OF SHARE CAPITAL**42. Fractions**

Subject to any direction by the Company in general meeting, whenever as a result of any consolidation and division or sub-division of Shares any members of the Company would become entitled to any issued Shares of the Company in fractions, the Board may deal with such fractions as it shall determine and in particular may sell the Shares to which members would become so entitled in fractions to any person (including, subject to the provisions of the Statutes, the Company) for the best price reasonably obtainable and pay and distribute to and amongst the members entitled to such Shares, in due proportions, the net proceeds of the sale thereof provided that where the entitlement of a member is to a sum of less than £5.00 then such sum may be retained by the Company for its own benefit. For the purpose of giving effect to any such sale the Board may authorise some person to transfer or deliver the Shares to,

or in accordance with the directions of, the purchaser and may cause the name of the purchaser to be entered in the Register as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

43. Reduction of capital

Subject to Article 148, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account, any redenomination reserve or any other undistributable reserve in any manner permitted by, and in accordance with, the Statutes.

GENERAL MEETINGS

44. General meetings

Any general meeting of the Company other than an annual general meeting shall be called a general meeting.

45. Annual general meetings

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Statutes.

46. Convening of general meetings

The Board may convene a general meeting whenever it thinks fit.

47. Separate general meetings

The provisions of these Articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of shares of a class convened otherwise than in connection with the variation or abrogation of the rights attached to the shares of that class.

48. General meetings at more than one place

The provisions of Articles 49 to 52 shall apply if any general meeting is convened at, or adjourned to, more than one place.

49. Notice and conditions of holding meetings

The notice of the meeting or adjourned meeting shall specify the place at which the chairman of the meeting shall preside (the "**Specified Place**"), and the Board shall make arrangements for simultaneous attendance and participation at that or any other place by members, provided that persons attending at any particular place shall be able to see and hear, and be seen and heard by, persons attending at the other place or places at which the meeting is convened.

50. Controlling level of attendance

The Board may, from time to time, make such arrangements for the purpose of controlling the level of attendance at any place of a general meeting as they shall, in their absolute discretion, consider appropriate, and may from time to time vary any such arrangements or make any new arrangements in place of them, provided that the entitlement of a member to attend a meeting or adjourned meeting shall be satisfied by his being given the entitlement to attend at such place (fulfilling the conditions specified in Article 49) as may be specified by the Board for the purposes of this Article 50.

51. Deemed location of meeting

For the purposes of all other provisions of these Articles any such meeting shall be treated as being held at the Specified Place.

52. Adjournment to more than one place

If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these Articles.

NOTICE OF GENERAL MEETINGS

53. Length of notice

An annual general meeting shall be convened by not less than twenty-one clear days' notice in writing. Subject to the Statutes, all other general meetings shall be convened by not less than fourteen clear days' notice in writing. The notice shall specify:

- (i) the place, day and time of the meeting;
- (ii) the general nature of the business to be transacted;
- (iii) the address of any website where information relating to the meeting is available; and
- (iv) the Record Date.

Notice of every general meeting shall be given to all members other than any who, under the provisions of these Articles or the terms of issue of the Shares they hold, are not entitled to receive such notices from the Company, every Director, and also to the Auditors or, if more than one, each of them.

For the purposes of this Article 53, "**Record Date**" shall mean the date specified by the Board in accordance with the Statutes determining the right to vote at a general meeting.

References in this Article to a notice "**in writing**" includes the use of communications in electronic form and/or publication on a web-site in accordance with the Statutes.

54. Short notice

Subject to the Statutes and notwithstanding that a meeting of the Company is convened by shorter notice than that specified in Article 53, it shall be deemed to have been properly convened if it is so agreed:

- (i) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the Shares giving that right.

55. Omission or non-receipt of notice

To the fullest extent permitted by law, the accidental omission to give any notice of a meeting or the accidental omission to send any document, including a proxy form, relating to any meeting to, or the non-receipt of any such notice or document by, any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting.

56. Postponement of general meetings

If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another date, time and/or place. The Board shall take reasonable steps to ensure that notice of the date, time and place of the postponed meeting is given to any member trying to attend the meeting at the original time and place. Notice of the date, time and place of the postponed meeting shall, if practicable, also be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting shall not be required. If a meeting is rearranged in this way, proxy forms will be valid if they are delivered in accordance with the provisions of these Articles as if the general meeting had been originally convened on the date for the holding of the postponed meeting.

PROCEEDINGS AT GENERAL MEETINGS**57. Quorum**

No business shall be transacted at any general meeting unless a quorum of members is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two members present in person or by proxy or by a duly authorised corporate representative and entitled to vote shall be a quorum for all purposes.

58. Procedure if quorum not present

If a quorum is not present within half an hour of the time appointed for a general meeting (or an adjourned meeting) the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to such day and at such time and place as the Directors may determine.

59. Security arrangements

The Board may direct that persons wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to, or to authorise some one or more persons who shall include a Director or the secretary or the chairman of the meeting to, refuse entry to, or to eject from, such general meeting any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

60. Chairman of general meeting

The chairman (if any) of the Board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a Director longest shall take the chair. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman. The chairman of the meeting shall not have a second or casting vote.

61. Orderly conduct

The chairman shall take such action or give directions for such action to be taken as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting. The chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

62. Entitlement to attend and speak

Each Director shall be entitled to attend and speak at any general meeting and at any separate general meeting of the Company. The chairman may invite any person to attend and speak at any general meeting of the Company where he considers that this will assist in the deliberations of the meeting.

63. Adjournments

The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place where it appears to him that (a) the members, proxies and corporate representatives wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting either indefinitely or to another time or place. When a meeting is adjourned indefinitely the time and place for the adjourned meeting shall be fixed by the Board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

64. Notice of adjournment

When a meeting is adjourned for 30 days or more, or indefinitely, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where these Articles or the Statutes otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

AMENDMENTS**65. Amendments to resolutions**

In the case of a resolution duly proposed as a special resolution or duly proposed pursuant to Article 148 no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon; in the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon unless either at least forty-eight hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office or the chairman in his absolute discretion decides that it may be considered or voted upon.

66. Amendments ruled out of order

If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

67. No resolution not previously approved by the Directors shall be moved by any member other than a Director at a general meeting unless the member intending to

move the same shall have left a copy thereof with his name and address at the Office three clear days prior to such meeting.

VOTING

68. Votes of members

(A) Votes on a show of hands

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held and to any other provisions of these Articles or the Statutes, on a vote on a resolution on a show of hands at a general meeting:

- (i) every member who is present in person shall have one vote;
- (ii) every duly authorised corporate representative who is present shall have one vote;
- (iii) subject to Articles 68(A)(iv) and (v), every proxy present who has been duly appointed by one or more members entitled to vote on the resolution shall have one vote;
- (iv) if a proxy has been duly appointed by more than one member entitled to vote on the resolution and the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it then the proxy shall have one vote for and one vote against the resolution; and
- (v) if a proxy has been duly appointed by more than one member entitled to vote on the resolution and has been granted both discretionary authority to vote on behalf of one or more of those members and firm voting instructions on behalf of one or more other members, the proxy shall not be restricted by the firm voting instructions in casting a second vote in any manner he so chooses under the discretionary authority conferred upon him.

(B) Votes on a poll

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held and to any other provisions of these Articles or the Statutes, on a vote on a resolution on a poll at a general meeting:

- (i) every member who is present in person shall have one vote for every Share of which he is the holder;
- (ii) every duly authorised corporate representative who is present may exercise all the powers on behalf of the company which authorised him to act as its representative and shall have one vote for every

Share in respect of which he is appointed corporate representative;
and

- (iii) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution shall have one vote for every Share in respect of which he is appointed as proxy, provided always that where a member appoints more than one proxy, this Article 68(B)(iii) does not authorise the exercise by such proxies taken together of more extensive voting rights than could be exercised by the member in person.

(C) Proxies and corporate representatives voting in accordance with instructions

The Company shall be under no obligation to verify whether or not proxies and corporate representatives have cast their votes in accordance with their instructions. To the extent that a proxy or corporate representative has voted other than in accordance with any instructions the vote(s) in question shall stand and shall not in any way be invalidated and shall not vitiate the relevant resolution.

69. Method of voting

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. Subject to the Statutes, a poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) any member present in person or by proxy or represented by duly authorised corporate representative and entitled to vote.

Unless a poll is so demanded following a vote on a show of hands and the demand is not withdrawn, a declaration by the chairman that a resolution on a show of hands has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

70. Procedure if poll demanded

If a poll is properly demanded it shall be taken in such manner as the chairman of the meeting shall direct. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may (and, if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

71. When poll to be taken

A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such date (being not later than fourteen days after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

72. Continuance of other business after poll demand

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded, and it may be withdrawn, with the consent of the chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

73. Votes cast in advance

To the extent that the Board decides to do so and subject to such terms as may be imposed by the Board to ensure the identification of the person voting and only to the extent that such terms are proportionate to the achievement of that objective, the votes on a resolution on a poll taken at a meeting may include votes cast in advance of that meeting.

74. Votes on a poll

On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend, speak and vote on his behalf on the same occasion, provided the proxies are appointed in respect of separate Shares.

75. Votes of joint holders

In the case of joint holders of a Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

76. Voting on behalf of incapable member

A member in respect of whom an order has been made by any competent court or other suitably qualified person that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company and may exercise any other right conferred by membership in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote on a poll by proxy), provided that evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote or such other right has been delivered at the Office (or at such other

place as may be specified in accordance with these Articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

77. No right to vote where sums overdue on Shares

No member shall, unless the Board otherwise decides, be entitled in respect of any Share held by him to vote (either personally or by proxy) at any general meeting of the Company or at any separate general meeting of the holders of any class of Shares in the Company or to exercise any other right conferred by membership in relation to general meetings unless all calls or other sums presently payable by him in respect of that Share have been paid.

78. Objections or errors in voting

If:

- (i) any objection shall be raised to the qualification of any voter; 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 shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

PROXIES

79. Execution of proxies

An instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or signed by an officer, attorney or other person authorised to sign it.

In this Article, references to "in writing" include the use of signed communications in electronic form subject to such terms and conditions (including as to signatures) as the Board may from time to time prescribe.

80. Delivery of proxies

- (A) The appointment of a proxy, and any authority under which it is signed or a copy of such authority certified notarially or in some other way approved by the Board, shall, subject to Article 80(B):

- (i) in the case of an instrument in writing, be deposited at the Office, or at such other place (if any) within the United Kingdom and by such time as is specified for that purpose in or by way of note to the notice convening the meeting; or
 - (ii) in the case of an appointment contained in electronic form, be received at such address and by such time as is specified by the Company on a website or by way of note to the notice convening the meeting.
- (B) The time specified pursuant to Article 80(A) for the deposit and/or receipt of a proxy in respect of a meeting or adjourned meeting or the vote by poll:
 - (i) in the case of a meeting, or adjourned meeting, cannot be more than 48 hours (excluding days which are not Business Days) prior to the time for holding the meeting or adjourned meeting at which it is proposed that the proxy appointed by the member will vote; or
 - (ii) in the case of a poll taken more than 48 hours after it is demanded cannot be more than 24 hours (excluding days which are not Business Days) before the time appointed for the taking of the poll or, as the case may be, the time fixed for holding the adjourned meeting; or
 - (iii) in the case of a poll taken not more than 48 hours after it is demanded at a meeting, cannot be more than 48 hours (excluding days which are not Business Days) prior to the meeting at which the poll is demanded.
- (C) Failure to deposit, receive or deliver the appointment of a proxy in accordance with the requirements set out above shall entitle the Company to treat such instrument as being invalid save that the Directors may, in their absolute discretion, treat such an instrument as valid notwithstanding any default in complying with the requirements set out above.
- (D) Nothing in this Article shall prejudice the continuing authority of a validly appointed proxy to attend, speak and vote on any resolution demanded at a meeting in respect of which he is validly appointed whenever taken or to attend, speak and vote at an adjourned meeting (whose business has been adjourned from a meeting in respect of which he has been validly appointed) whenever held. When two or more valid but differing appointments of proxy are delivered in respect of the same Share for use at the same meeting, the one which is last delivered or received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the others as regards that Share. If the Company is unable to determine which was last delivered or received, none of them shall be treated as valid in respect of that Share. Delivery of an instrument appointing a proxy shall not preclude a member from attending, speaking and voting in person at the meeting or poll concerned.

81. Maximum validity of proxy

No appointment of a proxy shall be valid after twelve months have elapsed from the date stated in it as the date of its signature save that, unless the contrary is stated in it, an appointment of a proxy shall be valid for use at an adjourned meeting or on a poll after a meeting or an adjourned meeting even after twelve months, if it was valid for the original meeting.

82. Form of proxy

Appointments of proxy shall be in any usual form (including, without limitation, in electronic form) or in such other form as the Board may approve and the Board may, if it thinks fit, but subject to the provisions of the Statutes, send out with the notice of any meeting forms of proxy for use at the meeting. The appointment of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit.

83. Cancellation of proxy's authority

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, or the previous death or insanity of the principal, unless notice in writing of the determination, death or insanity was received by the Company:

- (i) in the case of an instrument in writing at the Office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document); or
- (ii) in the case of a communication in electronic form to such address specified for the purpose of the meeting, proxy form or in any communication in electronic form issued by the Company inviting Shareholders to appoint a proxy,

not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

CORPORATIONS ACTING BY REPRESENTATIVES**84. Representatives of corporations**

Any corporation (other than the Company itself) which is a member of the Company may by resolution of its board of directors or other governing body authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any separate meeting of the holders of any class of Shares and, subject to the terms of the Statutes, the corporation shall for the

purposes of these Articles be deemed to be present in person at any such meeting at which a person or persons so authorised is present.

APPOINTMENT AND REMOVAL OF DIRECTORS

85. Number and composition of Directors

Subject to the following provisions of these Articles (including Article 86), and unless otherwise determined by special resolution of the Company, the number of Directors (disregarding alternate directors) shall not be less than two and shall not be more than twelve and, save as required by law or regulation or by any court or regulatory body having jurisdiction over the Company (including, without limitation, the PRA and the FCA) a majority of the Directors from time to time shall be non-executive directors.

86. Right to appoint CI Directors

(a) Subject to Article 86(b) and for so long as a Cornerstone Investor maintains a holding of at least 10% of the Ordinary Shares in issue it shall have the right to appoint, by giving notice in writing to the Company, and maintain in office one non-executive director and shall be entitled to remove and replace that CI Director in the same manner.

(b) A CI Director shall only be appointed as a director after and for so long as the Company has obtained and holds the necessary consents or approvals from the PRA and/or the FCA which are required (pursuant to applicable laws and regulations) to appoint the CI Director as a director of the Company.

87. Directors' shareholding qualification

No shareholding qualification for Directors shall be required.

88. Power of the Shareholders to appoint directors

Subject to the provisions of these Articles (including Article 86), the Shareholders may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of Directors (and the total number of executive Directors) shall not at any time exceed any maximum number fixed or permitted by or in accordance with these Articles.

89. Power of the Board to appoint directors

Without prejudice to the power of the Shareholders in general meeting pursuant to any of the provisions of these Articles to appoint any person to be a Director (including Article 86), the Board may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of Directors (and the total number of executive Directors) shall not at any time exceed any maximum number fixed or permitted by or in accordance with these Articles.

90. Persons eligible to be appointed as Directors at any general meeting

No person other than a Director retiring at the meeting or a person recommended by the Board shall be appointed or re-appointed as a Director at any general meeting unless not less than seven nor more than forty-two days before the day appointed for the meeting, notice signed by a member qualified to vote at the meeting (not being the person to be proposed) has been given to the secretary of the intention to propose that person for appointment or re-appointment together with notice signed by that person of his willingness to be appointed or re-appointed.

91. Position of retiring Directors

A Director who retires at an annual general meeting may, if willing to continue to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

92. Vacation of office by Directors

Without prejudice to the other provisions contained in these Articles, the office of a Director shall be vacated if:

- (i) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board; or
- (ii) by notice in writing delivered to the Office or tendered at a meeting of the Board he offers to resign and the Board resolves to accept such offer; or
- (iii) by notice in writing delivered to the Office or tendered at a meeting of the Board, his resignation is requested by all of the other Directors; or
- (iv) a registered medical practitioner who is treating that Director gives a written opinion to the Company stating that that Director has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or
- (v) by reason of a Director's mental health, a court makes an order which wholly or partly prevents that Director from personally exercising any powers or rights which that Director would otherwise have; or
- (vi) he is absent without the permission of the Board from meetings of the Board (whether or not an alternate director appointed by him attends) for six consecutive months and the Board resolves that his office is vacated; or
- (vii) he becomes bankrupt or compounds with his creditors generally; or
- (viii) he is prohibited by law from being a Director; or
- (ix) he ceases to be a Director by virtue of the Statutes or is removed from office pursuant to these Articles.

If a Director vacates his office for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

In this Article, references to "in writing" includes the use of communications in electronic form subject to such terms and conditions as the Board may decide.

93. Alternate directors

- (A) Each Director may appoint any person to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a Director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to its being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing signed by the appointer and delivered to the Office or tendered at a meeting of the Board, or in any other manner approved by the Board. An alternate director shall be entitled to receive notice of all meetings of the Board or of committees of the Board of which his appointer is a member. He shall also be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and at such meeting to exercise and discharge all the functions, powers, rights and duties of his appointer as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.
- (B) Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall during his appointment be an officer of the Company. An alternate director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a Director. An alternate director shall not be entitled to receive from the Company any fee in his capacity as an alternate director but the Company shall, if so requested in writing by the appointer, pay to the alternate director any part of the fees or remuneration otherwise due to the appointer.
- (C) A Director or any other person may act as an alternate director to represent more than one Director. Every person acting as an alternate director shall have one vote for each Director for whom he acts as alternate, in addition to his own vote if he is also a Director but he shall count as only one for the purposes of determining whether a quorum is present. Signature by an alternate director of any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as signature by his appointer.
- (D) An alternate director shall automatically cease to be an alternate director if his appointer ceases for any reason to be a Director except that, if at any meeting any Director retires but is reappointed or deemed to be reappointed at the same meeting, any appointment made by him pursuant to this Article

which was in force immediately before his retirement shall remain in force as though he had not retired.

- (E) In this Article, references to "in writing" include the use of communications in electronic form subject to such terms and conditions as the Board may decide.

94. Executive directors

The Board or any committee authorised by the Board may from time to time appoint one or more Directors to hold any employment or executive office with the Company for such period (subject to the provisions of the Statutes) and upon such other terms as the Board or any committee authorised by the Board may in its discretion decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the Director may have against the Company or the Company may have against the Director for any breach of any contract of service between him and the Company which may be involved in the revocation or termination. Subject to Article 148, a Director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, and either in addition to or in lieu of his remuneration as a Director.

FEES, REMUNERATION, EXPENSES AND PENSIONS

95. Directors' fees

The Directors shall be paid, out of the funds of the Company by way of fees for their services as Directors, such sums (if any), and such benefits in kind, as the Board may from time to time determine, subject to Article 148 and such remuneration shall be divided between the Directors as the Board shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day. The provisions of this Article shall not apply to the remuneration of any Director who is appointed to any executive office (whether part time or full time) which remuneration shall be established pursuant to the provisions of Articles 94 and 148.

96. Additional remuneration

Any Director who is appointed to any executive office or who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may in its discretion, subject to Article 148, decide in addition to any remuneration provided for by or pursuant to any other Article.

97. Expenses

Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings of the Company or any other meeting which as a Director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director.

98. Pensions and gratuities for Directors

Subject to Article 148 the Board or any committee authorised by the Board may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any Director or former Director or the relations, connections or dependants of any Director or former Director provided that no benefits (except such as may be provided for by any other Article) may be granted to or in respect of a Director or former Director who has not been employed by, or held an executive office or place of profit under, the Company or any body corporate which is or has been its subsidiary undertaking or any predecessor in business of the Company or any such body corporate without Extraordinary Shareholder Consent. No Director or former Director shall be accountable to the Company or the members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

DIRECTORS' INTERESTS**99. Permitted interests and voting**

Paragraphs (A) to (I) of this Article are subject to the provisions of the Statutes and to the provisions of paragraphs (J) to (P).

- (A) No Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company or the members for any remuneration, profit or other benefit realised by the contract by reason of the Director holding that office or of the fiduciary relationship thereby established.
- (B) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period (subject to the provisions of the Statutes) and upon such other terms as the Board may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may, subject to Article 148 decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other Article.

- (C) A Director may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in the other company. The Board may also cause any voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as Directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company.
- (D) A Director may act by himself or his firm in a professional capacity (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (E) A Director shall not be counted in the quorum of any Board meeting nor vote on any resolution proposed at such meeting which concerns his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in that case each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another Director to an office or place of profit with a company in which the Company is interested and the Director seeking to vote or be counted in the quorum owns one per cent. or more of it.
- (F) Save as otherwise provided by these Articles, a Director shall not be counted in the quorum of any Board meeting nor vote on any resolution proposed at such meeting in respect of any actual or proposed transaction or arrangement with the Company in which he has an interest which (taken together with any interest of any person connected with him) is to his knowledge an interest of which he is aware, or ought reasonably to be aware, does conflict, or can reasonably be regarded as likely to give rise to a conflict, with the interests of the Company and, if he shall do so, his vote shall not be counted, but this prohibition shall not apply to any resolution where that material interest arises only from one or more of the following matters:
- (i) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or by any

- other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
 - (iv) any contract in which he is interested by virtue of his interest in Shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
 - (v) any contract concerning any other company (not being a company in which the Director owns one per cent. or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
 - (vi) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;
 - (vii) any contract for the benefit of the employees of the Company or of any of its subsidiary undertakings under which he benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom the contract relates; and
 - (viii) any contract for the purchase or maintenance of insurance against any liability for, or for the benefit of, any Director or Directors or for, or for the benefit of, persons who include Directors.
- (G) A company shall be deemed to be a company in which a Director owns one per cent. or more if and so long as (but only if and so long as) he, taken together with any person connected with him, is to his knowledge (either directly or indirectly) the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of that company or of the voting rights available to members of that company. For the purpose of this paragraph of this Article there shall be disregarded any shares held by the Director or any such person as bare or custodian trustee and in which he has

no beneficial interest, any shares comprised in a trust in which his, or any such person's, interest is in reversion or remainder if and so long as some other person is entitled to receive the income of the trust and any shares comprised in an authorised unit trust scheme in which he, or any such person, is interested only as a unit holder.

- (H) Where a company in which a Director owns one per cent. or more is interested in a contract, he also shall be deemed to be interested in that contract.
- (I) If any question shall arise at any meeting of the Board as to whether the interest of a Director gives rise to a conflict, or could reasonably be regarded as likely to give rise to a conflict, with the interests of the Company or as to the entitlement of any Director to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be decided by a resolution of the Board (for which purpose the Director in question shall not be counted in the quorum and provided that the resolution was agreed to without the Director in question voting or would have been agreed if their votes had not been counted) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the Director (so far as it is known to him) has not been fairly disclosed to the Board.
- (J) A Director who is in any way, whether directly or indirectly, interested in an actual or proposed transaction or arrangement with the Company shall declare the nature and extent of his interest at the meeting of the Board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
- (K) References in this Article to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.
- (L) In respect of any situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, the Board may authorise the matter, on such terms as they may determine, provided that:

- (i) the Director has declared the full nature and extent of the situation to the Board; and
 - (ii) it is proposed (either by the Director in question or another) that the Board authorise the matter and upon the resolution to do so the requirement for the quorum is met without counting the Director in question and the resolution was agreed to without such Director voting or would have been agreed to if that conflicted Director's vote had not been counted.
- (M) Any terms determined by the Board under paragraph (L) of this Article may be imposed at the time of authorisation or may be imposed subsequently and may include (without limitation):
- (i) the exclusion of the interested Director in question from all information and discussion by the Company of the situation in question; and
 - (ii) (without prejudice to the general obligations of confidentiality) the application to the interested Director of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the situation in question.
- (N) An interested Director under this Article 99 must act in accordance with any terms determined by the Board pursuant to paragraphs (L) or (M) of this Article.
- (O) Any authorisation given by the Board under paragraph (L) of this Article may provide that, where the interested Director obtains (other than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- (P) Subject to the provisions of the Statutes, the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract not properly authorised by reason of a contravention of this Article.

POWERS AND DUTIES OF THE BOARD

100. General powers of the Company vested in the Board

Subject to the provisions of the Statutes and these Articles and to any directions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. No alteration of these Articles and no special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or

that resolution had not been passed. The powers given by this Article shall not be limited by any special power given to the Board by any other Article.

101. Borrowing and other powers

Subject to Article 107(b), the Directors may exercise all the powers of the Company without limit as to amount to borrow and raise money and to accept money on deposit and to grant any security, mortgage, charge or discharge as they may consider fit for any debt or obligation of the Company or which is binding on the Company in any manner or way in which the Company is empowered so to grant and similarly as they may consider fit to enter into any guarantee, contract of indemnity or suretyship in any manner or way in which the Company is empowered so to enter into.

102. Agents

Subject to Article 107(b), the Board may, by power of attorney or otherwise, appoint any person or body of persons whether nominated directly or indirectly by the Board to be the agent of the Company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to sub-delegate). The Board may remove any person appointed under this Article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

103. Delegation to individual Directors

The Board may entrust to and confer upon any Director any of its powers, authorities and discretions (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

104. Official seals

The Company may exercise all the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the Board.

105. Registers

Subject to the provisions of the Statutes, the Company may keep an overseas or local or other Register in any place and the Board may make and vary such regulations as it may think fit respecting the keeping of the Register.

106. Provision for employees

The Board may exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow director) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

PROCEEDINGS OF THE BOARD**107. Board meetings**

- (a) Subject to Article 107(b), the Board shall meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.
- (b) The Board shall conduct its business in accordance with the Remuneration Committee Terms of Reference and the NED Reserved Matters Schedule and any other regulations or terms of reference adopted by the Board from time to time.
- (c) A Director at any time may, and the secretary on the requisition of a Director at any time shall, summon a Board meeting.

108. Notice of board meetings

Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent and if no request is made to the Board it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive the requirement for him to receive notice of any meeting either prospectively or retrospectively. In this Article, references to "in writing" includes the use of communications in electronic form subject to such terms and conditions as the Board may decide.

109. Quorum

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be three Directors (to include two non-executive directors of which one must be an independent non-

executive director). Subject to the provisions of these Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

110. Directors below minimum through vacancies

The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in their number but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles or is below the number fixed by or in accordance with these Articles as the quorum or there is only one continuing Director, the continuing Directors or Director may act for the purpose of filling vacancies or of summoning general meetings of the Company but not for any other purpose. If there are no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

111. Appointment of chairman

The Board may appoint a Director to be the chairman or a deputy chairman of the Board, and may at any time remove him from that office. The chairman or failing him a deputy chairman shall act as chairman at every meeting of the Board. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a Director longest shall take the chair. But if no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

112. Competence of meetings

A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

113. Voting

Save in the case of any NED Reserved Matters, questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote. A vote in respect of any NED Reserved Matters shall also require a majority of the non-executive directors to vote in favour. The chairman of the meeting will not have any second or casting vote in respect of such NED Reserved Matters.

114. Delegation to Committees

(A) The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or

persons (whether a member or members of its body or not) as it thinks fit, provided that the majority of persons on any committee or sub-committee must be Directors. References in these Articles to committees include sub-committees permitted under this Article.

- (B) Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board (including, without limitation, any applicable terms of reference of that committee). The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.
- (C) The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

115. Appointment and composition of the Remuneration Committee

- (A) The Board shall appoint a Remuneration Committee which shall comprise only non-executive directors.
- (B) The number of non-executive directors appointed to the Remuneration Committee shall not be less than three and shall not be more than five and shall include one CI Director (for so long as at least one CI Director has been appointed pursuant to Article 86).

116. Terms of Reference of the Remuneration Committee

The Remuneration Committee shall conduct its business in accordance with the Remuneration Committee Terms of Reference.

117. Validity of acts of the Board or a committee

All acts carried out by the Board or by any committee or by any person acting as a Director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or committee or person so acting or that they or any of them were disqualified from holding office or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

118. Participation in meetings by telephone

All or any of the members of the Board or any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

119. Resolution in writing

A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (if that number is sufficient to constitute a quorum) or by all the members of a committee for the time being so entitled shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of the committee properly called and constituted. In this Article, references to "in writing" include the use of communications in electronic form.

SECRETARY**120. Appointment and removal of the secretary**

Subject to the provisions of the Statutes, the secretary shall be appointed by the Board for such term and upon such conditions as the Board may think fit; and any secretary so appointed may be removed by the Board. The secretary shall receive such remuneration as the Board or any committee authorised by the Board shall decide.

SEALS**121. Use of seals**

The Board shall provide for the custody of every seal of the Company. A seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, and to any resolution of the Board or committee of the Board dispensing with the requirement for counter-signature on any occasion, any instrument to which the common seal is applied shall be signed by at least one Director and the secretary, or by at least two Directors or by such other person or persons as the Board may approve. Any instrument to which an official seal is applied need not, unless the Board for the time being otherwise decides or the law otherwise requires, be signed by any person.

DIVIDENDS AND OTHER PAYMENTS**122. Declaration of dividends by the Company**

Subject to the provisions of the Statutes and Article 107(b), the Company may by ordinary resolution from time to time declare dividends in accordance with the

respective rights of the members, but no dividend shall exceed the amount recommended by the Board.

123. Payment of interim and fixed dividends by Board

Subject to the provisions of the Statutes and Article 107(b), the Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it shall not incur any liability to the holders of any Shares for any loss they may suffer in consequence of the payment of an interim or fixed dividend on any other class of Shares ranking *pari passu* with or after those Shares.

124. Calculation and currency of dividends

Except in so far as the rights attaching to or the terms of issue of any Share otherwise provides, or the members' resolution to declare or Directors' decision to pay a dividend specify otherwise:

- (i) all dividends shall be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on a Share in advance of calls shall be treated for the purposes of this Article as paid up on that Share;
- (ii) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid; and
- (iii) dividends may be declared or paid in any currency.

The Board may agree with any member that dividends which may at any time or from time to time be declared or become due on his Shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

125. Amounts due on Shares may be deducted from dividends

The Board may deduct from any dividend or other moneys payable to a member by the Company on or in respect of any Shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of Shares of the Company. Sums so deducted can be used to pay amounts owing to the Company in respect of the Shares.

126. No interest on dividends

Subject to the rights attaching to, or the terms of issue of, any Shares, no dividend or other moneys payable by the Company on or in respect of any Share shall bear interest against the Company.

127. Payment procedure

Any dividend or other sum payable in cash by the Company in respect of a Share may be paid by cheque, warrant or similar financial instrument sent by post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the Shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct.

Every cheque, warrant or similar financial instrument shall, unless the holder or joint holders otherwise direct, be made payable to the holder or, in the case of joint holders, to the holder whose name stands first on the Register in respect of the Shares, and shall be sent at his or their risk and payment of the cheque, warrant or similar financial instrument by the financial institution on which it is drawn shall constitute a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of payment by any such system or other means or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the Shares held by them. Where a person is entitled by transmission to a Share, any dividend or other sum payable by the Company in respect of the Share may be paid as if he were a holder of the Share and his address noted in the Register were his registered address.

128. Uncashed dividends

The Company may cease to send any cheque, warrant or similar financial instrument through the post or to employ any other means of payment for any dividend payable on any Shares in the Company which is normally paid in that manner on those Shares if in respect of at least two consecutive dividends payable on those Shares the cheques, warrants or similar financial instruments have been returned undelivered or remain uncashed during or at the end of the period for which the same are valid or that means of payment has failed. In addition, the Company may cease to send any cheque, warrant or similar financial instrument through the post or may cease to employ any other means of payment if, in respect of one dividend payable on those Shares, the cheque, warrant or similar financial instrument has been returned undelivered or remains uncashed during or at the end of the period for which the same is valid or that means of payment has failed and reasonable enquiries have failed to establish any new address or account of the registered holder. Subject to the provisions of these Articles, the Company may recommence sending cheques, warrants or similar financial instruments or employing such other means in respect of dividends payable on those Shares if the holder or person entitled by transmission requests such recommencement in writing.

129. Forfeiture of unclaimed dividends

All dividends or other sums payable on or in respect of any Shares which remain unclaimed may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed after a period of twelve years from the date when it was declared or became due for payment shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend or other sum payable on or in respect of a Share into a separate account shall not constitute the Company a trustee in respect of it.

130. Distribution of specific assets

Any general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the distribution the Board may settle it as it thinks expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any assets or any part thereof to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the Board.

CAPITALISATION OF PROFITS**131. Power to capitalise reserves and revenue account**

The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve (including any share premium account, capital redemption reserve, merger reserve or special reserve arising on the cancellation or reduction of share premium account) or the profit and loss account whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amounts for the time being unpaid on any Shares in the Company held by those members respectively or in paying up in full unissued Shares, debentures or other obligations of the Company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, for the purposes of this Article, a share premium account and a capital redemption reserve, merger reserve and any reserve or account representing unrealised profits, may be applied only in paying up in full unissued Shares of the Company. The Board may authorise any person to enter into an agreement with the Company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any Shares, debentures or other obligations of the Company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

132. Settlement of difficulties in distribution

Where any difficulty arises in regard to any distribution of any capitalised reserve or account the Board may settle the matter as it thinks expedient and in particular may authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the Board.

RECORD DATES**133. Power to choose any record date**

Notwithstanding any other provision of these Articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made. The power to fix any such record date shall include the power to fix a time on the chosen date.

ACCOUNTING RECORDS**134. Records to be kept**

The Board shall cause to be kept at the Office, or such other place as the Directors think fit, accounting records sufficient to show and explain the Company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the Company at that time, and which accord with the Statutes.

135. Inspection of records

No member in his capacity as such shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law, ordered by a court of competent jurisdiction or authorised by the Board or by ordinary resolution of the Company.

AUDITORS**136. Validity of acts of Auditors**

Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

137. Attendance at general meetings

The Auditors shall be entitled to attend any general meeting of the Company and to receive all notices of and other communications relating to any general meeting

which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns the Auditors.

SERVICE OF NOTICES AND DOCUMENTS

138. Service of notices

Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post addressed to the member at his registered address or by leaving it at that address addressed to the member or, where appropriate, by sending it in electronic form to an address for the time being notified by the member concerned to the Company for that purpose, or by publication on a web-site in accordance with the Statutes or by any other means authorised in writing by the member concerned. In the case of joint holders of a Share, service or delivery of any notice or document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

139. Record date for service

Any notice or document may be served or delivered by the Company by reference to the Register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the Register after that time shall invalidate that service or delivery. Where any notice or document is served on or delivered to any person in respect of a Share in accordance with these Articles, no person deriving any title or interest in that Share shall be entitled to any further service or delivery of that notice or document.

140. Members resident abroad

Any member whose registered address is not within the United Kingdom (a "**Non-UK Resident Member**") shall be entitled to receive notices or documents at their registered address, unless such member shall have requested the Company to send notices and other documents to an address within the United Kingdom.

141. Service of notice on person entitled by transmission

A person who is entitled by transmission to a Share, upon supplying the Company with either or both of: (i) a postal address for the service of written notices; and/or (ii) an address for the purposes of the service of notices in electronic form, shall be entitled to have served upon or delivered to him at such address any notice or document to which he would have been entitled if he were the holder of that Share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claimants through or under him) in the Share. Otherwise, any notice or other document served on or delivered to any member pursuant to these Articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the Share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be

deemed to have been properly served or delivered in respect of any Share registered in the name of that member as a sole or joint holder.

142. When notice deemed served

Any notice or document, if sent by the Company by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document sent by the Company by way of a communication in electronic form shall be deemed to have been received on the day following that on which it was sent. Proof that notice contained in a communication in electronic form was sent in accordance with the guidelines issued from time to time by the Institute of Chartered Secretaries and Administrators, or such other guidelines which the Board, in its absolute discretion, resolves to be applicable, shall be conclusive evidence that the notice was sent. A notice or other document placed on the Company's web-site shall be deemed to have been received when it was first made available on the website or, if later, on the day following that on which the notice of availability was sent. Any notice or document served or delivered by the Company by any other means authorised in writing by the member concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose.

143. Notice when post and/or electronic means not available

If at any time by reason of the suspension or curtailment of postal services and/or the unavailability of communications in electronic form within the United Kingdom or some part of the United Kingdom (the "affected area") the Company is unable effectively to serve notice on members with an address in the affected area, a general meeting may be convened by a notice to such members advertised in at least one newspaper with a circulation throughout the affected area. Notice published in this way shall be deemed to have been properly served on all members and persons entitled by transmission, who are entitled to have notice of the meeting served upon them, on the day when the advertisement has appeared in at least one such paper. If at least six clear days prior to the meeting the posting of notices to addresses throughout the affected area has again become practicable, the Company shall send confirmatory copies of the notice by post to the persons entitled to receive them.

DESTRUCTION OF DOCUMENTS

144. Company may destroy old instruments of transfer and other documents

The Company shall be entitled to destroy:

- (i) any instrument of transfer of Shares which has been registered at any time after the expiration of six years from the date of registration thereof;

- (ii) any instruction concerning the payment of dividends or other moneys in respect of any Share or any variation or cancellation thereof or any notification of change of address, at any time after the expiration of two years from the date of recording thereof or, as the case may be, the date of such cancellation or cessation;
- (iii) any share certificate which has been cancelled, at any time after the expiration of one year from the date of such cancellation; and
- (iv) any other document on the basis of which any entry in the Register has been made at any time after the expiration of six years from the date of the first entry in the Register in respect thereof,

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to any claim (regardless of the parties thereto);
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of paragraph (a) above are not fulfilled; and
- (c) references in this Article to the destruction of any document include references to its disposal in any manner.

WINDING UP

145. Distribution of assets otherwise than in cash

If the Company shall be wound up (whether the liquidation is voluntary or by the Court) the liquidator may, with the authority of a special resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company

dissolved, but so that no contributor shall be compelled to accept any shares or other property in respect of which there is a liability.

INDEMNITY

146. Indemnity of officers and others

Subject to the provisions of the Statutes, the Company may:

- (A) indemnify to any extent any person who is or was a Director or secretary of the Company, or a director or secretary of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
- (B) indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by him in connection with the company's activities as a trustee of an occupational pension scheme; and/or
- (C) purchase and maintain insurance for any person who is or was a Director or secretary of the Company, or a director or secretary of any associated company, against all loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

For the purposes of this Article, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

INSURANCE

147. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

In this Article:

- (a) a "**relevant officer**" means any Director or former Director, company secretary or former company secretary of the Company or an associated company, any other officer or employee or former officer or employee of the Company (but not its auditor) or any trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act) for the purposes of an employees' share scheme of the Company or an associated company; and
- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any

pension fund or employees' share scheme of the Company or associated company.

For the purposes of this Article, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

EXTRAORDINARY SHAREHOLDER CONSENT

- 148.** In addition to any other approval required by law or these Articles, those matters set out in schedule 1 to these Articles shall require prior approval by Extraordinary Shareholder Consent (provided that any Shareholder who is a party, or a Connected Person to any party (other than to the Company), to any agreement, arrangement or transaction referred to in paragraph 6 of schedule 1 to these Articles shall not be entitled to vote on or otherwise consent to the relevant Extraordinary Shareholder Consent).

SCHEDULE 1**Matters requiring Extraordinary Shareholder Consent**

The matters referred to in Article 148 are:

1. any alteration, increase or reduction to the Company's issued share capital, or the issue or grant (or agreement to issue or grant) of any warrants, options or other rights to subscribe at a future date for any shares in the capital of the Company;
2. any re-organisation, consolidation, redenomination, re-designation, redemption, sub-division, cancellation or conversion of any of the shares for the time being in the capital of the Company;
3. any material change to the nature or scope of the business or activities undertaken by the Group from the matters discussed in sections 1.7, 1.8, 1.12, 2.7.14 and 2.9.1 of the Regulatory Business Plan (and any material amendments to those sections of the Regulatory Business Plan), provided that (i) the opening of any office by the Group in the UK outside London and Edinburgh; and (ii) the generation of up to 25% of the Group's consolidated revenues from clients who are resident or otherwise principally located outside the UK, shall not constitute a material change to the nature of the business or activities undertaken by the Group from the matters discussed in (nor a material amendment to) sections 1.7, 1.8, 1.12, 2.7.14 and 2.9.1 of the Regulatory Business Plan;
4. the taking of any steps to liquidate or wind up any member of the Group (other than where the relevant member of the Group is insolvent (within the meaning of section 123 of the Insolvency Act 1986 (as amended from time to time))) or to appoint an administrator or receiver to any member of the Group or to invoke in respect of any member of the Group a company voluntary arrangement with a moratorium as provided in the Insolvency Act 1986 (as amended from time to time);
5. the entry into of any agreement, arrangement or transaction (including the grant, acquisition or exercise of an option) by any member of the Group (other than any agreement, arrangement or transaction entered into (i) in the ordinary course of business; or (ii) between members of the Group only; or (iii) as a result of any requirement by law or regulation or by any court or regulatory body having jurisdiction over any member of the Group or its business (including, without limitation, the FCA, the PRA and the Bank of England); or (iv) between any member of the Group and the Group's preferred providers of insurance and wealth management products and services in relation to the provision of such products and services):
 - (a) to purchase or otherwise acquire, or to sell or otherwise dispose, of:
 - (i) any business or undertaking, or the substantial part of any business or undertaking; or

- (ii) any heritable or freehold property, or any interest therein; or
- (iii) any shareholding in any company, or
- (b) which relates to a joint venture and contains provisions which may force the relevant member of the Group (against its sole discretion) to purchase the joint venture partner's holding or interest in the joint venture; or
- (c) which relates to a revenue or profit sharing agreement,

(each a "**Transaction**")

provided that, in each case, the size of the relevant Transaction relative to the size of the Group would result in a percentage ratio of 25% or more under any of the relevant and applicable class test calculations set out in Annex 1 to chapter LR 10 of the Listing Rules of the FCA (as amended from time to time) when such class test calculations are applied to the relevant Transaction at the time of entering into the relevant agreement, arrangement or transaction (where the Company is treated as the "listed company" for the purposes of such relevant and applicable class test calculations);

6. the entry into or variation of any agreement, arrangement or transaction between any member of the Group and:

- (i) any Shareholder who is entitled to exercise 10% or more of the Voting Rights from time to time (a "**Substantial Shareholder**"); or
- (ii) a director of the Company or of any other member of the Group; or
- (iii) any person or entity who is a Connected Person of a Substantial Shareholder or of a Director or of a director of any other member of the Group,

(each a "**Related Party**") the purpose and effect of which is to benefit a Related Party, but other than any agreement, arrangement or transaction which is:

- (a) in the ordinary course of business of any member of the Group (including, without limitation, any service contract or letter of appointment entered into with any director of the Company or of any other member of the Group and any agreements, arrangements or transactions entered into between any member of the Group and the Group's preferred providers of insurance and wealth management products and services in relation to the provision of such products and services); or
- (b) required to be entered into as a result of any requirement by law or regulation or by any court or regulatory body having jurisdiction over any member of the Group or its business (including, without limitation, the FCA, the PRA and the Bank of England); or
- (c) of a kind referred to in Annex 1 to chapter LR 11 of the Listing Rules of the FCA (as amended from time to time) if the Company were treated as the "listed company" for the purposes of such Annex 1.

7. the adoption of, and any material alteration or revision to, the Company's remuneration policy (save where such alteration or revision is required by law or regulation or by any court or regulatory body having jurisdiction over any member of the Group or its business (including, without limitation, the FCA, the PRA and the Bank of England));
8. any remuneration payment (as such term is defined in section 226A(1) of the 2006 Act) or payment for loss of office (as such term is defined in section 215 of the 2006 Act) proposed to be paid by any member of the Group to a person who is, or is to be or has been, a director of any member of the Group where such payment would not be consistent with the most recently approved remuneration policy under paragraph 7 above (save where such payment is required by law or regulation or by any court or regulatory body having jurisdiction over any member of the Group or its business (including, without limitation, the FCA, the PRA and the Bank of England));
9. the establishment or amendment (other than any amendment relating to administrative matters or required by applicable law or regulation) of any share option or other share-related incentive scheme (other than any scheme established in accordance with the most recently approved remuneration policy under paragraph 7 above).

HAMPDEN & CO PLC (the "Company")

NED RESERVED MATTERS SCHEDULE

In addition to any other approval required by law or under the articles of association of the Company (the "**Articles**"), the matters set out below shall require the prior approval of a majority of the non-executive directors of the Company. Such approval may be indicated either at a meeting of the board of directors of the Company (the "**Board**") or in writing (including by email) addressed to the Board.

1. Any proposal to change the name of the Company pursuant to article 6 of the Articles.
2. Any matter in respect of which the Company proposes to seek Extraordinary Shareholder Consent pursuant to article 161 of the Articles.
3. The payment of, or any proposal to recommend to the Company's shareholders the payment of, a dividend by the Company.
4. Any proposal by the Board to exercise its powers under article 115 of the Articles to appoint or remove any person(s) or body of persons as the agent of the Company.
5. Any step or action which will or is reasonably likely to result in the Company becoming resident for tax purposes, or otherwise subject to tax, in any jurisdiction other than that in which it is resident on the date that this schedule was adopted.
6. Any proposal to amalgamate, consolidate or merge the Company with any other company or legal entity.
7. Other than in the ordinary course of the Company's business as a bank, the creation of any mortgage, debenture, charge, encumbrance, lien (other than a lien arising in the ordinary course of business) or other security over any assets or business of the Company (including any uncalled capital or any shares in the capital of any of the Company's subsidiaries) (in whole or part) in excess of £500,000.
8. Any capital expenditure by the Company in excess of £500,000 in respect of any one or a series of related transactions.
9. Acquiring, disposing, creating or granting any option or right of pre-emption in respect of any asset (or series of assets) to the extent that the consideration exceeds £500,000.
10. Forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not).
11. Any material action relating to the conduct or settlement of any material litigation, arbitration or similar proceedings by the Company other than in the ordinary course of its business.
12. Other than in the ordinary course of the Company's business as a bank, any fundraising or the entry into any borrowing commitments by the Company (or any other member of the Group)
 - (i) where the amount of indebtedness incurred pursuant to a fundraising or the entry into a borrowing commitment is in excess of £500,000 or
 - (ii) where any fundraising or entry into any borrowing commitment would, when aggregated with all other amounts of indebtedness incurred by the Company (or any other member of the Group), cause the total amount of indebtedness to exceed £500,000.

13. Other than in the ordinary course of the Company's business as a bank, the entry into any lending or other financing commitments by the Company (or any other member of the Group)
 - (i) where the amount committed under a lending or other financing arrangement is in excess of £500,000 or
 - (ii) where the entry into any lending or other financing arrangements would, when aggregated with all other amounts committed by the Company (or any other member of the Group), cause the total amount of lending and/or financing commitments to exceed £500,000.
14. The entry into any agreement, arrangement or transaction (including the grant, acquisition or exercise of an option) by any member of the Group which relates to the appointment of an exclusive or preferred supplier of insurance and/or wealth management products and/or services.
15. The entry into any agreement, arrangement or transaction (including the grant, acquisition or exercise of an option) by any member of the Group to purchase or otherwise acquire, or to sell or otherwise dispose, of any leasehold property with an outstanding lease term of 10 years or more.
16. Subject to item 18 below, any amendments or variations to this schedule.

In addition to any other approval required by law or under the Articles, the matters set out below shall require the prior approval of each of the non-executive directors appointed to the Board by the Cornerstone Investors (as defined in the Articles). Such approval may be indicated either at a meeting of the Board or in writing (including by email) addressed to the Board.

17. The deletion, variation or amendment of article 99 (Right to appoint CI Directors) of the Articles.
18. The deletion of or any amendments or variations to item 17 above.

This schedule was approved and adopted by the Board on 21 April 2015, and shall only apply to matters arising on and after, that date and no decision of the Board made prior to the adoption of this schedule shall be affected by its adoption.