

THE COMPANIES (GUERNSEY) LAW, 2008  
AS AMENDED

NON-CELLULAR COMPANY LIMITED BY SHARES

ARTICLES OF INCORPORATION

OF

BAILIWICK INVESTMENTS LIMITED

REGISTERED 22 DAY OF SEPTEMBER 2008

AND AS AMENDED PURSUANT TO A WRITTEN RESOLUTION  
DATED 5 DECEMBER 2008

AND AS FURTHER AMENDED PURSUANT TO A SPECIAL RESOLUTION  
DATED 30 MAY 2018



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## CONTENTS PAGE

1	Standard Articles .....	4
2	Interpretation .....	4
3	Amendments .....	11
4	Business .....	12
5	Shares .....	12
6	Issues of C Shares .....	12
7	Dividends and Pari Passu Ranking of C Shares and New Shares .....	12
8	Rights as to Capital .....	13
9	Voting and Transfer .....	13
10	Redemption .....	13
11	Class Consents and Variation of Rights .....	14
12	Undertakings .....	14
13	Conversion .....	14
14	Deferred Shares .....	16
15	Determination of Net Asset Value .....	17
16	Variation of Class Rights .....	20
17	Trusts .....	20
18	Certificates .....	21
19	Lien .....	22
20	Calls on Shares .....	22
21	Forfeiture and Surrender of Shares .....	23
22	Register of Members .....	24
23	Transfer and Transmission of Shares .....	24
24	Untraced Shareholders .....	29
25	Alteration of Capital .....	29
26	General Meetings .....	30
27	Notice of General Meetings .....	31
28	Proceedings at General Meetings .....	32
29	Votes of Members .....	34
30	Proxies .....	35
31	Written Resolutions .....	36
32	Number, Appointment and Qualification of Directors .....	37
33	Remuneration of Directors .....	38
34	Indemnities .....	38

35	Register of Directors.....	38
36	Alternate Directors.....	38
37	Borrowing Powers of the Board .....	39
38	Other Powers and Duties of the Board .....	39
39	Conflicts of Interest.....	41
40	Disqualification of Directors .....	43
41	Proceedings of Directors .....	43
42	Executive Directors .....	44
43	Secretary.....	45
44	Resident Agent.....	45
45	The Seal.....	45
46	Common Signature .....	45
47	Authentication of Documents.....	46
48	Dividends .....	46
49	Reserves.....	47
50	Capitalisation of Profits.....	47
51	Accounts and Reports .....	48
52	Audit.....	50
53	Notices .....	50
54	Winding Up.....	51

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THE COMPANIES (GUERNSEY) LAW, 2008  
AS AMENDED

NON-CELLULAR COMPANY LIMITED BY SHARES

ARTICLES OF INCORPORATION

OF

BAILIWICK INVESTMENTS LIMITED

**1 Standard Articles**

The standard Articles prescribed pursuant to Section 16(2) of the Law shall be dis-applied in their entirety in accordance with Section 16(3) of the Law.

**2 Interpretation**

In these Articles the following words shall bear the following meanings if not inconsistent with the subject or context:-

**Words Meanings**

<b>"accounts"</b>	means either individual accounts prepared in accordance with Section 243 of the Law or consolidated accounts prepared in accordance with Section 244 of the Law.
<b>"Articles"</b>	these Articles of Incorporation as now framed and at any time altered.
<b>"at any time"</b>	at any time or times and includes for the time being from time to time.
<b>"Board"</b>	the board of directors of the Company, or the board of directors present at the meeting of the Board at which a quorum is present, or present at a meeting of the committee of the board of directors.
<b>"C Shares"</b>	means the shares of no par value in the capital of the Company issued and designated as C Class shares of whatever tranche and having the rights described in these Articles.
<b>"C Share Surplus"</b>	in relation to any tranche of C Shares means the net assets of the Company attributable to the C Shares in that tranche, being the assets attributable to the C Shares in that tranche (including for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or

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relating to such assets) less such proportion of the Company's liabilities as the Directors shall reasonably allocate to the assets of the Company attributable to such C Shares.

**"Calculation Time"**

in relation to any tranche of C Shares means the earliest of:

- (a) the close of business on the date determined by the Directors that at least 80 per cent. of the assets attributable to that tranche of C Shares have been invested (as defined below) in accordance with the Company's investment policy;
- (b) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation;
- (c) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion; and
- (d) the close of business on the Business Day falling six months after the Admission of that tranche of C Shares.

**"clear days"**

in relation to the period of notice means that period excluding the day when notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

**"Conversion"**

means in relation to any tranche of C Shares, the subdivision and conversion of that tranche of C Shares in accordance with Article 13.

**"Conversion Ratio"**

is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C-D}{E}$$

and

$$B = \frac{F-G}{H}$$

and where:

"C" is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are to be valued in accordance with (ii) below) which are listed or dealt in on a stock exchange or on a similar

market:

- (a) calculated in the case of investments of the Company which are listed on the London Stock Exchange according to the prices issued by the London Stock Exchange as at the Calculation Time, being the closing middle market prices for all investments other than the FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices shall be used. If any such investments are traded under the London Stock Exchange Daily Electronic Trading Service ("SETS") and the latest recorded prices at which such investments have been traded as shown in the London Stock Exchange Daily Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Time, the value of such investments shall be adjusted to reflect the fair realisable value as determined by the Directors. Investments of the Company which are listed, quoted or dealt in on any other recognised stock exchange shall be valued by reference to the closing middle marketprices on the principal stock exchange or market where the relevant investment is listed, quoted or dealt in as at the Calculation Time, as shown by the relevant exchange's or market's recognised method of publication of prices for such investments. Debt related securities (including Government stocks) shall be valued by reference to the closing middle market price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Time; or
- (b) where such published prices are not available, calculated by reference to the Directors' belief as to a fair current trading price at the Calculation Time for those investments, after taking account of any other price publication services reasonably available to the Directors;
  - (ii) the value of all other investments of the Company attributable to the C Shares of the relevant tranche at their respective acquisition costs or at such other value as the Directors may, in their discretion, determine to be appropriate, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Time; and
  - (iii) the amount which, in the Directors' opinion, fairly reflects, at the Calculation Time, the value of the current assets of the Company attributable to the C

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Shares of the relevant tranche (including cash and deposits with or balances at bank and including any accrued income and other items of a revenue nature less accrued expenses);

"D" is the amount which (to the extent not otherwise deducted in the calculation of "C") in the Directors' opinion fairly reflects the amount of the liabilities attributable to the C Shares of the relevant tranche at the Calculation Time;

"E" is the number of C Shares of the relevant tranche in issue at the Calculation Time;

"F" is the aggregate of:

- (i) the value of all the investments of the Company (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are to be valued in accordance with (ii) below), other than investments attributable to the C Shares (of whatever tranche) in issue at the Calculation Time, which are listed or dealt in on a stock exchange or on a similar market:
  - (a) calculated in the case of investments of the Company which are listed on the London Stock Exchange according to the prices issued by the London Stock Exchange as at the Calculation Time, being the closing middle market prices for all investments other than the FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices shall be used. If any such investments are traded under the London Stock Exchange Daily Electronic Trading Service ("SETS") and the latest recorded prices at which such investments have been traded as shown in the London Stock Exchange Daily Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Time, the value of such investments shall be adjusted to reflect the fair realisable value as determined by the Directors. Investments of the Company which are listed, quoted or dealt in on any other recognised stock exchange shall be valued by reference to the closing middle market prices on the principal stock exchange or market where the relevant investment is listed, quoted or dealt in as at the Calculation Time, as shown by the relevant exchange's or market's recognised method of publication of prices for such investments. Debt related securities (including Government stocks) shall be valued by reference to the closing middle market price, subject to any adjustment to exclude any accrual of interest which may be included in

the quoted price, as at the Calculation Time; or

- (b) where such published prices are not available, calculated by reference to the Directors' belief as to a fair current trading price for those investments, after taking account of any other price publication services reasonably available to the Directors;
- (ii) the value of all other investments of the Company, other than investments attributable to the C Shares (of whatever tranche) in issue at the Calculation Time at their respective acquisition costs, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Time, and
- (iii) the amount which, in the Directors' opinion, fairly reflects at the Calculation Time, the value of the current assets of the Company (including cash and deposits with or balances at bank and including any accrued income or other items of a revenue nature less accrued expenses), other than such assets attributable to the C Shares (of whatever tranche) in issue at the Calculation Time;

"G" is the amount which (to the extent not otherwise deducted in the calculation of "F") in the Directors' opinion fairly reflects the amount of the liabilities and expenses of the Company at the Calculation Time including, for the avoidance of doubt, the full amount of all dividends declared but not paid) less the amount of "D";

"H" is the number of Ordinary Shares in issue at the Calculation Time.

**"Conversion Time"** means a time which falls after the Calculation Time and is the time at which the admission of the New Shares to the Official List becomes effective and which is the earlier of:

- (i) the opening of business on such Business Day as is selected by the Directors provided that such day shall not be more than twenty Business Days after the Calculation Time; or
- (ii) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation.

**"CREST Manual"** has the meaning given to such term in the CREST Reference Manual issued by the EUI

**"CREST central sponsor"** has the meaning given to such term in the "CREST Glossary of Terms" issued by EUI.

<b>"CREST Guernsey Requirements"</b>	Rule 8 of the CREST rules and such other of the rules and requirements of EUI as may be applicable to issuers as from time to time specified in the CREST Manual.
<b>"CREST Manual"</b>	has the meaning given to such term in the "CREST Glossary of Terms" issued by EUI.
<b>"CREST UK system"</b>	the facilities and procedures for the time being of the relevant system of which EUI has been approved as Operator pursuant to the UK Regulations.
<b>"Deferred Shares"</b>	means the redeemable deferred shares of no par value in the capital of the Company arising on the conversion of C Shares of the relevant tranche into New Shares and Deferred Shares.
<b>"dematerialised instruction"</b>	an instruction sent or received by means of the CREST UK system.
<b>"Director"</b>	means a director of the Company and includes an alternate director and the term "Directors" shall be construed accordingly.
<b>"dividend"</b>	includes bonus issue.
<b>"executors"</b>	includes administrators.
<b>"EUI"</b>	Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) incorporated in England and Wales under company number: 2878738 and whose registered office is at 33 Cannon Street, London, EC4M 5SB.
<b>"financial year"</b>	<ul style="list-style-type: none"> <li>(a) firstly, the period beginning on the date on which the Company was incorporated and ending within eighteen (18) months of that date; and</li> <li>(b) thereafter, the period beginning on the day after its previous financial year ended and ending within eighteen (18) months of that date.</li> </ul>
<b>"Force Majeure Circumstances"</b>	means in relation to any tranche of C Shares any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable notwithstanding that less than 80 per cent. of the assets attributable to the relevant tranche of C Shares are invested (as defined below) in accordance with the Company's investment policy.
<b>"Guernsey security"</b>	a share in a company incorporated in Guernsey under the Law (or corresponding laws previously in force) and such other securities (if any) as EUI may from time to time specify in the CREST Manual.

<b>"Independent Accountants"</b>	means such firm of chartered accountants as the Directors may appoint for the purpose.
<b>"Investment Manager"</b>	means the manager from time to time of the Company's investments.
<b>"Issue Date"</b>	means in relation to any tranche of C Shares the date on which the admission of such C Shares to the Official List becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of such C Shares.
<b>"Instruction"</b>	includes any instruction, election, acceptance or any other message of any kind.
<b>"Law"</b>	The Companies (Guernsey) Law, 2008 as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder.
<b>"Liquidator"</b>	includes joint Liquidators.
<b>"Member"</b>	includes registered holder of a share and vice versa and any person entitled on death, disability or insolvency of a Member.
<b>"Memorandum"</b>	the memorandum of incorporation of the Company.
<b>"Month"</b>	calendar month.
<b>"Net Asset Value"</b>	means the value of the net assets of the Company as determined in accordance with Article 15.
<b>"New Shares"</b>	means Ordinary Shares arising on the conversion of the C Shares of the relevant tranche.
<b>"Office"</b>	the registered office at any time of the Company.
<b>"Official List"</b>	the list maintained by The International Stock Exchange Authority Limited.
<b>"Ordinary Shares"</b>	the shares of no par value in the capital of the Company issued and designated as shares of no par value and having the rights attributed to shares as described in these Articles.
<b>"Probate"</b>	includes Letters of Administration.
<b>"Proxy"</b>	includes attorney.
<b>"Register"</b>	the Register of Members kept by the Company as required by section 123 of the Law.
<b>"Seal"</b>	the common seal of the Company.

<b>"Sponsor"</b>	a company, person or firm which operates on behalf of one or more participants different from itself (and includes, unless the context otherwise requires, a CREST central sponsor).
<b>"Secretary"</b>	any person designated by the Board as such.
<b>"Share Surplus"</b>	means the net assets of the Company less the C Share Surplus.
<b>"Valuation Point"</b>	being the time on such day or days as the Board shall determine from time to time for the purpose of ascertaining the value of the assets of the Company.
<b>"uncertificated"</b>	a unit of a Guernsey security, title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of the CREST UK system: and "certificated" means a unit of a security which is not an uncertificated unit.
<b>"UK Regulations"</b>	The Uncertificated Securities Regulations 2001 (SI 2001 no 3755), as amended by the Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (SI 2003 No. 1633), and such other regulations made under s207 of the Companies Act 1989 as amended or replaced, as are applicable to EUI and/or the CREST relevant system and are from time to time in force.

Any reference to a share shall, where the Board has resolved to allot and issue fractions of shares, include such fractions.

The singular includes the plural and vice versa.

The masculine includes the feminine.

Words importing persons include corporations.

A reference to a "subsidiary", "subsidiaries" or a "holding company" shall be construed in accordance with Section 531 of the Law.

Expressions referring to writing include any mode of representing or reproducing words. Subject to the above, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Where a Section of the Law is referred to and that Section is amended or renumbered or supplemented, then the reference shall be deemed to refer to the same Section as amended, renumbered or supplemented.

### **3 Amendments**

3.1 The Company's Memorandum and Articles may be amended in accordance with Part IV of the Law.

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#### **4 Business**

4.1 Any branch or kind of business which, by the Memorandum or by these Articles, is, either expressly or impliedly, authorised to be undertaken may be undertaken or suspended at any time by the Board.

#### **5 Shares**

5.1 The Board is authorised to issue shares to the fullest extent permitted under the Law.

5.2 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine to the fullest extent permitted by Sections 292 and 293 of the Law.

#### **6 Issues of C Shares**

6.1 Subject to the Law, the Directors shall be authorised to issue C Shares in tranches on such terms as they determine provided that such terms are consistent with the provisions summarised in this Article 6.1. The Directors shall, on the issue of each tranche of C Shares, determine the Calculation Time and Conversion Time together with any amendments to the definition of Conversion Ratio attributable to each such tranche.

6.2 Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

#### **7 Dividends and Pari Passu Ranking of C Shares and New Shares**

7.1 The holders of C Share(s) of a tranche shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the sole discretion of the Directors, to the C Share Surplus of that tranche.

7.2 If any dividend is declared after the issue of any tranche of C Shares and prior to the Conversion of that tranche, the holders of Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus of the relevant tranche of C Shares.

7.3 The New Shares shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Time and otherwise pari passu with the Ordinary Shares in issue at the Conversion Time.

7.4 The Deferred Shares (to the extent that any are in issue and extant) shall not entitle the holders thereof to any dividend or any other right as the holders thereof to share in the profits or net assets of the Company.

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## **8 Rights as to Capital**

- 8.1 The capital and assets of the Company shall, on a winding-up or on a return of capital prior, in each case, to Conversion be applied as follows:
  - 8.1.1 the Share Surplus shall be divided amongst the holders of Ordinary Shares according to the rights attaching thereto as if the Share Surplus comprised the assets of the Company available for distribution;
  - 8.1.2 the C Share Surplus shall be divided amongst the holders of C Share(s) pro rata according to their holdings of C Shares; and
  - 8.1.3 the Deferred Shares shall have no rights to the capital or assets of the Company.

## **9 Voting and Transfer**

- 9.1 The C Shares shall carry the right to receive notice of, and to attend or vote at, any general meeting of the Company. The C Shares shall be transferable in the same manner as the Ordinary Shares. The Deferred Shares shall not be transferable and shall not carry any rights to receive notice of, attend or vote at, any general meeting of the Company.

## **10 Redemption**

- 10.1 The C Shares are issued on terms that each tranche of C Shares and Deferred Shares shall be redeemable by the Company in accordance with the terms set out in the Articles.
- 10.2 At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of C Share(s).
- 10.3 The Deferred Shares arising from Conversion of a particular tranche of C Shares (to the extent that any are in issue and extant) may be redeemed at the option of the Company at any time following Conversion of the relevant tranche of C Shares for an aggregate consideration of 1p for all such Deferred Shares, and for such purposes any Director is authorised as agent on behalf of each holder of Deferred Shares, in the case of any share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each holder of Deferred Shares who shall be bound by them.
- 10.4 The Company shall not be obliged to issue share certificates to the holders of Deferred Shares.

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## **11 Class Consents and Variation of Rights**

11.1 Without prejudice to the generality of the Articles, until Conversion the consent of the holders of the C Shares as a class shall be required for, and accordingly, the special rights attached to the C Shares shall be deemed to be varied, *inter alia*, by:

- 11.1.1 any alteration to the Memorandum or the Articles; or
- 11.1.2 any alteration, increase, consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on Conversion); or
- 11.1.3 any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company; or
- 11.1.4 the passing of any resolution to wind up the Company; or
- 11.1.5 the selection of any accounting reference date other than 31st December.

## **12 Undertakings**

12.1 Until Conversion, and without prejudice to its obligations under the Law, the Company shall in relation to each tranche of C Shares;

- 12.1.1 procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant tranche; and
- 12.1.2 allocate to the assets attributable to the C Shares of the relevant tranche such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant tranche including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" above; and
- 12.1.3 give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

## **13 Conversion**

13.1 In relation to each tranche of C Shares, the C Shares shall be sub-divided and converted into New Shares and Deferred Shares at the Conversion Time in accordance with the following provisions of this Article, the Directors shall procure that:

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- 13.2 the Company (or its delegate) calculate, within two Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of New Shares to which each holder of C Shares of that tranche shall be entitled on Conversion; and
- 13.3 the Independent Accountants shall be requested to certify, within three Business Days after the Calculation Time, that such calculations:
  - 13.3.1 have been performed in accordance with the Articles; and
  - 13.3.2 are arithmetically accurate,whereupon, subject to the proviso in the definition of Conversion Ratio above, such calculations shall become final and binding on the Company and all Members.
- 13.4 The Directors shall procure that, as soon as practicable following such certificate, an announcement is made to a regulatory information service, advising holders of C Share(s) of that tranche, the Conversion Time, the Conversion Ratio and the aggregate number of New Shares to which holders of C Share(s) of that tranche are entitled on Conversion.
- 13.5 Conversion shall take place at the Conversion Time. On Conversion:
  - 13.5.1 such number of issued C Shares of the relevant tranche then in issue shall convert (by subdivision and/or consolidation and/or combination of both or otherwise as appropriate) into such number of New Shares as shall be necessary to ensure that, upon Conversion being completed, the number of New Shares equal the number of C Shares of that tranche in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Share). Each C Share which does not so convert into a New Share shall automatically convert into a Deferred Share having the rights set out in Articles 8, 9, 10, and 14, and shall be dealt with in accordance with Article 13.5.2 below.
  - 13.5.2 each C Share which does not convert into a New Share in accordance with Article 13.5.1 above and is converted into a Deferred Share shall immediately upon Conversion be redeemed by the Company for an aggregate consideration of 1p for all of the Deferred Shares so redeemed. The Company shall not be obliged to account to any holder of C Share(s) for the redemption monies in respect of such shares. If at the relevant time such shares would otherwise fall to be redeemed and the Company may not lawfully effect such redemption except out of the proceeds of a fresh issue of shares made for the purpose of a redemption, the Company shall issue such number of Nominal Shares at a sufficient price per share in order to provide the Company with the funds to effect such redemption.
  - 13.5.3 The New Shares arising upon Conversion shall be divided amongst the former holders of C Share(s) pro rata according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements

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to New Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Share(s), in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares who shall be bound by them.

13.5.4 Forthwith upon Conversion, any certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the New Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold their New Shares in uncertificated form.

13.5.5 The Company will use its reasonable endeavours to procure that, upon Conversion, the New Shares are admitted to the Official List.

13.5.6 The Directors be and they are hereby authorised to effect including consolidations and/or divisions and/or combinations of both (or otherwise as appropriate) as may have been or may be necessary from time to time to implement the conversion mechanics for C Shares set out in the Articles as the same may from time to time be amended.

## **14 Deferred Shares**

14.1 As set out in Article 13 above, Deferred Shares shall only be issued in respect of Conversion of C Shares. In a winding-up after Conversion, Deferred Shares shall be entitled to a return of an amount equal to their nominal value after return of capital on Ordinary Shares. The provisions in the Articles as to dividend, voting and redemption of the Deferred Shares are set out above in Articles 8, 9, and 10.

14.2 Subject to the provisions of the Law:

14.2.1 any shares may with the sanction of the Board be issued on terms that they are, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner as the Board may determine;

14.2.2 the Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the repurchase price in respect of such purchase to the fullest extent permitted by the Law;

14.2.3 the Company and any of its subsidiary companies may, at the discretion of the Board, give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company;

14.2.4 the Company may convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein;

14.2.5 shares repurchased by the Company may be held as treasury shares;

14.2.6 fractions of shares may be issued or purchased by the Company; and

14.2.7 the Company may reduce its share capital in any manner permitted by the Law.

14.3 In default of any ordinary resolution by the Company and to the extent permitted by the Law, all the unissued shares of the Company shall be at the disposal of the Board which may allot, grant options over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount except in accordance with the Law and so that the amount payable on application on each share shall be fixed by the Board.

14.4 The Company may pay commission in money or shares to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Law. The Company may also pay brokerage charges.

14.5 The Board may permit the holding of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security for the purposes of any regulations issued under the Law authorising transfers of shares in dematerialised form.

**15 Determination of Net Asset Value**

15.1 The Net Asset Value of the Company shall be determined in accordance with the following provisions:

15.1.1 The Net Asset Value shall be equal to the value as at the relevant Valuation Point of all the assets, less all the liabilities, of the Company (calculated on the basis set out in this Article 15).

15.2 The assets of the Company shall be deemed to include the following:

15.2.1 all cash on hand, on loan or on deposit, or on call including any interest accrued thereon;

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- 15.2.2 all treasury bills, demand notes, promissory notes and accounts receivable;
- 15.2.3 all shares, stocks, units, participations, warrants, bonds, time notes, debenture stock, subscription rights, options, futures contracts and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;
- 15.2.4 all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared payable to stockholders of record on a date before the day as of which the assets are being valued;
- 15.2.5 all interest accrued on any interest-bearing securities owned by the Company;
- 15.2.6 unrealised profits on open contracts; and
- 15.2.7 all other assets of the Company of every kind and nature including any claims for repayment of any taxation levied on capital (including capital gains) or on income accrued before the Valuation Point and prepaid expenses as valued and defined from time to time by the Directors.

15.3 Any expense or liability of the Company may be amortised over such period as the Directors may determine (and the Directors may at any time and from time to time determine to lengthen or shorten any such period) and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company.

15.4 The investments of the Company shall be valued as follows:

- 15.4.1 subject to Article 15.7 assets listed, quoted or dealt in on a recognised securities exchange (including financial futures, warrants and rights expressed by reference to stock indices) are to be valued at the market dealing price, at the last close of business before the Valuation Point on the recognised securities exchange which, in the opinion of the Directors, is the principal recognised securities exchange on which the asset in question is listed, quoted or dealt in. If separate bid and offer prices are quoted, the price to be adopted for calculating the Net Asset Value shall be the mean average of the two prices;
- 15.4.2 deposits shall be valued at their principal amount plus accrued interest from the date of acquisition;
- 15.4.3 certificates of deposit acquired at their nominal value shall be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;
- 15.4.4 certificates of deposit acquired at a discount or premium on the sum of the nominal value and accrued interest at the date of acquisition shall be valued at their cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days

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elapsed from the date of acquisition to the date as of which the assets are being valued;

15.4.5 investments in unit trusts or other forms of collective investment schemes will be valued at the latest available mid-market price or valuation quoted by the manager or, as the case may be, the administrator of the unit trust or scheme in question;

15.4.6 any interest and exchange rate contracts will be valued at their market value; and

15.4.7 other investments of the Company shall be valued as determined by the Directors from time to time in their absolute discretion.

15.5 Provided that where the value of an investment cannot be determined in accordance with the above procedures, or in instances where the Directors determine that it is impracticable or inappropriate to determine a price or liability in accordance with the above procedures, the price or liability will be a fair and reasonable value or a fair and reasonable assessment of the liability as determined in good faith and on a prudent basis in such manner as the Directors of the Company may prescribe in accordance with the accounting procedures applicable from time to time to the Company.

15.6 Notwithstanding the foregoing, where at the time as of which the assets are being valued any investment of the Company has been realised or unconditionally contracted to be realised there shall be included in the assets of the Company in place of such investment the net amount receivable by the Company in respect thereof provided that if the net amount receivable is not payable until some further time after the time as of which the assets are being valued the Directors may make such allowance as they consider appropriate.

15.7 Notwithstanding the rules in Article 15.4, where an option subsists for another person to purchase an asset from the Company or for the Company to sell an asset to another person, but such option has not been exercised, the value of the asset concerned shall be taken to be the price at which the option is exercisable, at any time at which such price is (in the case where another person is entitled to purchase) lower than, or (in the case where the Company is entitled to sell to another person) higher than, the price by reference to which the value would otherwise be calculated.

15.8 Any valuations made pursuant to these Articles shall be binding on all relevant persons.

15.9 The liabilities of the Company shall be deemed to include all its liabilities (including such amount as the Directors determine to provide in respect of contingent liabilities including (but without limitation) liabilities in respect of taxation on income or capital gains whether realised or unrealised) of whatsoever kind and nature. Any unrealised loss on open contracts will be included as liabilities of the Company. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. All fees and expenses payable by the Company

shall be treated as accruing on a daily basis unless the Directors shall otherwise determine.

15.10 Brokerage commissions on open contracts shall be accrued as a liability of the Company upon the initiation of such positions.

## **16 Variation of Class Rights**

16.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

16.2 To any separate general meeting of a class the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum for a variation of class rights meeting is:

16.2.1 for a meeting, other than an adjourned meeting, two (2) persons present holding at least one third of the voting rights of the class in question; or

16.2.2 for an adjourned meeting, one (1) person holding shares of the class in question; or

16.2.3 where the class has only one Member, that Member.

16.3 For the purposes of Article 16.2 above, where a person is present by proxy or proxies, he is treated as holding only the shares in respect of which the proxies are authorised to exercise voting rights.

16.4 At a variation of class rights meeting, any holder of shares of the class in question present may demand a poll.

16.5 For the purposes of this Article 16:

16.5.1 any alteration of a provision contained in these Articles for the variation of rights attached to a class of shares, or the insertion of any such provision into the Articles, is itself to be treated as a variation of those rights; and

16.5.2 references to the variation of rights attached to a class of shares include references to their abrogation.

16.6 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

## **17 Trusts**

17.1 Without prejudice to Part XXIX of the Law, except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be affected or bound by or

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be compelled in any way to recognise (even when having notice) any equitable, contingent, future or partial interest in any share or fraction (except only as required or permitted by these Articles or by law otherwise provided) or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder and whether or not such share shall be entered in the Register as held in trust, nor shall the Company be bound to see to the execution of any trust to which any share may be subject.

- 17.2 The Directors may serve notice on any Member requiring that Member to disclose to the Company the identity of any person (other than the Member) who has an interest in the shares held by the Member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine. The Directors may be required to exercise their powers under this Article 17.2 on the requisition of Members holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings.
- 17.3 If any Member is in default in supplying to the Company the information required by the Company within the prescribed period (which is twenty eight (28) clear days after service of the notice requesting the same or fourteen (14) clear days if the shares concerned represent 0.25 per cent. or more in nominal value of the issued shares of the relevant class), the Directors in their absolute discretion may serve a direction notice on the Member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "**default shares**") and any other shares held by the Member, the Member shall not be entitled to vote in general meetings and/or class meetings as appropriate. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest), and that no transfer of the shares (other than a transfer approved under these Articles) shall be registered until the default is rectified.
- 17.4 Articles 17.2 and 17.3 are without prejudice to Sections 488 and 489 of the Law, when applicable.

## **18 Certificates**

- 18.1 Save for shares held in uncertificated form, every Member shall be entitled:
  - 18.1.1 without payment, to one certificate for all his shares of each class and when part only of the shares comprised in a certificate is sold or transferred, to a balance certificate; or
  - 18.1.2 upon payment of such sum as the Board may determine, to several certificates each for one or more shares of any class.
- 18.2 Every certificate shall be issued within one (1) month after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) and shall specify the shares to which it relates, the amount paid up and the distinguishing numbers (if any).

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- 18.3 All forms of certificate, for shares or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) may, if determined by the Board, be issued under the Seal of the Company and shall be signed autographically unless there shall be in force a resolution of the Board adopting some method of mechanical signature in which event the signatures (if authorised by such resolution) may be effected by the method so adopted.
- 18.4 The Company shall not be bound to register more than four persons as the joint holders of any share or shares. In respect of a share held jointly, the Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 18.5 If a share certificate be defaced, worn out, lost or destroyed, it may be replaced or renewed on payment of such fee and on such terms (if any) as to evidence and indemnity and the payment of expenses incurred by the Company as the Board thinks fit.

## **19 Lien**

- 19.1 The Company shall have a first and paramount lien (extending to all dividends payable) on all shares (not being fully paid) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of those shares and for all the debts and liabilities of the holder to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Member of the Company or not).
- 19.2 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien provided that no sale shall be made unless:
  - 19.2.1 a sum in respect of which the lien exists is presently payable; nor
  - 19.2.2 until after a notice in writing demanding payment has been given to the holder of the shares.

- 19.3 To give effect to any sale, provided for in Article 19.2 above, the Board may authorise some person to transfer the shares to, or in accordance with the directions of the purchaser, who shall be registered as the holder of the shares comprised in any such transfer and who 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.

## **20 Calls on Shares**

- 20.1 The Board may make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each Member shall

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(subject to receiving at least fourteen (14) 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 such shares. A call may be revoked or postponed.

- 20.2 Joint holders shall be jointly and severally liable to pay all calls in respect thereof.
- 20.3 If a sum called in respect of a share is not paid before or on the day appointed, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the Board may, in its absolute discretion, determine.
- 20.4 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 20.5 The Board may, on an issue of shares, differentiate between holders as to the amount of calls to and times of payment.

## **21 Forfeiture and Surrender of Shares**

- 21.1 If a Member fails to pay any call or instalment on the day appointed for payment thereof, the Board may, at any time during such period as any part remains unpaid, serve notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.
- 21.2 The notice shall state a further day, not less than fourteen (14) clear days' after the date of the notice on or before which the payment required by the notice is to be made, and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may, at any time before payment has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- 21.3 Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.
- 21.4 A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms as the Board shall think fit, with or without all or any part of the amount previously paid on the share being credited as paid, and, at any time before a sale or disposition, the forfeiture may be cancelled.

21.5 A person whose shares have been forfeited shall cease to be a Member in respect of those shares and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by such Member in respect of the shares with interest thereon from the date of forfeiture until payment at such rate as the Board may determine. The Board may enforce payment without any allowance for the value of the shares at the time of forfeiture.

21.6 The forfeiture of a share shall extinguish all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder and the Company.

21.7 The Board may accept from any Member on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.

21.8 A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.

21.9 The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and such person shall thereupon be registered as the holder and the person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title be affected by any irregularity in, or invalidity of the proceedings in reference to the forfeiture, sale, re-allotment or disposal.

## **22 Register of Members**

22.1 The Company shall keep the Register in accordance with Sections 123-128 of the Law and allow inspection in accordance with Sections 127-128 of the Law. Subject to the CREST Guernsey Requirements and without prejudice to Section 127 of the Law, the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in one year) as the Board may decide and either generally or in respect of a particular class of share.

## **23 Transfer and Transmission of Shares**

23.1 The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, Articles 23.2 and 23.3 shall commence to have effect immediately prior to the time at which EUI admits the class to settlement by means of the CREST UK system.

23.2 In relation to any class of shares which, for the time being, EUI has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- 23.2.1 the holding of shares of that class in uncertificated form;
- 23.2.2 the transfer of title to shares of that class by means of the CREST UK system; or
- 23.2.3 the CREST Guernsey Requirements.

23.3 Without prejudice to the generality of Article 23.2 and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted to settlement by means of the CREST UK system:

- 23.3.1 such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;
- 23.3.2 unless the Directors otherwise determine, such securities held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;
- 23.3.3 such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;
- 23.3.4 title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system and as provided in the CREST Guernsey Requirements and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;
- 23.3.5 the Company shall comply in all respect with the CREST Guernsey Requirements including, without limitation CREST Rule 7;
- 23.3.6 no provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in uncertificated form;
- 23.3.7 the permitted number of joint holders of a share shall be four;
- 23.3.8 every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee of a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however, and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from CREST pursuant to a settled stock withdrawal instruction; and the CREST Member and all such persons, to the extent respectively of the shares duly credited to their respective CREST

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accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein.

23.3.9 where a dematerialised instruction is expressed to have been sent on behalf of a person by a Sponsor or by EUI:

23.3.9.1 the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee:

23.3.9.1.1 that the instruction was sent with his authority; or

23.3.9.1.2 that the information contained in it is correct; and

23.3.9.2 the Sponsor or EUI, as the case may be, shall not be able to deny to the addressee:

23.3.9.2.1 that he has authority to send the dematerialised instruction; or

23.3.9.2.2 that he has sent the dematerialised instruction.

23.4 Where a dematerialised instruction is expressed to have been sent by a person, and it is not expressed to have been sent on behalf of another person, the first person shall not be allowed to deny to the addressee:

23.4.1 that the information contained in the instruction is correct; or

23.4.2 that he has sent it.

23.5 An addressee who receives a dematerialised instruction (whether directly, or by means of the facilities of a Sponsor acting on his/their/its behalf) may (subject to Articles 23.6 and 23.7 below) accept that at the time when it was sent or at any time thereafter:

23.5.1 the information contained in the instruction was correct;

23.5.2 the user or authorised operator identified in the instruction as having sent the instruction did send it; and

23.5.3 if the instruction was expressed to have been sent on behalf of a person, it was sent with the authority of that person.

23.6 Subject to Article 23.8 below, an addressee shall not be allowed to accept any of the matters specified in Article 23.5 above where, at the time when he received the dematerialised instruction or at any time thereafter, he was a person who was not either the Company or a Sponsor receiving (in either case) dematerialised instructions on behalf of the Company, and he had actual notice:

23.6.1 that any information contained in it was incorrect;

23.6.2 that the user or EUI expressed to have sent the instruction did not send it; or

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23.6.3 if the instruction was expressed to have been sent on behalf of a person, that the person had not given to EUI or the Sponsor identified in the instruction as having sent it his authority to send the instruction on his behalf.

23.7 Subject to Article 23.8 below, an addressee shall not be allowed to accept any of the matters specified in Articles 23.5 above where, at the time when he received the dematerialised instruction, he was either the Company or a Sponsor receiving dematerialised instructions on behalf of the Company; and:

23.7.1 he had actual notice from EUI of any of the matters specified in Article 23.6 above; and

23.7.2 the instruction was an instruction from EUI requiring the registration of title in the circumstances specified in any sub-paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.4 of the CREST Guernsey Requirements.

23.8 However, when an addressee has received actual notice of a kind to which this Article refers in respect of a properly authenticated dematerialised instruction, he may accept the matters specified in Article 23.5 above if at any time when he received the actual notice it was not practicable for him to halt his processing of the instruction.

23.9 A person who is permitted by Articles 23.5 and 23.8 above to accept any matter shall not be liable in damages or otherwise to any person by reason of his having relied on the matter that he was permitted to accept.

23.10 Except as provided in Article 23.9 above, this Article does not affect any liability of a person for causing or permitting a dematerialised instruction:

23.10.1 to be sent without authority;

23.10.2 to contain information that is incorrect; or

23.10.3 to be expressed to have been sent by a person who did not send it.

23.11 Articles 23.4 to 23.10 should be construed generally in accordance with the CREST Manual.

23.12 Subject to such restrictions of these Articles as may be applicable:

23.12.1 any Member may transfer all or any of his uncertificated shares by means of a relevant system authorised by the Board in such manner provided for, and subject as provided, in:

23.12.1.1 any regulations issued for this purpose under the Law, or as may otherwise from time to time be adopted by the Board, on behalf of the Company; and

23.12.1.2 the rules of any relevant system; and

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23.12.1.3 accordingly no provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;

23.12.2 any Member may transfer all or any of his certificated shares by an instrument of transfer in any usual form which the Board may approve; and.

23.12.3 an instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.

23.13 Every instrument of transfer, of a certificated share, shall be left at the Office or such other place as the Board may prescribe with the certificate of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall be delivered, to the transferee, after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing. A fee determined by the Board may be charged for each transfer and also for the registration of every probate notice, power of attorney or document tendered for registration and shall be paid before registration.

23.14 Subject to the provisions of Section 290 of the Law, where a Member dies and that Member does not own shares jointly, then the company will recognise only the personal representative of the deceased Member as being entitled to the deceased Member's interest in the shares. Where a Member dies and that Member owned shares jointly, the Company will recognise only the surviving joint holder or holders as being entitled to the deceased Members' interest in the shares but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.

23.15 Where a Member has his affairs declared en desastre or has a preliminary vesting order made against his Guernsey realty, becomes bankrupt, suspends payments or compounds with creditors, or is adjudged insolvent the Board shall not be obliged to register the transfer of the share to the person entitled to the shares until that person provides to the Board such information as the Board may reasonably require to establish that person's entitlement to the shares. The person so entitled may:

23.15.1 elect to be registered as the holder of the shares; or

23.15.2 subject to the Law and the Articles, choose to transfer the shares to another person by giving a completed transfer form to the company.

23.16 A person entitled to shares in consequence of death, disability or insolvency shall not be entitled to receive notice of or to attend or to vote at any meeting or (save as regards the receipt of such dividends as the Board shall not elect to retain) to

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exercise any of the rights of a holder unless and until he shall have been registered as holder.

23.17 All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

## **24 Untraced Shareholders**

24.1 The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a Member or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

24.1.1 during the period of not less than twelve (12) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

24.1.2 the Company shall following the expiry of such period of twelve (12) years have inserted advertisements, both in a national newspaper and in a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected under these Articles is located giving notice of its intention to sell the said shares; and

24.1.3 during the period of three (3) months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Member or person; and

24.1.4 notice shall have been given to the stock exchanges on which the Company is listed, if any.

24.2 The foregoing provisions of this Article are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

## **25 Alteration of Capital**

25.1 Unless the Company shall have resolved otherwise, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class, whether then issued or not, or be subject to such stipulations deferring them to any other shares with regard to dividends or voting or in the distribution of the assets as the Board may determine.

25.2 The Company may by ordinary resolution:

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- 25.2.1 convert shares from one class to another and convert, reclassify, consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- 25.2.2 subject to Article 25.3, subdivide all or any of its shares into shares of a smaller amount;
- 25.2.3 cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its authorised share capital by the amount of the shares so cancelled;
- 25.2.4 convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other day as may be specified therein;
- 25.2.5 where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

- 25.3 In any subdivision under Article 25.2.2, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived.
- 25.4 The Board on any consolidation of shares may deal with fractions of shares in any manner.
- 25.5 The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Law.

**26 General Meetings**

- 26.1 The first general meeting of the Company shall be held within eighteen (18) months of the date of incorporation, as required by the Law, and thereafter general meetings shall be held once at least in each subsequent calendar year in accordance with Sections 199 of the Law but so that not more than fifteen (15) months may elapse between one annual general meeting and the next. The requirement for a general meeting may be waived by the Members in accordance with the provisions of the Law. Other meetings of the Company shall be called extraordinary general meetings.
- 26.2 General meetings may be held in Guernsey or elsewhere at the discretion of the Directors.
- 26.3 A Member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting at which a quorum is present shall be treated as having attended that meeting provided that the Members present at the meeting can hear and speak to the participating Member and vice versa.

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- 26.4 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Members participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Members resolve otherwise.
- 26.5 Any general meeting convened by the Board, unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition, may be postponed by the Board by notice in writing and the meeting shall, subject to any further postponement or adjournment, be held at the postponed date for the purpose of transacting the business covered by the original notice.
- 26.6 The Board may whenever it thinks fit and shall on the requisition of Members in accordance with Sections 203 and 204 of the Law proceed to convene an extraordinary general meeting.

## **27 Notice of General Meetings**

- 27.1 A general meeting of a Company (other than an adjourned meeting) must be called by notice of at least ten (10) clear days.
- 27.2 A general meeting may be called by shorter notice than otherwise required if all the Members entitled to attend and vote so agree.
- 27.3 Notices may be published on a website in accordance with Section 208 of the Law.
- 27.4 Notice of a general meeting of the Company must be sent to:
  - 27.4.1 every Member;
  - 27.4.2 every Director; and
  - 27.4.3 every Alternate Director registered as such.
- 27.5 In Article 27.6, the reference to Members includes only persons registered as Members.
- 27.6 Notice of a general meeting of a company must:
  - 27.6.1 state the time and date of the meeting;
  - 27.6.2 state the place of the meeting;
  - 27.6.3 contain the information required under Section 178(6)(a) of the Law in respect of a resolution which is to be proposed as a special resolution at the meeting;
  - 27.6.4 contain the information required under Section 179(6)(a) of the Law in respect of a resolution which is to be proposed as a waiver resolution at the meeting; and

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27.6.5 contain the information required under Section 180(3)(a) of the Law in respect of a resolution which is to be proposed as a unanimous resolution at the meeting.

27.7 Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.

27.8 Where, by any provision of the Law, special notice is required of a resolution, the resolution is not effective unless notice of the intention to move it has been given to the Company at least twenty-eight (28) clear days before the date of the meeting at which it is moved.

27.9 The Company must, where practicable, give its Members notice of any such resolution in the same manner and at the same time as it gives notice of the meeting.

27.10 Where that is not practicable, the Company must give its Members notice at least fourteen (14) clear days before the meeting:

- 27.10.1 by notice in La Gazette Officielle, or
- 27.10.2 in any other manner deemed appropriate by the Board.

27.11 If, after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date twenty-eight (28) clear days or less after the notice has been given, the notice is deemed to have been properly given, though not given within the time required.

27.12 In every notice calling a meeting of the Company there must appear a statement informing the Member of:

- 27.12.1 his rights to appoint a proxy under Section 222 of the Law; and
- 27.12.2 the right to appoint more than one proxy.

27.13 The accidental omission to give notice of any meeting to or the non receipt of such notice by any Member shall not invalidate any resolution or any proposed resolution otherwise duly approved.

**28 Proceedings at General Meetings**

28.1 The ordinary business of a general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the Auditors, if any, to elect Directors and appoint Auditors in the place of those retiring, to fix the remuneration of the Directors and Auditors, to sanction or declare dividends (if required by these Articles) and to transact any other ordinary business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.

28.2 The quorum for a general meeting shall be two (2) or more Members holding 5% or more of the voting rights applicable at such meeting present in person or by proxy

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provided that, if the Company shall have only one (1) Member entitled to attend and vote at the general meeting, that Member shall constitute a quorum.

- 28.3 If, within half an hour after the time appointed for the meeting, a quorum is not present, the meeting, if convened by or upon a requisition, shall be dissolved. If otherwise convened, it shall stand adjourned for fourteen (14) clear days at the same time and place and no notice of adjournment need be given.
- 28.4 Subject to any election to the contrary by the Members under Section 214 of the Law, the chairman of any general meeting shall be either:
  - 28.4.1 the Chairman of the Board;
  - 28.4.2 in the absence of the Chairman, or if the Board has no chairman, then the Board shall nominate one of their number to preside as chairman;
  - 28.4.3 if neither the Chairman of the Board nor the nominated Director are present at the meeting, then the Directors present at the meeting shall elect one of their number to be the Chairman;
  - 28.4.4 if only one Director is present at the meeting, then he shall be Chairman of the general meeting; or
  - 28.4.5 if no Directors are present at the meeting, then the Members present shall elect a Chairman for the meeting by an ordinary resolution.
- 28.5 The Chairman of the general meeting shall conduct the meeting in such a manner as, subject to the Law, he thinks fit and may adjourn the meeting from time to time and limit the time for Members to speak.
- 28.6 A Director of the Company shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company regardless of whether that Director is a Member of the Company or a holder of the relevant class of shares.
- 28.7 The Chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting at any time and to any place. When a meeting is adjourned for thirty (30) days or more or where business other than the business left unfinished at the meeting from which the adjournment took place is to be put to the adjourned meeting, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 28.8 At any meeting, a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the Chairman. Nevertheless before or on the declaration of the result on a show of hands a poll may be demanded:
  - 28.8.1 by the Chairman; or

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28.8.2 by not less than five (5) Members having the right to vote on the resolution; or

28.8.3 by a Member or Members representing not less than ten (10) per cent. of the total voting rights of all Members having the right to vote on the resolution.

28.9 The demand for a poll may, before the poll is taken, be withdrawn at any time.

28.10 Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.

28.11 A poll, if demanded, shall be taken at the meeting at which the same is demanded or at such other time and place as the Chairman shall direct and the result shall be deemed the resolution of the meeting at which the poll was demanded.

28.12 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 a poll has been demanded.

28.13 If a poll shall be duly demanded on the election of a Chairman or on any question of adjournment, it shall be taken at once.

28.14 In case of an equality of votes on a poll, the Chairman shall have a second or casting vote.

**29 Votes of Members**

29.1 Subject to any special voting powers or restrictions, on a show of hands:

29.1.1 every Member present in person shall have one vote; and

29.1.2 every Member present by proxy shall have one vote which shall be exercised by the proxy irrespective of how many proxies he or she holds.

29.2 On a poll, every Member present in person or by proxy shall have one vote for each share held by him or her subject to any special voting powers or restrictions.

29.3 Where there are joint registered holders of any shares, such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.

29.4 Any Member, being incapable or of unsound mind, may vote by his or her curator or other legal guardian. Any of such persons may vote either personally on a show of hands or on a poll or by proxy.

29.5 On a poll, votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his or her votes or cast all the votes he or she

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uses in the same way. A proxy need not be a Member. An instrument of proxy may be valid for one or more meetings.

- 29.6 No Member shall be entitled to be present or take part in any proceedings or vote, either personally or by proxy, at any meeting unless all calls due from him or her have been paid.
- 29.7 No Member shall be entitled to vote in respect of any shares that he or she has acquired unless he or she has been registered in the Register as their holder.
- 29.8 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the Chairman whose decision shall be final and binding.

### **30 Proxies**

- 30.1 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his or her attorney duly authorised in writing or if the appointor is a corporation under the hand of an officer or attorney duly authorised.
- 30.2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall:
  - 30.2.1 be deposited at the Office not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - 30.2.2 in the case of a poll, taken more than 48 hours after it was demanded, not less than twenty four (24) hours before the time appointed for the taking of the poll;
  - 30.2.3 in the case of a poll taken not more than forty eight (48) hours after it was demanded, the time at which it was demanded; and
  - 30.2.4 in default, unless the Board directs otherwise, the instrument of proxy shall not be treated as valid.
- 30.3 The instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.
- 30.4 The instrument appointing a proxy shall be deemed to confer authority to demand or join with others in demanding a poll and to exercise all or any of a Member's rights to attend and to speak and vote at a meeting of the Company and shall be as valid for any adjournment as for the meeting to which it relates.
- 30.5 Without prejudice to Section 226 of the Law, a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or

disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.

30.6 Any corporation which is a Member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member of the Company.

### **31 Written Resolutions**

31.1 Resolutions of the Members may be approved in writing if so determined by the Directors or the Members in accordance with Part XIII of the Law and every Member voting thereon shall have one vote for each share subject to any special voting powers or restrictions.

31.2 Notice specifying the proposed resolution in writing may be sent by the Company to Members by post or by facsimile or such other telephonic or electronic means of written communications as the Board may, subject to the Law, determine at any time.

31.3 Notices of proposed written resolutions forwarded by post shall be sent to the address of such Members entered in the Register. Notices forwarded by any telephonic or electronic means of written communication shall be forwarded to such destination as the Member in question may at any time designate in writing signed by him.

31.4 Notices of proposed written resolutions shall incorporate or be accompanied by an instrument to be signed by or on behalf of the Member to who it is addressed for the purpose of approving the same.

31.5 Any notice of a proposed written resolution shall specify a date and time (whether greater or lesser than any period for the time being prescribed by the Law) at which the instrument or instruments signed by or on behalf of the Members voting in favour thereof shall be counted and at which the resolution if approved by the requisite majority shall become effective. No instrument received or signature appended thereto after such time shall be counted.

31.6 Notwithstanding anything else contained herein (and in particular the method of sending the notice of and instrument for approving the written resolution to Members) all such instruments containing such approval shall be in writing and signed by the Member or Members in question. The signature of a Member shall be acceptable for such purposes if received by facsimile telephonic transmission or in any other way specified in the notice.

31.7 The accidental omission to give notice of any proposed written resolution to or the non receipt of such notice by any Member shall not invalidate any resolution or any proposed resolution otherwise duly approved.

## **32 Number, Appointment and Qualification of Directors**

32.1 The first Directors of the Company shall be specified in the application for incorporation prepared in accordance with Section 17 of the Law. Unless a sole Director is specified in the application for incorporation and until otherwise determined by the Board, the number of Directors shall not be subject to any maximum and shall be not less than two (2).

32.2 The Board shall have power at any time to appoint any person eligible in accordance with Section 137 of the Law to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed (if any) pursuant to these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

32.3 No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless, not less than fourteen (14) clear days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

32.4 Without prejudice to the powers of the Board, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

32.5 A share qualification for a Director may be fixed by the Company in general meeting and unless and until so fixed no qualification shall be required.

32.6 At a general meeting the following Directors will retire from office and be eligible for re-election:

32.6.1 any Director who was not elected or re-elected at either of the two preceding general meetings; and

32.6.2 the number of other Directors which would, when added to the number of retiring Directors be returning in accordance with Article 32.6.1 represent one third of the current Directors excluding any Director who is requested to retire by Article 32.2.

32.7 Upon the election or re-election of a Director, pursuant to Articles 32.4 and 32.6 the Board shall issue to such Director a letter in a form acceptable to the Board, setting out the terms of his or her appointment.

### **33 Remuneration of Directors**

- 33.1 The Directors shall be paid out of the funds of the Company by way of fees to be such sums per annum as the Directors shall determine, or as may otherwise be approved by the Company in general meeting. Directors' fees shall be deemed to accrue from day to day.
- 33.2 The Directors shall also be entitled to be repaid all reasonable out of pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees or general meetings.
- 33.3 If any Director, having been requested by the Board, shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration which he may be entitled to receive.

### **34 Indemnities**

- 34.1 The Directors, Secretary and other officers or employees of the Company shall be indemnified out of the assets of the Company to the fullest extent permitted by the Law from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by reason of any contract entered into or any act done, concurred in or omitted, in or about the execution of their duty or supposed duty or in relation to it.
- 34.2 An alternate Director is entitled to be indemnified under this Article as if he or she were a director.
- 34.3 The Directors may without the sanction of the Company in general meeting authorise the purchase or maintenance by the Company for any Director, officer or former Director, or officer of the Company of any insurance which is permitted by the Law in respect of any liability which would otherwise attach to such Director, officer, or former Director or officer.

### **35 Register of Directors**

- 35.1 The Directors or Secretary shall cause to be maintained a register of Directors in accordance with Sections 143 and 147 of the Law.

### **36 Alternate Directors**

- 36.1 Any Director may, by notice in writing under his or her hand served upon the Company, appoint any person (whether a Member of the Company or not) as an alternate Director to attend and vote in his or her place at any meeting of the Directors at which he or she is not personally present or to undertake and perform such duties and functions and to exercise such rights as he or she could personally

and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply:-

36.1.1 Every alternate Director while he or she holds office as such shall be entitled:

36.1.1.1 if his or her appointor so directs the Secretary, to notice of meetings of the Directors; and

36.1.1.2 to attend and to exercise (subject to any restrictions) all the rights and privileges of his or her appointor at all such meetings at which his or her appointor is not personally present.

- 36.2 Every alternate Director shall ipso facto vacate office if and when his or her appointment expires by effluxion of time or his or her appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his or her hand served upon the Company.
- 36.3 No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in exercise of his duties.
- 36.4 A Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his or her own account but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director.

### **37 Borrowing Powers of the Board**

- 37.1 The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any liability or obligation of the Company or of any third party.

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

- 38.1 The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to these Articles and to the Law and to such regulations as may be prescribed by the Company in general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- 38.2 The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and the Board may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or

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bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities.

- 38.3 The Board may establish any local Boards or agencies for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local Boards or any managers or agents and may fix their remuneration and may delegate to any local Board manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local Board to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 38.4 The Board may, at any time, by power of attorney given under the hand of such person or persons duly authorised in that behalf, appoint any person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney of the Company for such purposes and with such powers and discretions and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretions.
- 38.5 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Board shall, at any time, determine.
- 38.6 The Board shall cause minutes to be made and maintained at the Office in books provided for the purpose of all resolutions and proceedings at meetings of the Board and of Board committees in accordance with Section 154 of the Law.
- 38.7 The Board shall keep copies of resolutions of members passed otherwise than at general meetings and cause minutes to be made and maintained at the Office in accordance with Sections 228 and 230 of the Law of all proceedings at general meetings or otherwise and all decisions of a sole Member.
- 38.8 The Board may pay a gratuity, pension or allowance on death or retirement to, and may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation or life assurance funds or schemes, for the benefit of any persons:
  - 38.8.1 who are or were at any time in the employment or service of the Company or of any company which is or was a holding or subsidiary company of the Company or of any predecessor in business of any of them; or

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38.8.2 who are or were at any time Directors or officers of the Company or of any such other company or predecessors or in business and holding any salaried employment or executive office in the Company or such other company or predecessor in business; and the wives, widows, children, dependants or relations of any such persons. The receipt of any such gratuity pension or allowance shall not disqualify any person from being a Director of the Company.

38.9 The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid and make payments for or towards the insurance of any such persons.

38.10 The Board may do any of the matters aforesaid either alone or in conjunction with any such other company.

**39 Conflicts of Interest**

39.1 A Director must, immediately after becoming aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Law the nature and extent of his interest.

39.2 Article 39 does not apply if:

39.2.1 the transaction or proposed transaction is between a Director and the Company; and

39.2.2 the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

39.3 A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.

39.4 Nothing in Articles 39.1, 39.2, or 39.3 applies in relation to:

39.4.1 remuneration or other benefit given to a Director;

39.4.2 insurance purchased or maintained for a Director in accordance with Section 158 of the Law; or

39.4.3 qualifying third party indemnity provision provided for a Director in accordance with Section 159 of the Law.

39.5 A Director who is interested in a transaction entered into, or to be entered into, by the Company, may as if the Director was not interested in the transaction:

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- 39.5.1 vote on a matter relating to the transaction;
- 39.5.2 attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum;
- 39.5.3 sign a document relating to the transaction on behalf of the Company; and
- 39.5.4 do any other thing in his capacity as a Director in relation to the transaction.

39.6 Subject to Article 39.7, a Director is interested in a transaction to which the Company is a party if the Director:

- 39.6.1 is a party to, or may derive a material benefit from, the transaction;
- 39.6.2 has a material financial interest in another party to the transaction;
- 39.6.3 is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
- 39.6.4 is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
- 39.6.5 is otherwise directly or indirectly materially interested in the transaction.

39.7 A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.

39.8 A Director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

39.9 Subject to Article 39.8, any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

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## **40 Disqualification of Directors**

40.1 A Director shall cease to hold office:

- 40.1.1 if he or she (not being a person holding for a fixed term an executive office, subject to termination if he ceases for any cause to be a Director) resigns his or her office by written notice signed by him sent to or deposited at the Office;
- 40.1.2 if he or she shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that his or her office shall be vacated;
- 40.1.3 he or she becomes otherwise ineligible or incapable of continuing to act as a Director for whatever reason and the Board resolves that his office is vacated;
- 40.1.4 if he or she becomes insolvent suspends payment or compounds with his or her creditors;
- 40.1.5 if he or she is requested to resign by written notice signed by all his or her co-Directors;
- 40.1.6 if the Company in general meeting shall declare that he or she shall cease to be a Director; or
- 40.1.7 if he or she becomes ineligible to be a Director in accordance with Section 137 of the Law.

40.2 If the Company in general meeting removes any Director before the expiration of his or her period of office, it or the Board may appoint another person to be a Director in his or her stead who shall retain his office so long only as the Director in whose stead he or she is appointed would have held the same if he or she had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.

## **41 Proceedings of Directors**

41.1 The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman at the meeting shall have a second or casting vote.

41.2 A Director participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting of the Board shall be treated as having attended and having counted in the quorum of that meeting provided that the Directors present at the meeting can hear and speak to the participating Director.

41.3 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can

hear and speak to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Directors resolve otherwise.

- 41.4 The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.
- 41.5 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.
- 41.6 The continuing Directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the minimum number fixed pursuant to these Articles, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act, then any Member may summon a general meeting for the purpose of appointing Directors.
- 41.7 The Board may elect a Chairman of their meetings and determine the period for which he is to hold office. If no such Chairman be elected or if at any meeting the Chairman be not present within ten (10) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
- 41.8 The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
- 41.9 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two (2) for a meeting of the Board and two (2) for a committee of the Directors, except that where the minimum number of Directors has been fixed at one, a sole Director shall be deemed to form a quorum. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
- 41.10 A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee and may be transmitted to the Company by facsimile.

## **42 Executive Directors**

- 42.1 The Board may at any time appoint one or more of their body to be holder of any executive office including the office of Managing Director on such terms and for such periods as they may determine.
- 42.2 The appointment of any Director to any executive office shall be subject to termination if he ceases for any reason to be a Director but without prejudice to any

claim for damages for breach of any contract of service between him and the Company.

42.3 The Board may entrust to, and confer upon, a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with or to the exclusion of their own powers and may at any time revoke, withdraw alter or vary all or any of such powers.

**43 Secretary**

43.1 A Secretary may be appointed by the Board for such term at such remuneration and upon such conditions as the Board may think fit; and any Secretary may be removed by the Board but without prejudice to any claim which he may have for damages for breach of any contract of service between him and the Company.

43.2 A Secretary shall have such duties as may be mandated by the Law and such other duties, responsibilities and powers as shall be agreed by the Board and the Secretary.

43.3 Any provision of the Law or these Articles requiring or authorising a thing to be done by a Director and the Secretary shall be satisfied by its being done by the same person acting both as Director and as or in the place of the Secretary.

**44 Resident Agent**

44.1 If Part XXIX of the Law applies to the Company, the Board shall ensure that a resident agent is appointed in accordance with the Law.

**45 The Seal**

45.1 If the Board determines to maintain a Seal they shall provide for the safe custody of the Seal which shall only be used by authority of the Board or of a committee and every instrument to which the Seal shall be affixed shall be signed by any such persons as are authorised by the Board in that behalf. The Board may authorise the use of a duplicate or facsimile Seal for use outside Guernsey in such manner as the Board may at its discretion determine.

**46 Common Signature**

46.1 The common signature of the Company may be either:

46.1.1 the name of the Company with the addition of the signature(s) of one or more officer(s) of the Company authorised generally or specifically by the Board for such purpose, or such other person or persons as the Board may from time to time appoint; or

46.1.2 if the Board resolves that the Company shall have a common seal, the common seal of the Company affixed in such manner as these Articles or the Board may from time to time provide.

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#### **47 Authentication of Documents**

47.1 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Board and any books records documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts; and where any books records documents or accounts are elsewhere than at the Office the local manager or other Officer of the Company having their custody shall be deemed to be a person appointed by the Board as aforesaid.

#### **48 Dividends**

48.1 Subject to compliance with Section 304 of the Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.

48.2 No dividend shall be paid in excess of the amounts permitted by the Law or approved by the Board.

48.3 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid pro rata according to the number of shares held by each Member.

48.4 The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

48.5 The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.

48.6 The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member until such person has become a Member.

48.7 With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares of the Company. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of Members and may vest any such specific assets in trustees for the Members, entitled as may seem expedient to the Board.

48.8 Any dividend interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint

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holders who is first named on the Register. Any one of two or more joint holders may give effectual receipts for any dividends, interest, bonuses or other moneys payable in respect of their joint holdings.

48.9 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

48.10 All unclaimed dividends (or unclaimed sums payable in respect of shares) may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

#### **49 Reserves**

49.1 The Board may, before recommending any dividend, set aside such sums (out of profits or otherwise) as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which such sums may be properly applied and, pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may at any time think fit. The Board may also, without placing the same to reserve, carry forward any profits or other sums which it may think prudent not to distribute.

#### **50 Capitalisation of Profits**

50.1 The Company in general meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sums be set free for distribution amongst the Members who would have been entitled thereto if distributed and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares of the Company to be allotted and distributed credited as fully paid to and amongst such Members.

50.2 Whenever such resolution shall have been passed as referred to in Article 132 above, the Board shall make all appropriations and applications of the reserves or profits resolved to be capitalised, and all allotments and issues of fully-paid shares and generally shall do all acts and things required to give effect thereto with full power to the Board to make such provision by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions, and also to authorise any person to enter on behalf of all Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the amounts resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

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## **51 Accounts and Reports**

- 51.1 The Board shall maintain accounting records and issue reports in accordance with Part XV of the Law.
- 51.2 The Company shall keep accounting records which are sufficient to show and explain its transactions and are such as to:
  - 51.2.1 disclose with reasonable accuracy, at any time, the financial position of the Company at that time; and
  - 51.2.2 enable the Board to ensure that any accounts prepared by the Company are prepared properly and in accordance with any relevant enactment for the time being in force.
- 51.3 The Company's accounting records shall be kept:
  - 51.3.1 at the Office; or
  - 51.3.2 at such other place as the Board thinks fit.
- 51.4 If accounting records are kept at a place outside Guernsey, returns in respect of the business dealt with in the accounting records shall be sent to and kept at a place in Guernsey and those returns shall be such as to:
  - 51.4.1 disclose with reasonable accuracy the financial position of the business in question at intervals of not more than six (6) months; and
  - 51.4.2 enable the Board to ensure that any accounts prepared by the Company are prepared properly and in accordance with any relevant enactment for the time being in force.
- 51.5 Accounting records (and, where returns are sent, returns) shall be kept by the Company for a period of at least six (6) years after the date on which they are made.
- 51.6 Accounting records (and, where returns are sent, returns) shall at all reasonable times be open to inspection by any Director, Secretary or officer of the Company at the place at which they are kept.
- 51.7 Subject to Section 244 of the Law, the Board of the Company shall prepare accounts of the Company for each of the Company's financial years ("**individual accounts**").
- 51.8 The accounts shall include:
  - 51.8.1 a profit and loss account; and
  - 51.8.2 a balance sheet.
- 51.9 The accounts shall:
  - 51.9.1 give (and state that they give) a true and fair view;

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51.9.2 be in accordance (and state that they are in accordance) with generally accepted accounting principles and state which principles have been adopted; and

51.9.3 comply (and state that they comply) with any relevant enactment for the time being in force.

51.10 The accounts shall be approved by the Board and signed on by at least one (1) Director.

51.11 If and to the extent the Company becomes a holding company, the Directors may, if they think fit, prepare consolidated accounts for the Company and all or any of its subsidiaries in accordance with Section 244 of the Law.

51.12 The Board shall prepare a Directors' report for each of the Company's financial years.

51.13 The Directors' report must state the principal activities (if any) of the Company in the course of the financial year and may be in summary form.

51.14 The directors of associated companies may, if they think fit, combine their Directors' reports, and if the combined report states the principal activities of all associated companies, the requirements of this Article are satisfied.

51.15 This Article applies to the Company unless it is exempt from audit in accordance with Section 256 of the Law for the financial year in question.

51.16 The Directors' report must contain a statement to the effect that, in the case of each of the persons who are Directors at the time the report is approved:

51.16.1 so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

51.16.2 he has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

51.17 A Director is regarded as having taken all the steps that he ought to have taken as a Director in order to do the things mentioned in Article 51.16.2 if he has:

51.17.1 made such enquiries of his fellow Directors and of the Company's auditors for that purpose; and

51.17.2 taken such other steps (if any) for that purpose, as are required by his duty as a Director of the Company to exercise reasonable care, skill and diligence.

51.18 In this Article "relevant audit information" means information needed by the Company's auditor in connection with preparing his report.

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51.19 Should the Members of the Company elect for the Company to become exempt from audit in accordance with Section 256 of the Law, the Directors' report must state that the accounts are exempt from the requirement to be audited and have not been audited.

51.20 The Company must send to each Member of the Company within twelve (12) months after the end of the financial year to which they relate a copy of:

- 51.20.1 the accounts;
- 51.20.2 the Directors' report; and
- 51.20.3 the auditor's report (where one is required under Part XVI of the Law).

51.21 The Company must send to a Member or officer of the Company within seven (7) days after the date on which the Member makes such a request, provided that he has not previously made such a request within that financial year a copy of the most recent:

- 51.21.1 accounts;
- 51.21.2 Directors' report; and
- 51.21.3 auditor's report (where one is required under Part XVI of the Law).

51.22 If the Company holds a general meeting under Section 199 of the Law, it shall lay before that meeting, copies of its most recent:

- 51.22.1 accounts;
- 51.22.2 Directors' report; and
- 51.22.3 auditor's report (where one is required under Part XVI of the Law).

## **52 Audit**

52.1 Subject to Section 256 of the Law, the Members may resolve to exempt the Company from the requirement to appoint auditors. Whilst the Company continues as an unaudited company the provisions of the Law in so far as they relate to the appointment of Auditors the duties of Auditors and to the report of Auditors shall be suspended and cease to have effect.

52.2 Subject to Article 52.1 above, auditors shall be engaged in accordance with Part XVI of the Law.

## **53 Notices**

53.1 A notice or other communication may be given by the Company to any Member either personally or by sending it by prepaid post addressed to such Member at his registered address (or, subject to Article 53.7, in electronic form) or if he desires that

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notices shall be sent to some other address or person to the address or person nominated for such purpose.

- 53.2 Any notice or other document, if served by post (including registered post, recorded delivery service or ordinary letter post), shall be deemed to have been served on the third day after the day on which the same was posted from Guernsey to an address in the United Kingdom, the Channel Islands or the Isle of Man and, in any other case, on the seventh day following that on which the same was posted.
- 53.3 Service of a document sent by post shall be proved by showing the date of posting, the address thereon and the fact of pre-payment.
- 53.4 Any notice or other document, if transmitted by electronic communication, facsimile transmission or other similar means which produce or enable the production of a document containing the text of the communication, shall be regarded as served when it is received.
- 53.5 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.
- 53.6 Any notice or other communication sent to the address of any Member shall, notwithstanding the death, disability or insolvency of such Member and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
- 53.7 All Members shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with Section 526 and Schedule 3 of the Law unless a Member notifies the Company otherwise. Notice under this Article must be in writing and signed by the Member and delivered to the Company's registered office or such other place as the Board directs.

#### **54 Winding Up**

- 54.1 If the Company shall be wound up whether voluntarily or otherwise, the Liquidator may with the sanction of a special resolution divide among the Members, in specie, the whole or any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Members as the Liquidator with the like sanction shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.
- 54.2 If thought expedient subject to the obtaining of any necessary consents or sanctions any such division may be otherwise than in accordance with the then existing rights of the Members and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject to the rights of the holders of shares issued with special rights or

privileges or on special conditions be distributed rateably according to the amount paid up on the shares.

- 54.3 In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within fourteen (14) clear days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.
- 54.4 Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "transferee") the Liquidator of the Company may, with the sanction of an ordinary resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the Members or may enter into any other arrangement whereby the Members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

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