

B Y E - L A W S
of
Hiscox Ltd
(the “Company”)
registered in Bermuda under number EC # 38877

I HEREBY CERTIFY that the within written Bye-Laws are a true copy of the **Amended and Restated Bye-Laws of Hiscox Ltd** as adopted by the Members thereof at the annual general meeting held on 23 May, 2007 in place of those adopted on 20 October 2006 and further amended at the annual general meeting held on 4 June 2008, at the extraordinary general meeting held on 28 March 2013, at the annual general meeting ~~of Members~~ held on 16 May ~~2013 and~~ [2013](#), at the extraordinary general meeting held on 18 March ~~2014~~ [2014](#), [at the annual general meeting held on 15 May 2014 and the extraordinary general meeting held on 25 March 2015.](#)

Cindy Samuels, Assistant Secretary

CONTENTS

Bye-Law	Page
PRELIMINARY	1
1. Interpretation	1
2. Registered Office	5
3. Share Capital.....	5
4. Rights attached to Shares.....	5
5. Authority to allot Relevant Securities.....	8
6. Pre-emption rights	15
7. Dis-application of pre-emption rights.....	17
8. Power to increase, consolidate, sub-divide and cancel shares	17
9. Power to purchase own Shares and hold Treasury Shares.....	18
10. Power to reduce capital.....	19
UNCERTIFICATED SHARES	19
11. Uncertificated shares - general powers.....	19
depository interests.....	20
12. Depository Interests	20
VARIATION OF RIGHTS	21
13. Variation of rights.....	21
TRANSFERS OF SHARES	21
14. Right to transfer Shares	21
15. Transfers of uncertificated shares	21
16. Transfers of certificated shares.....	21
17. Other provisions relating to transfers	22
18. Notice of refusal	22
TRANSMISSION OF SHARES.....	23
19. Discretion of the Board.....	23
20. Transmission on death.....	23
21. Election of person entitled by transmission.....	23
22. Rights of person entitled by transmission.....	23
REGISTERS	23
23. Register of Members	23
24. Register of Directors and officers.....	24
GENERAL MEETINGS.....	24
25. Annual general meetings	24
26. Extraordinary general meetings	24
27. Convening of extraordinary general meetings.....	24
28. Separate general meetings	24
NOTICE OF GENERAL MEETINGS	25
29. Length and form of notice	25
30. Omission or non-receipt of notice	25
PROCEEDINGS AT GENERAL MEETINGS	25
31. Quorum.....	25
32. Security.....	26
33. Chairman	26
34. Right to attend and speak.....	26
35. Resolutions and amendments	26
36. Adjournment.....	27
37. Meeting at more than one place.....	28
38. Method of voting and demand for poll	28

39.	How poll is to be taken	29
40.	Chairman's casting vote	29
VOTES OF MEMBERS		29
41.	Voting rights	29
42.	Representation of corporations	30
43.	Voting rights of joint Members	30
44.	Voting rights of Members incapable of managing their affairs	30
45.	Voting rights suspended where sums overdue	30
46.	Objections to admissibility of votes	30
PROXIES		31
47.	Proxies	31
48.	Appointment of proxy	31
49.	Receipt of proxy	32
50.	Notice of revocation of authority	33
DEPOSITARY ARRANGEMENTS		34
51.	Depositary can appoint multiple proxies	34
52.	Depositary Proxies can only attend general meetings if properly appointed	34
53.	Rights of Depositary Proxies	34
54.	Sending information to a Depositary Proxy	34
55.	The nature of a Depositary Proxy's interest	34
56.	Validity of the appointment of Depositary Proxies	35
DIRECTORS		35
57.	Number of Directors	35
58.	Directors need not be Members	35
59.	Age of Directors	35
APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS AND OFFICERS		35
60.	Appointment of Directors by the Company; Appointment of Officers	35
61.	Separate Ordinary Resolutions for appointment of each director	36
62.	Retirement of Directors	36
63.	Removal of Directors	37
64.	Vacation of office of Director	37
65.	Executive Directors	38
ALTERNATE DIRECTORS		38
66.	Power to appoint Alternate Directors	38
REMUNERATION, EXPENSES AND PENSIONS		39
67.	Directors' fees	39
68.	Special remuneration	39
69.	Expenses	39
70.	Pensions and other benefits	39
POWERS OF THE BOARD		40
71.	General powers of the Board to manage the Company's business	40
72.	Power to act notwithstanding vacancy	40
73.	Provisions for employees	40
74.	Power to borrow money	40
75.	Applicability of the City Code	43
DELEGATION OF BOARD'S POWERS		44
76.	Delegation to individual Directors	44
77.	Committees	44
78.	Local boards	44
79.	Powers of attorney	44
DIRECTORS' INTERESTS		45
80.	Directors' interests and voting	45
PROCEEDINGS OF THE BOARD		47

81.	Board meetings	47
82.	Notice of board meetings.....	47
83.	Quorum.....	47
84.	Chairman or deputy chairman to preside.....	47
85.	Competence of board meetings	48
86.	Voting	48
87.	Telephone board meeting	48
88.	Validity of acts of Directors in spite of formal defect	48
89.	Minutes	48
	SECRETARY AND RESIDENT REPRESENTATIVE	49
90.	Secretary	49
	SHARE CERTIFICATES.....	49
91.	Issue of share certificates.....	49
	LIEN ON SHARES	50
92.	Lien on partly paid Shares	50
93.	Enforcement of lien	50
94.	Liability of the Company.....	50
	CALLS ON SHARES.....	51
95.	Calls.....	51
96.	Interest on calls.....	51
97.	Sums treated as calls.....	52
98.	Power to differentiate	52
99.	Payment of calls in advance	52
	FORFEITURE OF SHARES	52
100.	Notice of unpaid calls	52
101.	Forfeiture on non-compliance with notice.....	52
102.	Power to annul forfeiture or surrender.....	52
103.	Disposal of forfeited or surrendered Shares	53
104.	Arrears to be paid notwithstanding forfeiture or surrender	53
	SEAL	54
105.	Seal	53
	DIVIDENDS	54
106.	Declaration of dividends by the Board	54
107.	Dividend Access Arrangements	54
108.	Fixed and interim dividends	55
109.	Calculation and currency of dividends	55
110.	Method of payment.....	55
111.	Dividends not to bear interest.....	56
112.	Calls or debts may be deducted from dividends.....	56
113.	Unclaimed dividends	56
114.	Uncashed dividends.....	56
115.	Dividends <i>in specie</i>	57
116.	Scrip dividends	57
	CAPITALISATION OF RESERVES.....	58
117.	Capitalisation of reserves.....	58
118.	Capitalisation of reserves - Employee Share Schemes.....	59
	CAPITALISATION OF PROFITS.....	59
119.	Capitalisation of Profits	59
	RECORD DATES	60
120.	Fixing of record dates	60
	ACCOUNTS	61
121.	Accounting records and audits.....	61
	NOTICES.....	62

122.	Form of notices.....	62
123.	Manner of giving notices.....	62
124.	Notice by advertisement.....	62
125.	When notice is deemed given.....	62
126.	Record date for giving notices.....	63
127.	Notice to person entitled by transmission.....	63
	UNTRACED MEMBERS	63
128.	Sale of shares of untraced Members.....	63
129.	Application of proceeds of sale	64
	DESTRUCTION OF DOCUMENTS.....	64
130.	Destruction of documents.....	64
	WINDING UP	65
131.	Powers to distribute <i>in specie</i>	65
	INDEMNITY	65
132.	Indemnity.....	65
	MISCELLANEOUS	66
133.	Continuation	66
134.	Power of the Company to investigate Interests in Shares.....	66
135.	Takeover provisions	69
136.	Electronic Communications.....	71
137.	Lloyd's	73
138.	Non-qualified persons.....	75

PRELIMINARY

1. Interpretation

(a) In these Bye-Laws, unless the contrary intention appears:

(i) the following definitions apply:

Act means the Companies Act 1981 of Bermuda;

acting in concert means persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company;

Address means, in relation to Electronic Communications, any number or address used for the purposes of such Communication;

Alternate Director means an alternate director appointed in accordance with these Bye-Laws;

Associated Company means in respect of an individual any company in respect of which he is (and any persons connected with him, together are) entitled to exercise, or does exercise, the control of shares comprising at least one-fifth of the equity share capital of that company;

Bermuda means the Islands of Bermuda;

Board means the board of directors for the time being of the Company or any duly appointed committee of the Board;

City Code means The City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel or any successor to or replacement thereof from time to time issued by or on behalf of the Panel;

Clear Days means, in relation to the period of a notice, that period excluding the day on which the notice is given or deemed to have been given and the day for which it is given or on which it is to take effect;

Committee means a committee of the Board;

Communication includes a communication comprising sounds or images or both and a communication effecting a payment;

Company means the company incorporated in Bermuda with number 38877 under the name of Hiscox Ltd on 6 September 2006;

connected means, in the case of an individual:

(a) that individual's spouse, Relative, or the spouse of such a Relative;

(b) any Associated Company of that individual;

(c) in his capacity as trustee of a Settlement, a Settlor, any person who is connected with such a Settlor, any company being under the control of five or fewer participators whose participators include the trustees of the Settlement (or any company of which

that company has control) and any beneficiaries of such a Settlement being persons connected with the individual or a company with which he is associated; or

- (d) any person with whom he is in partnership, and the spouse or Relative of any such person, except in relation to acquisitions or disposals of partnership assets pursuant to bona fide commercial arrangements;

control means, in the case of a company, the power of any person (whether alone or in connection with any other persons who, acting together, shall be taken to have control) to secure directly or indirectly (whether by means of a holding of shares or the possession of voting power, or by virtue of any powers conferred by the Bye-Laws, articles of association, other document or otherwise) that the affairs of the company are conducted in accordance with his wishes;

CREST means the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo in accordance with the CREST Regulations;

CRESTCo means CRESTCo Limited;

CREST Regulations means the Uncertificated Securities Regulations 2001, as amended;

Depository means a custodian or other person approved by the Board who holds Shares and under arrangements where either such custodian or other person issues Depository Interests which represent Shares;

Depository Interests means depository interests which represent Shares;

Director means a director for the time being of the Company;

Electronic Communication means a Communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa) as an electronic record either by (i) means of an electronic communications network; or (ii) other means but while in an electronic form;

Employee Share Scheme means any scheme for providing incentives to employees and/or any Directors of the Group involving share options, allocations of shares, stock appreciation rights or other similar awards involving the equity of the Group;

General Principles means the General Principles as set out in the City Code;

Group means the Company and its Subsidiaries from time to time and **Group Company** shall mean any one of them;

Holding Company or **Subsidiary** have the same meanings as in section 86 of the Act, except that references in that section to a company shall include any body corporate or other legal entity, whether incorporated or established in Bermuda or elsewhere;

Listing Rules means the rules made by the UK Listing Authority pursuant to United Kingdom Financial Services and Markets Act 2000 as amended from time to time;

London Stock Exchange means London Stock Exchange and from time to time any successor or replacement body thereof;

Member means the person whose name appears in the Register as the holder of Shares in the Company and, when two or more persons are so registered as joint Members of Shares, means the person whose name stands first in the Register as one of such joint Members, or all of such persons as the context so requires;

Memorandum means the memorandum of association of the Company;

Official List means the official list of securities of the UK Listing Authority;

Officer means a person appointed by the Board pursuant to these Bye-Laws and shall not include an auditor of the Company;

Ordinary Resolution means a resolution passed or to be passed by a majority of such Members as (being entitled its do so) vote in person or by proxy at a general meeting of the Company of which notice has been duly given;

paid up means paid up or credited as paid up;

Panel means the Panel on Takeovers and Mergers in the United Kingdom, and from time to time any successor or replacement body thereof;

person entitled by transmission means a person whose entitlement to a Share in consequence of the death or bankruptcy of a Member or of any other event giving rise to its transmission by operation of law has been noted in the Register;

Register means the Register of Members;

Registered Office means the office address registered for the time being with the Bermuda Registrar of Companies;

Relative means child, step-child, brother, sister, or other direct ancestor or lineal descendant;

Relevant System means a computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument;

Resident Representative means (if any) the individual (or, if permitted in accordance with the Act, a company) (if any) appointed to perform the duties of resident representative set out in the Act and includes any assistant or deputy Resident Representative appointed by the Board to perform any of the duties of the Resident Representative;

Resolution means Ordinary Resolution and/or Special Resolution as applicable;

Seal means any common seal of the Company or any official seal or securities seal which the Company may have or be permitted to have under the Act and includes any authorised duplicate thereof;

Secretary means the secretary of the Company or, if there are joint secretaries, any of the joint secretaries and includes an assistant or deputy secretary and any person appointed by the Board to perform any of the duties of the secretary of the Company;

Settlement means any disposition, trust, covenant, agreement or arrangement pursuant to which any person transfers the legal title in property to another person or persons to be held for the benefit of the Settlor and/or a third party;

Settlor means, in relation to a Settlement, any person by whom the Settlement was made, whether directly or indirectly, and including if he has provided or undertaken to provide funds directly or indirectly for the purpose of the Settlement, or has made with any other person a reciprocal arrangement for that other person to make or enter into the Settlement;

Share means a share in the capital of the Company and includes a fraction of a share and or treasury shares;

Special Resolution means a resolution passed either by a majority of not less than three-quarters of such Members as (being entitled to do so) vote in person or by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given;

these Bye-Laws means these bye-laws, as from time to time altered;

treasury shares means those Shares held by the Company in treasury in accordance with section 42B of the Act;

UK Listing Authority (UKLA) means the United Kingdom Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the United Kingdom Financial Services and Markets Act 2000 or any successor thereto; and

uncertificated means in relation to a share or other security, title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations may be transferred by means of CREST.

- (ii) any reference to an uncertificated share, or to a share being held in uncertificated form, means a share title to which may be transferred by means of a Relevant System, and any reference to a certificated share means any Share other than an uncertificated share;
- (iii) any reference in these Bye-Laws to any statute or statutory provision includes a reference to any modification or re-enactment of it for the time being in force;
- (iv) words importing the singular number include the plural number and vice versa, words importing one gender include the other gender and words importing persons include bodies corporate and unincorporated associations;
- (v) any reference to writing includes a reference to any method of reproducing words in a legible and non-transitory form;
- (vi) any reference to doing something by electronic means includes doing it by an Electronic Communication;
- (vii) any reference to a signature or to something being signed or executed includes an electronic signature or other means of verifying the authenticity of an Electronic Communication which the Board may from time to time approve, a signature printed or reproduced by mechanical or other means or any stamp or other distinctive marking made by or with the authority of the person required to sign the document to indicate it is approved by such person;
- (viii) any reference to a document being sealed or executed under seal or under the common seal of any body corporate (including the Company) or any similar expression includes a reference to its being executed in any other manner which has the same effect as if it were executed under seal;

- (ix) any reference to a meeting shall not be taken as requiring more than one person to be present in person if any quorum requirement can be satisfied by one person;
- (x) any reference to a show of hands includes such other method of casting votes as the board may from time to time approve; and
- (xi) where the Company has a power of sale or other right of disposal in relation to any Share, any reference to the power of the Company or the Board to authorise a person to transfer that Share to or as directed by the person to whom the Share has been sold or disposed of shall, in the case of an uncertificated share, be deemed to include a reference to such other action as may be necessary to enable that Share to be registered in the name of that person or as directed by him; and
- (xii) any reference to:
 - (A) rights attaching to any Share;
 - (B) Members having a right to attend and vote at general meetings of the Company (including a meeting under Section 99 of the Act);
 - (C) dividends being paid, or any other distribution of the Company's assets being made, to Members; or
 - (D) interests in a certain proportion or percentage of the issued share capital, or any class of share capital,

shall, unless otherwise expressly provided by the Act, be construed as though any treasury shares held by the Company had been cancelled.

- (b) Headings to these Bye-Laws are inserted for convenience only and shall not affect construction.

2. Registered Office

The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint.

3. Share Capital

The authorised share capital of the Company at the date of adoption of these Bye-Laws is £240,000,000.

4. Rights attached to Shares

Subject to the Act and to the rights conferred on the Members, any Share may be issued with or have attached to it such rights and restrictions as the Company may by Ordinary Resolution decide or, if no such Ordinary Resolution is in effect or so far as the Ordinary Resolution does not make specific provision, as the Board may decide.

4A. Rights and restrictions attaching to the E Shares

Notwithstanding the provisions in these Bye-Laws which relate to Shares, the following paragraphs (a) to (h) of this Bye-Law 4A comprise all the rights and restrictions relating to the non-cumulative E preference shares of par value 0.01 pence each in the capital of the Company (the "E Shares").

(a) Election Form

(i) Together with a circular to Members dated 3 March 2015 (the "Circular") holders of ordinary shares ("Shareholders"), other than Restricted Shareholders, were sent an election form or, if they held their interest in such ordinary shares in the form of a depositary interest, they were notified of their entitlement to submit a transfer to escrow instruction relating to the depositary interest arising in respect of the Shares (each an "Election Form") under which in relation to any such Shares to be issued to them:

(A) they could elect to or could receive E Shares and to receive the E Share Dividend (as defined below) in respect of some or all of such E Shares on 2 April 2015 or such other later date as the Directors may determine prior to such date (the "E Share Dividend Date"); and/or

(B) they could elect to receive F Shares (as defined in Article 4B) in respect of which it is expected that UBS Limited would make an offer to purchase acting as principal (and not as agent, nominee or trustee) (the "Purchase Offer") on 31 March 2015 or such other later date as the Directors may determine prior to such date (the "Purchase Offer Date").

Elections made by Shareholders on their Election Forms in respect of the E Shares and/or F Shares will not take effect until 1.00 p.m. on 25 March 2015 or such other time and/or date as the Directors may determine.

Restricted Shareholders who will automatically receive E Shares and the E Share Dividend will not be sent an Election Form and are not entitled to receive F Shares.

(ii) Shareholders who have not returned a duly completed Election Form by 1.00 p.m. on 25 March 2015 (or such later time and/or date as the Directors may determine) will receive E Shares and will receive the E Share Dividend on the E Share Dividend Date in respect of all of their Existing Ordinary Shares.

(iii) The Directors may, if they so determine in their absolute discretion, accept an Election Form which is received after the relevant time or which is not correctly completed. The Directors may, in addition, if they so determine in their absolute discretion, treat any other document or action as a valid Election Form or as the completion or delivery of a valid Election Form, as the case may be.

(iv) For these purposes a Restricted Shareholder is a Shareholder who has a registered address in the United States or Canada or is a resident, citizen of or located in the United States or Canada.

(b) Income and contributed surplus

(i) Out of the funds available for distribution and/or from any other sum standing to the credit of the contributed surplus account of the Company a special dividend/distribution of 60 pence per E Share (the "E Share Dividend") shall be payable to those holders of E Shares who are deemed to receive the E Share Dividend on the E Share Dividend Date.

(ii) The E Share Dividend shall be payable on the E Share Dividend Date. Each E Share in respect of which such dividend/distribution becomes payable shall, on such date, be automatically converted without any further action or consent being required from or of the E Shareholder into a deferred share of par value 0.01 pence each in the capital of the

Company with the rights and restrictions described in Bye-Law 4C below (each a "E Deferred Share").

- (iii) The holders of the E Shares shall not be entitled to any further right of participation in the profits or contributed surplus account of the Company other than those described in paragraphs (i) and (ii) of paragraph (b) of this Bye-Law 4A.

(c) **Capital**

- (i) Except as provided in this Bye-Law 4A, on a return of capital on winding up or otherwise, the holders of the E Shares shall be entitled, in priority to any payment to the holders of Shares or E Deferred Shares to 0.01 pence per E Share (which shall be the par value capital paid up or credited as paid up on the E Shares) held by them.
- (ii) On a winding up, the holders of the E Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in paragraph (i) of this Bye-Law. In the event that there is a winding up to which such paragraph applies and the amounts available for payment are insufficient to pay the amounts due on all the E Shares in full, the holders of the E Shares shall be entitled to their pro-rata proportion of the amounts to which they would otherwise be entitled.
- (iii) The aggregate entitlement of each holder of E Shares in a winding up in respect of all the E Shares held by him shall be rounded up to the nearest penny.
- (iv) The holders of the E Shares shall not be entitled to any further right of participation in the assets of the Company.

(d) **Redemption**

The E Shares are non-redeemable.

(e) **Voting and Extraordinary General Meetings**

Except as required by law, the holders of the E Shares shall not be entitled, in their capacity as the holders of E Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting.

(f) **Class Rights**

- (i) The Company may from time to time create, allot and issue further shares, whether ranking pari passu with, or in priority to, the E Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority of the E Shares) shall be treated as being in accordance with the rights attaching to the E Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the E Shares.
- (ii) A reduction by the Company of the capital paid up or credited as paid up on the E Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the E Shares and shall not involve a variation of such rights for any purpose. The Company will be authorised to reduce its capital at any time and without obtaining the consent of the holders of the E Shares including by payment to the holders of the E Shares the preferential amounts to which they are entitled as set out above.

(g) **Form, transferability and listing**

- (i) (No share certificates or other documents of title shall be issued in relation to the E Shares in respect of which the E Share Dividend is paid. The E Shares are not renounceable and all transfers of E Shares shall be effected in writing in usual or common form or in any other form which the Directors may approve.
- (ii) No application has been or will be made to the UK Listing Authority or the London Stock Exchange, respectively, for the E Shares to be admitted to the Official List maintained by the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange.

(h) **E Shares no longer in existence**

This Bye-Law 4A shall remain in force until there are no longer any E Shares in existence whether by way of conversion into E Deferred Shares, cancellation or reclassification, whichever is earlier, notwithstanding any provision in these Bye-Laws to the contrary. Thereafter this Bye-Law 4A shall be deemed to be of no effect and shall be deleted in its entirety and the separate Register for the holders of E Shares shall no longer be required to be maintained by the Company provided that the validity of anything done under paragraphs (a) to (g) of this Bye-Law 4A before that date shall not otherwise be affected and any actions taken under those paragraphs before that date shall be conclusive and shall not be open to challenge on any grounds.

4B. Rights and restrictions attaching to the F Shares

Notwithstanding the provisions in these Bye-Laws which relate to Shares, the following paragraphs (a) to (h) of this Bye-Law 4B comprise all the rights and restrictions relating to the non-cumulative F preference shares of par value 0.01 pence each in the capital of the Company (the "**F Shares**").

(a) **Election Form**

- (i) Together with a circular to Members dated 3 March 2015 (the "Circular") holders of ordinary shares ("Shareholders") other than Restricted Shareholders, were sent an election form or, if they held their interest in such ordinary shares in the form of a depositary interest, they were notified of their entitlement to submit a transfer to escrow instruction relating to the depositary interest arising in respect of the Shares (each an "Election Form") under which in relation to any such Shares to be issued to them:

(A) they could elect to or could receive E Shares and to receive the E Share Dividend (each as defined in Article 4A) in respect of some or all of such E Shares on 2 April 2015 or such other later date as the Directors may determine prior to such date (the "E Share Dividend Date"); and/or

(B) they could elect to receive F Shares in respect of which it is expected that UBS Limited would make an offer to purchase acting as principal (and not as agent, nominee or trustee) (the "Purchase Offer") on 31 March 2015 or such other later date as the Directors may determine prior to such date (the "Purchase Offer Date").

Elections made by Shareholders on their Election Forms in respect of the E Shares and/or F Shares will not take effect until 1.00 p.m. on 25 March 2015 or such other time and/or date as the Directors may determine.

Restricted Shareholders who will automatically receive E Shares and the E Share Dividend will not be sent an Election Form and are not entitled to receive F Shares.

- (ii) The Directors may, if they so determine in their absolute discretion, accept an Election Form which is received after the relevant time or which is not correctly completed. The Directors may, in addition, if they so determine in their absolute discretion, treat any other document or action as a valid Election Form or as the completion or delivery of a valid Election Form, as the case may be.
- (iii) For these purposes a Restricted Shareholder is a Shareholder who has a registered address in the United States or Canada or is a resident, citizen of or located in the United States or Canada.

(b) **Income and contributed surplus**

- (i) Out of the funds available for distribution and/or from any other sum standing to the credit of the contributed surplus account of the Company a single dividend of 60 pence per F Share (the "Default Dividend") shall automatically become payable to the holders of any F Shares:
 - (A) in respect of which a valid election to participate in the Purchase Offer has been made but where such purchase has not been completed by 6.00 p.m. on the second Business Day after the Purchase Offer Date (the "Default Dividend Date"); and
 - (B) who are registered in the Company's Register of Members as holding such F Shares (that is F Shares within (A) above) on the Default Dividend Date.
- (ii) The Company's liability to pay the Default Dividend to such holder of F Shares shall be discharged by the Company by a payment to such holder by 4.30 p.m. on the Business Day following the Default Dividend Date, of an amount equal to the Default Dividend.
- (iii) Each F Share in respect of which the Default Dividend becomes payable shall, on such date, automatically (but without prejudice to the accrued rights to receive such dividend) be converted without any further action or consent being required from or of the F Shareholder into a E Deferred Share (as defined in Bye-Law 4C).
- (iv) The holders of the F Shares shall not be entitled to any further right of participation in the profits or contributed surplus account of the Company other than those described in paragraphs (i), (ii) and (iii) of paragraph (b) of this Bye-Law 4B.

(c) **Capital**

- (i) Except as provided in this Bye-Law 4B, on a return of capital on winding up or otherwise, the holders of the F Shares shall be entitled, in priority to any payment to the holders of Shares or E Deferred Shares to 0.01 pence per F Share (which shall be the par value capital paid up or credited as paid up on the F Shares) held by them.
- (ii) On a winding up, the holders of the F Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in paragraph (i) of this Bye-Law. In the event that there is a winding up to which such paragraph applies and the amounts available for payment are insufficient to pay the amounts due on all the F Shares in full, the holders of the F Shares shall be entitled to their pro-rata proportion of the amounts to which they would otherwise be entitled.
- (iii) The aggregate entitlement of each holder of F Shares in a winding up in respect of all the F Shares held by him shall be rounded up to the nearest penny.

(iv) The holders of the F Shares shall not be entitled to any further right of participation in the assets of the Company.

(d) **Redemption**

The F Shares are non-redeemable.

(e) **Voting and Extraordinary General Meetings**

Except as required by law, the holders of the F Shares shall not be entitled, in their capacity as the holders of F Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting.

(f) **Class Rights**

(i) The Company may from time to time create, allot and issue further shares, whether ranking pari passu with, or in priority to, the F Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority of the F Shares) shall be treated as being in accordance with the rights attaching to the F Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the F Shares.

(ii) A reduction by the Company of the capital paid up or credited as paid up on the F Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the F Shares and shall not involve a variation of such rights for any purpose. The Company will be authorised to reduce its capital at any time and without obtaining the consent of the holders of the F Shares including by payment to the holders of the F Shares the preferential amounts to which they are entitled as set out above.

(g) **Form, transferability and listing**

(i) No share certificates or other documents of title shall be issued in relation to the F Shares. The F Shares are not renounceable and all transfers of F Shares shall be effected in writing in usual or common form or in any other form which the Directors may approve.

(ii) No application has been or will be made to the UK Listing Authority or the London Stock Exchange, respectively, for the F Shares to be admitted to the Official List maintained by the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange.

(iii) Subject to the provisions of these Bye-Laws as may be applicable, no transfer of F Shares will be registered:

a) after 5.00 p.m. on the second Business Day after the Purchase Offer Date unless (A) such transfer is to or from UBS Limited in accordance with the terms of the Purchase Offer or is made by UBS Limited or (B) determined to the contrary by the Board; and

b) unless and until any transferee of any F Shares in respect of which a valid election to participate in the Purchase Offer has been made has irrevocably appointed the Company or any officer or employee of any company in the Group for the time being or UBS Limited or any director or authorised signatory of UBS Limited for the time being severally as attorney for and/or agent of the transferee with authority on that transferee's behalf and in his or their name, to exercise all rights, powers and privileges attached to such F Shares or otherwise capable of being exercised by that transferee in respect of

such F Shares in order to give effect to his or their election and to do all acts and things and to execute all such deeds, transfers and other documents as such attorney and/or agent shall consider necessary or desirable to give effect to that transferee's election.

(h) **F Shares no longer in existence**

This Bye-Law 4B shall remain in force until there are no longer any F Shares in existence whether by way of purchase, cancellation or reclassification, whichever is earlier, notwithstanding any provision in these Bye-Laws to the contrary. Thereafter this Bye-Law 4B shall be deemed to be of no effect and shall be deleted in its entirety and the separate Register for the holders of F Shares shall no longer be required to be maintained by the Company provided that the validity of anything done under paragraphs (a) to (g) of this Bye-Law 4B before that date shall not otherwise be affected and any actions taken under those paragraphs before that date shall be conclusive and shall not be open to challenge on any grounds.

4C. Rights and restrictions attaching to the E Deferred Shares

Notwithstanding the provisions in these Bye-Laws which relate to Shares, the following paragraphs (a) to (g) of this Bye-Law 4C comprise all the rights and restrictions relating to the deferred shares of par value 0.01 pence each in the capital of the Company (the "**E Deferred Shares**").

(a) **Income and contributed surplus**

The E Deferred Shares shall confer no right to participate in the profits or contributed surplus account of the Company.

(b) **Capital**

On a return of capital on a winding up there shall be paid to the holders of the E Deferred Shares the par value capital paid up or credited as paid up on such E Deferred Shares after, firstly paying to the holders of the Ordinary Shares the par value capital paid up or credited as paid up on the Ordinary Shares held by them together with the sum of £100,000 on each Ordinary Share, secondly paying to the holders of the E Shares 0.01 pence per E Share held by them and paying to the holders of the F Shares 0.01 pence per F Share held by them. The holders of the E Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

(c) **Voting and Extraordinary General Meetings**

Except as required by law, the holders of the E Deferred Shares shall not be entitled, in their capacity as the holders of E Deferred Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting.

(d) **Class Rights**

(i) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with, or in priority to, the E Deferred Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority of the E Deferred Shares) shall be treated as being in accordance with the rights attaching to the E Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the E Deferred Shares.

- (ii) A reduction by the Company of the capital paid up or credited as paid up on the E Deferred Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the E Deferred Shares and shall not involve a variation of such rights for any purpose. The Company will be authorised to reduce its capital at any time and without obtaining the consent of the holders of the E Deferred Shares including by payment to the holders of the E Deferred Shares the preferential amounts to which they are entitled as set out above.

(e) Form and transferability

- (i) No share certificates or other documents of title shall be issued in relation to the E Deferred Shares.
- (ii) The E Deferred Shares are not renounceable nor transferable except as provided by paragraph (f) of this Bye-Law 4C.
- (iii) No application has been or will be made to the UK Listing Authority or the London Stock Exchange, respectively, for the E Deferred Shares to be admitted to the Official List maintained by the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange.
- (iv) For the purposes of these Bye-Laws, while any E Deferred Shares are in existence, the definition of "Shares" in Bye-Law 1 shall (if not inconsistent with the subject or context and unless otherwise provided) include such E Deferred Shares.

(f) Transfer and Purchase

- (i) Subject to the provisions of the Act and to the provisions of these Bye-Laws, the Company may at any time, without any prior notice and without obtaining the sanction of the holder or holders of the E Deferred Shares appoint any person to execute on behalf of any or all holders of E Deferred Shares a transfer of all of the E Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such other person as the Directors may determine in any case for not more than one pence for all the E Deferred Shares then in issue and cancel all or any of the E Deferred Shares so purchased by the Company in accordance with the Act and these Bye-Laws.
- (ii) Subject to the provisions of the Act and to the provisions of these Bye-Laws, the Company may at any time, without any prior notice purchase all the E Deferred Shares in issue for a total aggregate price not exceeding one pence for all such E Deferred Shares purchased which may be paid to charity. All E Deferred Shares shall upon purchase immediately and automatically be cancelled and the Company shall not be entitled to reissue any of them.

(g) E Deferred Shares no longer in existence

This Bye-Law 4C shall remain in force until there are no longer any E Deferred Shares in existence, either issued or unissued, notwithstanding any provision in these Bye-Laws to the contrary. Thereafter this Bye-Law 4C shall be deemed to be of no effect and shall be deleted in its entirety and the separate Register for the holders of E Deferred Shares shall no longer be required to be maintained by the Company provided that the validity of anything done under paragraphs (a) to (f) of this Bye-Law 4C before that date shall not otherwise be affected and any actions taken under those paragraphs before that date shall be conclusive and shall not be open to challenge on any grounds.

4D. Rights and restrictions attaching to the Deferred Shares

Notwithstanding the provisions in these Bye-Laws which relate to Shares, the following paragraphs (a) to (g) of this Bye-Law 4D comprise all the rights and restrictions relating to the deferred shares of par value 28/88 pence each in the capital of the Company (the "Deferred Shares").

(a) Income and contributed surplus

The Deferred Shares shall confer no right to participate in the profits or contributed surplus account of the Company.

(b) Capital

On a return of capital on a winding up there shall be paid to the holders of the Deferred Shares the par value capital paid up or credited as paid up on such Deferred Shares after, firstly paying to the holders of the Ordinary Shares the par value capital paid up or credited as paid up on the Ordinary Shares held by them together with the sum of £100,000 on each Ordinary Share, secondly paying to the holders of the E Shares 0.01 pence per E Share held by them and paying to the holders of the F Shares 0.01 pence per F Share held by them and thirdly paying to the holders of the E Deferred Shares 0.01 pence per E Deferred Share held by them. The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

(c) Voting and Extraordinary General Meetings

Except as required by law, the holders of the Deferred Shares shall not be entitled, in their capacity as the holders of Deferred Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting.

(d) Class Rights

(i) The Company may from time to time create, allot and issue further shares, whether ranking pari passu with, or in priority to, the Deferred Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority of the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.

(ii) A reduction by the Company of the capital paid up or credited as paid up on the Deferred Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose. The Company will be authorised to reduce its capital at any time and without obtaining the consent of the holders of the Deferred Shares including by payment to the holders of the Deferred Shares the preferential amounts to which they are entitled as set out above.

(e) Form and transferability

(i) No share certificates or other documents of title shall be issued in relation to the Deferred Shares.

(ii) The Deferred Shares are not renounceable nor transferable except as provided by paragraph (f) of this Bye-Law 4D.

(iii) No application has been or will be made to the UK Listing Authority or the London Stock Exchange, respectively, for the Deferred Shares to be admitted to the Official List maintained by the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange.

(iv) For the purposes of these Bye-Laws, while any Deferred Shares are in existence, the definition of "Shares" in Bye-Law 1 shall (if not inconsistent with the subject or context and unless otherwise provided) include such Deferred Shares.

(f) **Transfer and Purchase**

(i) Subject to the provisions of the Act and to the provisions of these Bye-Laws, the Company may at any time, without any prior notice and without obtaining the sanction of the holder or holders of the Deferred Shares appoint any person to execute on behalf of any or all holders of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such other person as the Directors may determine in any case for not more than one pence for all the Deferred Shares then in issue and cancel all or any of the Deferred Shares so purchased by the Company in accordance with the Act and these Bye-Laws.

(ii) Subject to the provisions of the Act and to the provisions of these Bye-Laws, the Company may at any time, without any prior notice purchase all the Deferred Shares in issue for a total aggregate price not exceeding one penny for all such Deferred Shares purchased which may be paid to charity. All Deferred Shares shall upon purchase immediately and automatically be cancelled and the Company shall not be entitled to reissue any of them.

(g) **Deferred Shares no longer in existence**

This Bye-Law 4D shall remain in force until there are no longer any Deferred Shares in existence, either issued or unissued, notwithstanding any provision in these Bye-Laws to the contrary. Thereafter this Bye-Law 4D shall be deemed to be of no effect and shall be deleted in its entirety and the separate Register for the holders of Deferred Shares shall no longer be required to be maintained by the Company provided that the validity of anything done under paragraphs (a) to (f) of this Bye-Law 4D before that date shall not otherwise be affected and any actions taken under those paragraphs before that date shall be conclusive and shall not be open to challenge on any grounds.

5. Authority to allot Relevant Securities

- (a) Subject to the provisions of these Bye-Laws, the unissued Shares of the Company (whether forming part of the original capital or any increased capital and which shall include any treasury shares) shall be at the disposal of the Board, which may offer, allot, grant options or awards over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.
- (b) The Board shall not exercise any power to allot, offer, grant options over or otherwise dispose of Relevant Securities unless it is, in accordance with this Bye-Law, authorised to do so by an Ordinary Resolution.
- (c) In this Bye-Law **Relevant Securities** means:
 - (i) Shares (other than Shares allotted pursuant to any Employee Share Scheme); and
 - (ii) any right to subscribe for, or to convert any security into, Shares in the Company (other than Shares allotted pursuant to any Employee Share Scheme);

and a reference to the allotment of Relevant Securities includes the grant of such a right but (subject to Bye-Law 5(g)), not the allotment of Shares pursuant to such a right.

- (d) Authority under this Bye-Law may be given for a particular exercise of the power or for its exercise generally, and may be unconditional or subject to conditions.
- (e) Any authority under this Bye-Law shall state the maximum amount of Relevant Securities that may be allotted under it and the date on which it will expire, which must be not more than five years from the date on which the Ordinary Resolution is passed by virtue of which the authority is given; but such an authority may be previously revoked or varied by an Ordinary Resolution.
- (f) Any authority under this Bye-Law may be renewed or further renewed by an Ordinary Resolution for a further period not exceeding five years; but the Ordinary Resolution must state (or restate) the amount of Relevant Securities which may be allotted under the authority or, as the case may be, the amount remaining to be allotted under it, and must specify the date on which the renewed authority will expire.
- (g) In relation to any authority under this Bye-Law 5 for the grant of such rights as are mentioned in Bye-Law 5(c)(ii), the reference in Bye-Law 5(d) to the grant of such rights (and to the corresponding reference in Bye-Law 5(e)) to “the maximum amount of Relevant Securities that may be allotted under the authority” is the maximum amount of Shares which may be allotted pursuant to the rights.
- (h) The Board may allot Relevant Securities, notwithstanding that authority under this Bye-Law has expired, if they are allotted in pursuance of an offer or agreement made by the Company before the authority expired and the authority allowed it to make an offer or agreement which would or might require Relevant Securities to be allotted after the authority expired.
- (i) No breach of this Bye-Law shall affect the validity of any allotment of any Relevant Security.
- (j) The Board may in connection with the issue of any Shares exercise all powers of paying commission and brokerage conferred or permitted by law. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other.
- (k) Shares may be issued in fractional denominations and in such event the Company shall deal with such fractions to the same extent as its whole Shares, so that a Share in a fractional denomination shall have, in proportion to the fraction of a whole Share that it represents, all the rights of a whole Share, including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.
- (l) Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any Share upon trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or in any fractional part of a Share or (except only as otherwise provided in these Bye-Laws or by law) any other right in respect of any share except an absolute right to the entirety thereof.

6. Pre-emption rights

- (a) Subject to Bye-Law 7, the Board shall not allot any Equity Securities (as defined in this Bye-Law):
 - (i) on any terms to a person unless it has made an offer to each person who holds Relevant Shares or Relevant Employee Shares (as defined in this Bye-Law) to allot to him on the same or more favourable terms a proportion of those securities which is as nearly as

practicable equal to the proportion in nominal value held by him (as the case may be) of the aggregate of Relevant Shares and Relevant Employee Shares; and

- (ii) to a person unless the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- (b) Bye-Law 6(a) does not apply to a particular allotment of Equity Securities if those Equity Securities are, or are to be, wholly or partly paid up otherwise than in cash; and securities which the Company has offered to allot to a holder of Relevant Shares or Relevant Employee Shares may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening Bye-Law 6(a)(i). For these purposes, **paid up otherwise than in cash** means paid up otherwise than by cash received by the Company or a cheque received by the Company (in good faith which the Board has no reason to suspect will not be paid), or a release of a liability of the Company for a liquidated sum or an undertaking to pay cash to the Company at a future date, and **cash** includes foreign currency.
- (c) Bye-Law 6(a) does not apply to the allotment of securities which would, apart from a renunciation or assignment of the right to their allotment, be held under any Employee Share Scheme.
- (d) An offer to be made under Bye-Law 6(a) shall be in writing and shall be made by giving a notice containing the offer to the Member in accordance with Bye-Law 122 and 123.
- (e) The offer must state a period of not less than 21 days during which it may be accepted and the offer shall not be withdrawn before the end of that period.
- (f) The foregoing provisions of this Bye-Law are without prejudice to any exclusions or other arrangements which the Board may deem necessary or desirable in relation to fractional entitlements or due to legal or practical problems arising in or under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or any matter whatsoever.
- (g) For the purpose of this Bye-Law and Bye-Law 7:
 - (i) **Equity Security** means a Relevant Share (as defined below) (other than a bonus share), or a right to subscribe for, or to convert securities into, Relevant Shares in the Company;
 - (ii) a reference to the allotment of Equity Securities or of Equity Securities consisting of Relevant Shares of a particular class includes:
 - (A) the grant of a right to subscribe for, or to convert any securities into, Relevant Shares in the Company or (as the case may be) Relevant Shares of a particular class; but such a reference does not include the allotment of any Relevant Shares pursuant to such a right; and
 - (B) the sale of any Relevant Shares in the Company or (as the case may be) Relevant Shares of a particular class if, immediately before the sale, the Shares were held by the Company as treasury shares pursuant to section 42B of the Act;
 - (iii) **Relevant Employee Shares** means Shares of the Company which would be Relevant Shares but for the fact that they are held by a person who acquired them in pursuance of any Employee Share Scheme;
 - (iv) **Relevant Shares** means Shares in the Company other than:

- (A) Shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution; and
- (B) Shares which are held by a person who acquired them in pursuance of any Employee Share Scheme or, in the case of Shares which have not been allotted, are to be allotted in pursuance of such a scheme; and
- (v) a reference to a class of Shares is to shares to which the same rights are attached as to voting and as to participation, both as respects dividends and as respects capital, in a distribution.
- (h) In relation to an offer to allot securities required by Bye-Law 6(a), a reference in Bye-Law 6 (however expressed) to the Member is to whoever was at the close of business on a date, to be specified in the offer and to fall in the period of 28 days immediately before the date of the offer, as the Member.

7. Dis-application of pre-emption rights

- (a) Where the Board is authorised for purposes of Bye-Law 5 it may (other than in relation to a sale of treasury shares) be given power by a Special Resolution to allot Equity Securities pursuant to that authority as if:
 - (i) Bye-Law 6 did not apply to the allotment; or
 - (ii) that Bye-Law 6 applied to the allotment with such modifications as the Board may determine,

and where the Board makes an allotment under this Bye-Law, Bye-Law 6 shall have effect accordingly.
- (b) Where the Board is authorised for the purposes of Bye-Law 5 (whether generally or otherwise), the Company may by Special Resolution resolve either:
 - (i) that Bye-Law 6 shall not apply to a specified allotment of Equity Securities to be made pursuant to that authority; or
 - (ii) that Bye-Law 6 shall apply to the allotment with such modifications as may be specified in the Special Resolution,

and where such Special Resolution is passed, Bye-Law 6 shall have effect accordingly.
- (c) The power conferred by Bye-Law 7(a) or a Special Resolution under Bye-Law 7(b) ceases to have effect when the authority to which it relates is revoked or would (if not renewed) expire; but if the authority is renewed, the power or (as the case may be) the Special Resolution may also be renewed, for a period not longer than that for which the authority is renewed, by a Special Resolution.
- (d) Notwithstanding that any such power or Special Resolution has expired, the Board may allot Equity Securities in pursuance of an offer or agreement previously made by the Company, if the power or Special Resolution enabled the Company to make an offer or agreement which would or might require Equity Securities to be allotted after it expired.

8. Power to increase, consolidate, sub-divide and cancel shares

- (a) The Company may from time to time by Ordinary Resolution:

- (i) increase its share capital by the creation of new Shares of such amount as the Ordinary Resolution prescribes and may also direct that the new Shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Act) at a discount to all the Members for the time being in proportion to the number of such Shares held by them respectively or make any other provision as to the issue of the new Shares;
 - (ii) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
 - (iii) sub-divide its Shares, or any of them, into Shares of a smaller amount than is fixed by the Memorandum, but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;
 - (iv) make provision for the issue and allotment of Shares which do not carry any voting rights;
 - (v) cancel any Shares which, at the date of the passing of the Ordinary Resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled; and
 - (vi) change the currency denomination of its share capital.
- (b) An Ordinary Resolution by which any Share is sub-divided may determine that, as between the Members resulting from the sub-division, one or more of the Shares may have such preferred or other special rights, or may have such qualified or deferred rights or be subject to such restrictions, as compared with the other or others, as the Company has power to attach to new Shares.
- (c) If as a result of any consolidation and division or sub-division of Shares any Members would become entitled to fractions of a Share, the Board may deal with the fractions as it thinks fit. In particular, the Board may:
- (i) (on behalf of those Members) aggregate and sell the Shares representing the fractions to any person (including, subject to the Act, the Company) and distribute the net proceeds of sale in due proportion among those Members (except that any proceeds in respect of any holding less than a sum fixed from time to time by the Board may be retained for the benefit of the Company); or
 - (ii) subject to the Act, first, allot to a Member credited as fully paid by way of capitalisation of any reserve account of the Company such number of Shares as rounds up his holding to a number which, following consolidation and division or sub-division, leaves a whole number of Shares.
- (d) For the purpose of a sale under paragraph (c)(i) above, the Board may authorise a person to transfer the Shares to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money, and the title of the new Member to the Shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale.

9. Power to purchase own Shares and hold Treasury Shares

- (a) The Company shall not exercise any power to effect purchases by the Company any of its own Shares or any Shares of any class at any price unless the Company is, in accordance with this Bye-Law, authorised to do so by a Special Resolution, provided always that such purchase is effected in accordance with the provisions of the Act.

- (b) Any authority under this Bye-Law may be given for a particular exercise of the power or for its exercise generally and may be unconditional or subject to conditions.
- (c) Any authority under this Bye-Law shall state:
 - (i) the maximum amount of Shares that may be purchased by the Company under it;
 - (ii) the maximum price which may be paid for each Share by reference to the middle market prices for the Company's Shares on the Official List and subject always to the United Kingdom Buy-Back and Stabilisation Regulation 2003 and the minimum price which may be paid for each Share; and
 - (iii) the date on which it will expire which must not be more than five years from the date on which the Resolution is passed by virtue of which the authority is given; but such an authority may be previously revoked or varied by a Special Resolution.
- (d) Any authority under this Bye-Law may be renewed or further renewed by a Special Resolution in general meeting for a further period not exceeding five years; but the Special Resolution must state (or restate) the amount of Shares which may be purchased under the authority or, as the case may be, the amount remaining to be purchased under it, and must specify the date on which the renewed authority will expire.
- (e) The Company may purchase Shares, notwithstanding that authority under this Bye-Law has expired, if they are purchased in pursuance of an offer or agreement made by the Company before the authority expired and the authority allowed it to make an offer or agreement which would or might require Shares to be purchased after the authority expired.
- (f) No breach of this Bye-Law shall affect the validity of any purchase of any Share.
- (g) The Board may in connection with the purchase of any Shares exercise all powers of paying commission and brokerage conferred or permitted by law. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other.
- (h) The Board may, at its discretion and without the sanction of a Resolution, authorise the acquisition by the Company of its Shares, to be held as treasury shares, upon such terms as the Board may in its discretion determine, provided always that such acquisition is effected in accordance with the provisions of the Act. The Company shall be entered in the Register as a Member in respect of the Shares held by the Company as treasury shares and shall be a Member of the Company but subject always to the provisions of the Act and, for the avoidance of doubt, the Company shall not exercise any rights and shall not enjoy or participate in any of the rights attaching to those Shares save as expressly provided for in the Act.

10. Power to reduce capital

Subject to the Act, the Memorandum, any confirmation or consent required by law, these Bye-Laws and to any rights conferred on the Members of any class of Shares, the Company may by Special Resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

UNCERTIFICATED SHARES

11. Uncertificated shares - general powers

- (a) Notwithstanding any provisions of these Bye-Laws, the Board shall, subject always to the Act and any other applicable laws and regulations and the facilities and requirements of any Relevant System concerned, have power to implement any arrangements it may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares and to the extent such arrangements are so implemented, no provision of these Bye-Laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of Shares in uncertificated form. Unless otherwise determined by the Board and permitted by the Act and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any Share for so long as the title to that Share is evidenced otherwise than by a certificate and for so long as transfers of that Share may be made otherwise than by a written instrument.
- (b) Subject always to the Act and any other applicable laws and regulations and the facilities and requirements of any Relevant System concerned:
 - (i) conversion of a certificated share into an uncertificated share, and vice versa, may be made in such manner as the Board may, in its absolute discretion, think fit;
 - (ii) the Company shall enter on the Register how many Shares are held by each Member in uncertificated form and in certificated form and shall maintain the Register in each case to the extent required by the Act and any other applicable laws and regulations and any Relevant System concerned and unless the Board otherwise determines, holding of the same Member or joint Members in certificated form and uncertificated form shall be treated as separate holdings;
 - (iii) a class of Share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Bye-Laws or the Act or any other applicable law and regulation which applies only in respect of certificated or uncertificated shares; and
 - (iv) the Board shall, subject to the Act and any other applicable laws and regulations, be entitled at any time to require the conversion of any uncertificated share into certificated form.
- (c) For the avoidance of any doubt, a Member holding uncertificated Shares may, in accordance with any arrangements implemented by the Board under Bye-Law 11(a) and subject to compliance with the Act and other applicable laws and regulations, require such uncertificated shares to be converted into certificated Shares.

DEPOSITARY INTERESTS

12. Depositary Interests

The Board shall, subject always to the Act, any other applicable laws and regulations and the facilities and requirements of any Relevant System concerned and these Bye-Laws, have power to implement and/or approve any arrangements they may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of interests in Shares in the capital of the Company in the form of depositary interests or similar interests, instruments or securities, and to the extent such arrangements are so implemented, no provision of these Bye-Laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer thereof or the Shares in the capital of the Company represented thereby. The Board may from time to time take such actions and

do such things as it may, in its absolute discretion, think fit in relation to the operation of any such arrangements.

VARIATION OF RIGHTS

13. Variation of rights

- (a) Whenever the share capital of the Company is divided into different classes of Shares, all or any of the rights for the time being attached to any class of Shares in issue may from time to time (whether or not the Company is being wound up) be varied in such manner as those rights may provide or (if no such provision is made) either with the consent in writing of the Members of three-fourths in nominal value of the issued Shares of that class or with the authority of a Special Resolution passed at a separate general meeting of the Members of those Shares.
- (b) The provisions of these Bye-Laws relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every separate general meeting referred to in Bye-Law 13(a), except that:
 - (i) the quorum at any such meeting (other than an adjourned meeting) shall be two Members present in person or by proxy holding at least one-third in nominal amount of the issued Shares of the class;
 - (ii) at an adjourned meeting the quorum shall be one Member present in person or by proxy holding any Shares of the class;
 - (iii) every holder of Shares of the class shall, on a poll, have one vote in respect of every Share of the class held by him; and
 - (iv) a poll may be demanded by any one holder of Shares of the class whether present in person or by proxy.
- (c) Unless otherwise expressly provided by the rights attached to any class of Shares those rights shall not be deemed to be (i) varied by the creation or issue of further Shares ranking *pari passu* with them; (ii) the creation or issue for full value as determined by the Board of further Shares ranking as regards participation in the profits or assets of the Company; (iii) by the purchase or redemption by the Company of any of its own Shares; or (iv) the creation or issue for full value (as determined) by the Board) of further Shares in priority to them.

TRANSFERS OF SHARES

14. Right to transfer Shares

Subject to the restrictions in these Bye-Laws, a Member may transfer all or any of his Shares in any manner which is permitted by the Act.

15. Transfers of uncertificated shares

The Company shall maintain a record of uncertificated Shares in accordance with the Act.

16. Transfers of certificated shares

- (a) An instrument of transfer of a certificated Share may be in any usual form or in any other form which the Board may approve and shall be signed by or on behalf of the transferor and, (except in the case of a fully paid Share) by or on behalf of, the transferee.

- (b) The Board may, in its absolute discretion and without giving any reason for its decision, refuse to register any instrument of transfer of a certificated Share:
 - (i) which is not fully paid up but, in the case of a class of Shares which has been admitted to official listing by the UKLA, not so as to prevent dealings in those Shares from taking place on an open and proper basis;
 - (ii) on which the Company has a lien;
 - (iii) if the instrument of transfer is not duly stamped (if required by law) and lodged with the Company at such place as the Board shall appoint for the purpose, accompanied by the certificate for the Shares (if any has been issued) to which it relates, and with such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (iv) if the instrument of transfer is not in respect of only one class of Share; or
 - (v) if the instrument of transfer is not accompanied by the certificate for the Shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the Shares.
- (c) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Board refuses to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person presenting it.
- (d) Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under this Bye-Law.
- (e) If the Board declines to register a transfer it shall, within three months after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.

17. Other provisions relating to transfers

- (a) No fee shall be charged for registration of a transfer or other document or instruction relating to or affecting the title to any Share.
- (b) The transferor shall be deemed to remain a Member until the name of the transferee is entered in the Register in respect of the Share.
- (c) Nothing in these Bye-Laws shall preclude the Board from recognising a renunciation of a transfer of any Share by the transferee in favour of some other person.
- (d) The registration of the transfer of any Shares or of any class of Shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board may decide, except that the registration of the transfer of any Shares or class of Shares which are for the time being uncertificated shares may only be suspended as permitted by the Act.
- (e) Unless otherwise agreed by the Board in any particular case, the maximum number of persons who may be entered on the Register as joint Members of a Share is four.

18. Notice of refusal

If the Board refuses to register a transfer of a certificated share it shall, within two calendar months after the date on which the instrument of transfer was lodged, give to the transferee notice of the refusal.

TRANSMISSION OF SHARES

19. Discretion of the Board

Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-Law 18.

20. Transmission on death

If a Member dies, the survivor, where the deceased was a joint Member, and his personal representatives where he was a sole or the only surviving Member, shall be the only person or persons recognised by the Company as having any title to his Shares; but nothing in these Bye-Laws shall release the estate of a deceased Member from any liability in respect of any Share held by him solely or jointly.

21. Election of person entitled by transmission

- (a) A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member or of any other event giving rise to a transmission by operation of law may, on producing such evidence as the Board may require and subject as provided in this Bye-Law, elect either to be registered himself as the Member or to have some person nominated by him registered as the Member.
- (b) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute a transfer of the Share to that person or shall execute such other document or take such other action as the Board may require to enable that person to be registered.
- (c) The provisions of these Bye-Laws relating to the transfer of Shares shall apply to the notice or instrument of transfer or other document or action as if it were a transfer effected by the person from whom the title by transmission is derived and the event giving rise to such transmission had not occurred.

22. Rights of person entitled by transmission

- (a) A person becoming entitled to a Share in consequence of a death or bankruptcy or of any other event giving rise to a transmission by operation of law shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the Share and shall have the same rights in relation to the Share as he would have if he were the Member except that, until he becomes the Member, he shall not be entitled to attend or vote at any general meeting of the Company.
- (b) The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share and, if after 90 days the notice has not been complied with, the Board may withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

REGISTERS

23. Register of Members

- (a) The Register shall be kept at the Registered Office or at such other place in Bermuda as the Board may from time to time direct, in the manner prescribed by the Act. Subject to the provisions of the Act, the Company may keep one or more overseas or branch registers in any place, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of such registers. The Board may authorise any Share on the Register to be included in a branch register or any share registered on a branch register to be registered on another branch register, provided that at all times the Register is maintained in accordance with the Act.
- (b) Except during such time as it is closed in accordance with Bye-Law 17(d), the Register and each branch register shall be open to inspection in the manner prescribed by the Act between 10:00 a.m. and 12:00 noon (or between such other times as the Board from time to time determines) on every working day. Unless the Board so determines, no Member or intending Member shall be entitled to have entered in the Register or any branch register any indication of any trust or any equitable, contingent, future or partial interest in any Share or any fractional part of a Share and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Bye-Law 5(l).

24. Register of Directors and officers

The Secretary shall establish and maintain a register of the Directors and officers of the Company as required by the Act. The register of Directors and officers shall be open to inspection in the manner prescribed by the Act between 9:00 a.m. and 5:00 p.m. in Bermuda on every working day.

GENERAL MEETINGS

25. Annual general meetings

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act at such times as the Board shall appoint. All annual general meetings shall be held in Bermuda or such other place as the Board shall appoint provided that the Board may provide for a Member or proxy to participate in such a meeting from a place designated by the Board other than Bermuda (or such other place where the meeting is held) via electronic means enabling him to hear and see the directors addressing the meeting and to address the meeting simultaneously and otherwise in accordance with Bye-Law 37 below.

26. Extraordinary general meetings

All general meetings other than an annual general meeting shall be called extraordinary general meetings. All extraordinary general meetings shall be held in Bermuda or such other place as the Board shall appoint provided that the Board may provide for a Member or proxy to participate in such a meeting from a place designated by the Board other than Bermuda (or such other place where the meeting is held) via electronic means enabling him to hear and see the directors addressing the meeting and to address the meeting simultaneously and otherwise in accordance with Bye-Law 37 below.

27. Convening of extraordinary general meetings

- (a) The Board may, whenever it thinks fit, and shall, when requisitioned by Members pursuant to the provisions of the Act generally, and in particular but without limitation by Members holding at the date of deposit of the requisition not less than one-tenth of the paid up share capital of the Company

as carries the right of voting at general meetings, convene extraordinary general meetings, at such time and place as the Board may appoint.

- (b) An extraordinary general meeting may also be convened in accordance with Bye-Law 72.

28. Separate general meetings

Subject to these Bye-Laws and to any rights for the time being attached to any class of Shares in the Company, the provisions of these Bye-Laws relating to general meetings of the Company (including, for the avoidance of doubt, provisions relating to the proceedings at general meetings or to the rights of any person to attend or vote or be represented at general meetings or to any restrictions on these rights) shall apply, *mutatis mutandis*, in relation to every separate general meeting of the holders of any class of Shares in the Company.

NOTICE OF GENERAL MEETINGS

29. Length and form of notice

- (a) An annual general meeting and an extraordinary general meeting called for the passing of a Special Resolution, or an Ordinary Resolution appointing any person (other than a retiring Director) as a Director, in each case where such meeting is held prior to 1 October 2007 shall be called by not less than 21 Clear Days' notice. All other extraordinary general meetings held prior to 1 October 2007 shall be called by not less than 14 Clear Days' notice.
- (b) An annual general meeting held on or after 1 October 2007 shall be called by not less than 21 Clear Days' notice. All other extraordinary general meetings held on or after 1 October 2007 shall be called by not less than 14 Clear Days' notice.
- (c) The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted.
- (d) Notice of every general meeting shall be given to all Members other than any who, under these Bye-Laws or the terms of issue of the Shares they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each Director and to any Resident Representative who or which has delivered a written notice upon the Registered Office requiring that such notice be sent to him or it.

30. Omission or non-receipt of notice

- (a) The accidental omission to give notice of a general meeting to, or the non-receipt of notice by, any person entitled to receive the notice shall not invalidate the proceedings of that meeting. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.
- (b) A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- (c) The Board may cancel or postpone a meeting of the Members after it has been convened and notice of such cancellation or postponement shall be served in accordance with Bye-Laws 122 and 123 upon all Members entitled to notice of the meeting so cancelled or postponed setting out, where the meeting is postponed to a specific date, notice of the new meeting in accordance with Bye-Law 29.

PROCEEDINGS AT GENERAL MEETINGS

31. Quorum

- (a) No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business.
- (b) Except as otherwise provided by these Bye-Laws two Members present in person or by proxy and entitled to vote shall be a quorum.
- (c) If within 15 minutes from the time fixed for holding a general meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or, if that day is a holiday, to the next working day) and at the same time and place as the original meeting, or, subject to Bye-Law 36(d), to such other day, and at such other time and place, as the Board may decide.
- (d) If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, any two Members who are present in person or by proxy and entitled to vote shall be a quorum.

32. Security

The Board may make any security arrangements which it considers appropriate relating to the holding of a general meeting of the Company including, without limitation, arranging for any person attending a meeting to be searched and for items of personal property which may be taken into a meeting to be restricted. A Director or the Secretary may:

- (i) refuse entry to a meeting to any person who refuses to comply with any such arrangements; and
- (ii) eject from a meeting any person who causes the proceedings to become disorderly.

33. Chairman

At each general meeting, the chairman of the Board or, if he is absent or unwilling, the deputy chairman of the Board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office, shall preside as chairman of the meeting. If neither the chairman nor deputy chairman is present and willing, one of the other Directors selected for the purpose by the Directors present or, if only one Director is present and willing, that Director, shall preside as chairman of the meeting. If no Director is present within 15 minutes after the time fixed for holding the meeting or if none of the Directors present is willing to preside as chairman of the meeting, the Members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

34. Right to attend and speak

- (a) A Director shall be entitled to attend and speak at any general meeting of the Company whether or not he is a Member.
- (b) The Resident Representative, upon giving notice referred to in Bye-Law 29(a) above, shall be entitled to attend any general meeting of the Company.

- (c) The chairman of the Board may invite any person to attend and speak at any general meeting of the Company if he considers that such person has the appropriate knowledge or experience of the Company's business to assist in the deliberations of the meeting.

35. Resolutions and amendments

- (a) Subject to the Act, a Resolution may be put to a vote at a general meeting of the Company or at a meeting of any class of Members only if:
 - (i) it is proposed by or at the direction of the Board; or
 - (ii) it is proposed at the direction of the court; or
 - (iii) it is proposed on the requisition in writing of such number of Members as is prescribed by, and is made in accordance with, the relevant provisions of the Act; or
 - (iv) the chairman of the meeting in his absolute discretion decides that the Resolution may properly be regarded as within the scope of the meeting.
- (b) In the case of a proposed Special Resolution no amendment may be made at or before the time at which the resolution is put to the vote, to the form of the resolution as set out in the notice of meeting, except to correct a patent error or as may otherwise be permitted by law.
- (c) In the case of a proposed Ordinary Resolution no amendment may be made, at or before the time at which the Ordinary Resolution is put to the vote, unless:
 - (i) in the case of an amendment to the form of the Ordinary Resolution as set out in the notice of meeting, notice of the intention to move the amendment is received at the Registered Office at least 48 hours before the time fixed for the holding of the relevant meeting; and
 - (ii) in any case, the chairman of the meeting in his absolute discretion otherwise decides that the amendment or amended Ordinary Resolution may properly be put to the vote.

The giving of notice under subparagraph (i) above shall not prejudice the power of the chairman of the meeting to rule the amendment out of order.

- (d) With the consent of the chairman of the meeting, a person who proposes an amendment to an Ordinary Resolution may withdraw it before it is put to the vote.
- (e) If the chairman of the meeting rules an Ordinary Resolution or an amendment to an Ordinary Resolution (or, in limited circumstances, to a Special Resolution) admissible or out of order (as the case may be), the proceedings of the meeting or on the Ordinary Resolution (or, in limited circumstances, on the Special Resolution) in question shall not be invalidated by any error in his ruling. Any ruling by the chairman of the meeting in relation to an Ordinary Resolution or an amendment to an Ordinary Resolution (or, in limited circumstances, to a Special Resolution) shall be final and conclusive.

36. Adjournment

- (a) With the consent of the Members at any general meeting at which a quorum is present the chairman of the meeting may (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place.

- (b) In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place if, in his opinion, it would facilitate the conduct of the business of the meeting to do so.
- (c) Nothing in this Bye-Law shall limit any other power vested in the chairman of the meeting to adjourn the meeting.
- (d) Whenever a meeting is adjourned for 30 days or more ~~or indefinitely~~ or indefinitely, at least 14 Clear Days' notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting but otherwise no person shall be entitled to any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.
- (e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

37. Meeting at more than one place

- (a) A general meeting may be held at more than one place if:
 - (i) the notice convening the meeting specifies that it shall be held at more than one place; or
 - (ii) the Board resolves, after the notice convening the meeting has been given, that the meeting shall be held at more than one place; or
 - (iii) it appears to the chairman of the meeting that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend.
- (b) A general meeting held at more than one place is duly constituted and its proceedings are valid if (in addition to the other provisions of these Bye-Laws relating to general meetings being satisfied) the chairman of the meeting is satisfied that facilities (whether by electronic means or otherwise) are available to enable each person present at each place to participate in the business of the meeting.
- (c) Each person present at each place in person or by proxy and entitled to vote on a poll shall be counted in the quorum for, and shall be entitled to vote at, the meeting. The meeting is deemed to take place at the place in Bermuda (or at such other place as the Board shall appoint).

38. Method of voting and demand for poll

- (a) At a general meeting a Resolution put to the vote of the meeting shall be decided on a show of hands or by a count of votes received in the form of electronic records, unless (before, or immediately after the declaration of the result of, the show of hands or by a count of votes received in the form of electronic records or on the withdrawal of any other demand for a poll) a poll is demanded by:
 - (i) the chairman of the meeting; or
 - (ii) at least five Members present in person or by proxy having the right to vote on the Resolution; or
 - (iii) a Member or Members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to vote on the Resolution; or

- (iv) a Member or Members present in person or by proxy holding shares conferring the right to vote on the Resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right;

and a demand for a poll by a person as proxy for a Member shall be as valid as if the demand were made by the Member himself.

- (b) No poll may be demanded on the appointment of a chairman of the meeting.
- (c) A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and the demand so withdrawn shall not be taken to have invalidated the result of a show of hands or by a count of votes received in the form of electronic records declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands or by a count of votes received in the form of electronic records and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- (d) Unless a poll is demanded (and the demand is not withdrawn), a declaration by the chairman of the meeting that a Resolution has been carried, or carried unanimously, or has been carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (e) 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.

39. How poll is to be taken

- (a) If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days after the meeting), at such place and in such manner (including by electronic means) as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be Members).
- (b) A poll demanded on a question of adjournment shall be taken at the meeting without adjournment.
- (c) It shall not be necessary (unless the chairman of the meeting otherwise directs) for notice to be given of a poll whether taken at or after the meeting at which it was demanded.
- (d) 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 votes or cast all the votes he uses in the same way.
- (e) The result of the poll shall be deemed to be a Resolution of the meeting at which the poll was demanded.

40. Chairman's casting vote

In the case of an equality of votes, either on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, as the case may be, shall be entitled to a further or casting vote in addition to any other vote or votes to which he may be entitled.

VOTES OF MEMBERS

41. Voting rights

- (a) Save where a greater majority is required by the Act or these Bye-Laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast decided in accordance with Bye-Law 38(a) above.
- (b) Subject to these Bye-Laws and to any special rights or restrictions as to voting for the time being attached to any class of Shares in the Company:
 - (i) on a show of hands or by a count of votes received in the form of electronic records, every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a Member, shall have one vote and every person present who has been duly appointed as a proxy shall have one vote; and
 - (ii) on a poll, every Member who is present in person or by proxy (other than a Depository Proxy (as defined in Bye-Law 51)) shall have one vote for every Share he holds and a Depository Proxy shall have such number of votes as equals his Appointed Number (as defined in Bye-Law 51) of Shares.
- (c) For the purposes of determining which persons are entitled to attend or vote at any general meeting, and how many votes such persons may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting. Changes to entries on the Register after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in the Act or these Bye-Laws to the contrary.

42. Representation of corporations

Any corporation which is a Member of the Company may, by resolution of its board or other governing body, authorise any person to act as its representative at any general meeting of the Company and the representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member present at the meeting in person, including (without limitation) power to vote on a show of hands or on a poll and to demand or concur in demanding a poll. The Board or any Director or the Secretary may (but shall not be bound to) require evidence of the authority of any such representative.

43. Voting rights of joint Members

If more than one of the joint Members tenders a vote on the same Resolution, whether in person or by proxy, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote(s) of the other joint Member(s); and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the relevant Share.

44. Voting rights of Members incapable of managing their affairs

A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, trustee appointed to take care of his affairs or other person in the nature of a receiver or trustee appointed by that court, and the receiver, trustee or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming the right to vote must be received at the Registered Office (or at such other

address as may be specified for the receipt of proxy appointments) not later than the last time by which a proxy appointment must be received in order to be valid for use at the meeting or adjourned meeting or on the holding of the poll at or on which that person proposes to vote and, in default, the right to vote shall not be exercisable.

45. Voting rights suspended where sums overdue

Unless the Board otherwise decides, a Member shall not be entitled to vote, either in person or by proxy, at any general meeting of the Company in respect of any Share held by him unless all calls and other sums presently payable by him in respect of that Share have been paid.

46. Objections to admissibility of votes

If:

- (a) an objection is raised to the qualification of any voter; or,
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or,
- (c) any votes are not counted which ought to have been counted,

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

PROXIES

47. Proxies

- (a) A proxy need not be a Member and a Member may appoint more than one proxy to attend on the same occasion.
- (b) The appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting or on the poll concerned.
- (c) The appointment of a proxy shall only be valid for the general meeting mentioned in it and any adjournment of that meeting (including on any poll demanded at the general meeting or any adjourned meeting).
- (d) A proxy is entitled to speak at general meetings.
- (e) Proxies may also be entitled to attend, speak and vote at general meetings in the circumstance as on the manner provided in the Bye-Laws 51 to 56 and Bye-Laws 47 to 50 shall be read subject to the provisions of those Bye-Laws.

48. Appointment of proxy

- (a) The appointment of a proxy may be in such form as is usual or common or in such other form as the Board may from time to time approve and shall be signed by the appointor, or his duly authorised

agent, or, if the appointor is a corporation, shall either be executed under its common seal or be signed by an agent or officer authorised for that purpose. The signature need not be witnessed.

- (b) Without limiting the provisions of these Bye-Laws, the Board may from time to time in relation to uncertificated shares approve the appointment of a proxy by means of an Electronic Communication in the form of an "uncertificated proxy instruction" (a properly authenticated dematerialised instruction and/or other instruction or notification, which is sent by means of any Relevant System concerned and received by such participant in that system acting on behalf of the Company as the Board may prescribe, in such form and subject to such terms and conditions as the Board may from time to time prescribe (subject always to the facilities and requirements of any Relevant System concerned)); and approve supplements to, or amendments or revocations of, any such uncertificated proxy instruction by the same means. In addition, the Board may prescribe the method of determining the time at which any such uncertificated proxy instruction is to be treated as received by the Company or such participant and may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a Member as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that Member.

49. Receipt of proxy

- (a) A proxy appointment:
 - (i) must be received at such address as may be specified in the notice convening the meeting or in any other information issued by the Company in relation to the meeting (or if no such address is specified, at the Registered Office) not less than 48 hours before the time fixed for holding the meeting at which the appointee proposes to vote; or
 - (ii) in the case of a poll taken more than 48 hours after it is demanded or in the case of an adjourned meeting to be held more than 48 hours after the time fixed for holding the original meeting, must be received at such address as may be specified in the notice convening the meeting or in any other information issued by the Company in relation to the poll or meeting (or if no such address is specified, at the office) not less than 24 hours before the time fixed for the taking of the poll or, as the case may be, the time fixed for holding the adjourned meeting; or
 - (iii) in the case of a poll which is not taken at the meeting at which it is demanded but is taken 48 hours or less after it is demanded, or in the case of an adjourned meeting to be held 48 hours or less after the time fixed for holding the original meeting, must either be received by the chairman of the meeting or the Secretary or any Director at the meeting at which the poll is demanded or, as the case may be, at the original meeting, or be received at such address and by such time as the chairman of the meeting may direct at the meeting at which the poll is demanded.
- (b) In the case of a proxy appointment signed by an agent of a Member who is not a corporation, the authority under which the appointment is signed or a copy of it certified in such manner as shall be specified in the notice of the relevant meeting or in any other information issued by the Company in relation to the relevant meeting, or such other information as shall be so specified, must also be received by the Company in the manner set out in paragraph (a) above.
- (c) In the case of a proxy appointment signed by an officer or other agent of a corporation, the Board may also require the receipt, in the manner set out in paragraph (a) above, of the authority under which the appointment is signed or a copy of it certified in such manner as shall be specified in the notice of the relevant meeting or in any other information issued by the Company in relation to the relevant meeting, or of such other authorities or information as shall be so specified.

- (d) The Board may, but shall not be bound to, require such further evidence as it thinks fit of the authenticity or integrity of any signature on a proxy appointment and, if the signatory is an agent or, where the appointor is a corporation, an officer, of his authority.
- (e) The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under paragraphs (b), (c) or (d) above has not been received in accordance with the requirements of this Bye-Law.
- (f) Subject to paragraph (e) above, if the proxy appointment and any of the information required under paragraphs (b), (c) or (d) above are not received in the manner required above, the appointee shall not be entitled to vote in respect of the Shares in question.
- (g) If two or more valid but differing proxy appointments are received in respect of the same Share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that Share and if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that Share.

50. Notice of revocation of authority

A vote given or poll demanded by proxy or by a representative of a corporation shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll or (until entered in the Register) the transfer of the Share in respect of which the appointment of the relevant person was made unless notice of the termination was received at the Registered Office (or at such other address at which the proxy appointment was duly received) not less than six hours before the time fixed for holding the relevant meeting or adjourned meeting or, in the case of a poll not taken on the same day as the meeting or adjourned meeting, before the time fixed for taking the poll.

DEPOSITARY ARRANGEMENTS

51. **Depositary can appoint multiple proxies**

- (1) The Depositary can appoint more than one person to be its proxy (each person validly so appointed being referred to as a "**Depositary Proxy**") and the provisions of Bye-Laws 47 to 50 shall apply to any such appointment(s).
- (2) The appointment shall set out the number of shares in relation to which an Depositary Proxy is appointed (the "**Appointed Number**"). The Appointed Number of Shares of all Depositary Proxies, when added together, must not be more than the total number of Shares registered in the name of the Depositary.

52. **Depositary Proxies can only attend general meetings if properly appointed**

A Depositary Proxy may only attend a general meeting if he provides the Company with written evidence of his appointment by the Depositary for that general meeting. This shall be in a form agreed between the Board and the Depositary.

53. **Rights of Depositary Proxies**

Subject to the Act and providing the total number of shares registered in the name of the Depositary is sufficient to include a Depositary Proxy's Appointed Number:

- (a) at a general meeting which an Depositary Proxy is entitled to attend, he is entitled to the same rights and has the same obligations in relation to his Appointed Number of Shares as if such Shares were registered in his name; and
- (b) a Depositary Proxy can himself appoint another person to be his proxy in relation to his Appointed Number of Shares and the provisions of Bye-Laws 47 to 50 shall apply to such appointment as if the Depositary Proxy was the registered holder of such shares and the appointment was made by him in that capacity.

54. **Sending information to a Depositary Proxy**

The Company may send to a Depositary Proxy at his address in the Proxy Register all or any of the documents which are sent to Members.

55. **The nature of a Depositary Proxy's interest**

Except as required by the Act, no Depositary Proxy will be recognised by the Company as holding any interest in shares upon any trust. Except for recognising the rights given in relation to general meetings by appointments made by Depositary Proxies pursuant ~~to Bye~~ [to Bye](#)-Law 53, the Company is entitled to treat any person entered in the Register of Depositary Interests maintained by the Depositary as a Depositary Proxy as the only person (other than the Depositary) who has any interest in the Shares in respect of which the Depositary Proxy has been appointed.

56. Validity of the appointment of Depositary Proxies

- (1) If any question arises at or in relation to a general meeting as to whether any particular person has been validly appointed as or by a Depositary Proxy to vote (or exercise any other right) in respect of any shares, the question will be determined by the chairman of the general meeting. His decision (which may include declining to recognise a particular appointment as valid) will, if made in good faith, be final and binding on all persons interested.
- (2) If a question of the type described in paragraph (1) above arises in any circumstances other than at or in relation to a general meeting, the question will be determined by the Board. Its decision (which can include declining to recognise a particular appointment as valid) will also, if made in good faith, be final and binding on all persons interested.

DIRECTORS

57. Number of Directors

Unless otherwise determined by an Ordinary Resolution of the Company, the number of Directors will be 14. Any positions in the Board not filled at any general meeting by the Members shall be deemed casual vacancies for the purposes of these Bye-Laws. Without prejudice to the power of the Company by Ordinary Resolution in pursuance of any of the provisions of these Bye-Laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time, subject to this Bye-Law, to appoint any individual to be a Director so as to fill a casual vacancy. A Director so appointed shall hold office only until the next following annual general meeting (and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting). If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

58. Directors need not be Members

A Director need not be a Member of the Company.

59. Age of Directors

No person shall be disqualified from being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS AND OFFICERS

60. Appointment of Directors by the Company; Appointment of Officers

- (a) Subject to these Bye-Laws, the Company may by Ordinary Resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not exceed any maximum number fixed by or in accordance with these Bye-Laws.
- (b) No person (other than a Director retiring in accordance with these Bye-Laws) shall be appointed or re-appointed a Director at any general meeting unless:
 - (i) he is recommended by the Board and the details relating to the Director set out in paragraphs (A) to (F) below are included in the notice of the relevant general meeting; or

- (ii) not less than 14 nor more than 42 days before the date appointed for the meeting there has been given to the Company, by a Member (other than the person to be proposed) entitled to vote at the meeting, notice of his intention to propose an Ordinary Resolution for the appointment of that person, stating setting forth as to each person whom the Member proposes to nominate for election or re-election as a Director:
 - (A) the name, age, business address and residence address of such person;
 - (B) the principal occupation or employment of such person;
 - (C) the tax residence and domicile of such person;
 - (D) the class, series and number of Shares of the Company which are beneficially owned by such person;
 - (E) particulars which would, if he were so appointed, be required to be included in the Company's register of Directors and officers;
 - (F) all other information relating to such person that is required to be disclosed pursuant to the Rules and Regulations of the London Stock Exchange and the Listing Rules; and
 - (G) notice executed by such person of his willingness to serve as a Director if so elected; provided, however, that no Member shall be entitled to propose any person to be appointed, elected or re-elected Director at any extraordinary general meeting.

- (c) The Officers of the Company who may or may not be Directors may be appointed by the Board at any time. Any person appointed pursuant to this Bye-Law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such Officer may have against the Company or the Company may have against such Officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Act or these Bye-Laws, the powers and duties of the Officers of the Company shall be such (if any) as are determined from time to time by the Board.

61. Separate Ordinary Resolutions for appointment of each director

Every Ordinary Resolution of a general meeting for the appointment of a Director shall relate to one named person and a single Ordinary Resolution for the appointment of two or more persons shall be void, unless an Ordinary Resolution that it shall be so proposed has been first agreed to by the meeting without any vote being cast against it.

62. Retirement of Directors

- (a) At the first annual general meeting of the Company all of the Directors shall retire from office and shall be eligible for re-appointment. At the second annual general meeting of the Company one third of the Directors (rounded down to the nearest whole number) who were re-appointed at the first annual general meeting shall retire from office and shall be eligible for re-appointment. At the third annual general meeting of the Company one third of the Directors who were re-appointed at the first annual general meeting of the Company (excluding those re-appointed at the second annual general meeting) (rounded down to the nearest whole number) shall retire from office and be eligible for re-appointment. At the fourth annual general meeting of the Company those of the Directors who were re-appointed at the first annual general meeting of the Company who did not stand for re-

appointment at the second and third annual general meetings of the Company shall retire from office and shall be eligible for re-appointment. The Board shall determine which of their number shall retire at the second and third annual general meetings of the Company.

- (b) Subject to paragraph (a) of this Bye-Law above, at each annual general meeting, a Director shall retire from office if:
 - (i) he has been appointed by the Board since the previous annual general meeting; or
 - (ii) it is the third annual general meeting following the annual general meeting at he was last re-appointed.

A retiring Director shall be eligible for re-appointment.

- (c) A retiring Director shall (unless he is removed from office or his office is vacated in accordance with these Bye-Laws) retain office until the close of the meeting at which he retires or (if earlier) when an Ordinary Resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the Ordinary Resolution to re-appoint him is put to the meeting and lost.
- (d) If the Company, at any meeting at which a Director retires in accordance with these Bye-Laws, does not fill the office vacated by such Director, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting an Ordinary Resolution is passed not to fill the vacancy or to appoint another person in his place or unless the Ordinary Resolution to re-appoint him is put to the meeting and lost.

63. Removal of Directors

- (a) The Company may by Ordinary Resolution of which not less than 21 Clear Days' notice has been given, remove any Director before his period of office has expired notwithstanding anything in these Bye-Laws or in any agreement between him and the Company. Section 93 of the Act shall not apply to the Company.
- (b) A Director may also be removed from office by giving him notice to that effect signed by or on behalf of not less than three quarters of the other Directors (or their Alternate Directors), being not less than three in number.
- (c) Any removal of a Director under this Bye-Law shall be without prejudice to any claim which such Director may have for damages for breach of any agreement between him and the Company.

64. Vacation of office of Director

Without prejudice to the provisions of these Bye-Laws for retirement or removal the office of a Director shall be vacated if:

- (i) he is prohibited by law from being a Director; or
- (ii) he becomes bankrupt or he makes any arrangement or composition with his creditors generally; or
- (iii) he is, or may be, suffering from mental disorder and in relation to that disorder either he is admitted to hospital for treatment or an order is made by a court (whether in Bermuda, the United Kingdom or elsewhere) for his detention or for the appointment of some person to exercise powers with respect to his property or affairs and, in either case, the Board resolves that his office be vacated; or

- (iv) for more than six months he is absent (whether or not an Alternate Director attends in his place), without special leave of absence from the Board, from board meetings held during that period and the Board resolves that his office be vacated; or
- (v) his tax domicile or residence changes from such domicile or residence at the time of his appointment; or
- (vi) he gives to the Company notice of his wish to resign, in which event he shall vacate that office on the receipt of that notice by the Company or at such later time as is specified in the notice.

65. Executive Directors

- (a) The Board may appoint one or more Directors to hold any executive office under the Company (including that of chairman, chief executive or managing director) for such period (subject to the Act) and on such terms as it may decide and may revoke or terminate any appointment so made without prejudice to any claim for damages for breach of any contract of service between the Director and the Company.
- (b) The remuneration of a Director appointed to any executive office shall be fixed by the Board and may be by way of salary, commission, participation in profits or otherwise and either in addition to or inclusive of his remuneration as a Director.
- (c) A Director appointed as executive chairman, chief executive or managing director, shall automatically cease to hold that office if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. A Director appointed to any other executive office shall not automatically cease to hold that office if he ceases to be a Director unless the contract or any Ordinary Resolution or resolution of the Board under which he holds office expressly states that he shall, in which case that cessation shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

ALTERNATE DIRECTORS

66. Power to appoint Alternate Directors

- (a) Each Director may appoint another Director or any other person who is willing to act as his alternate and may remove him from that office. The appointment as an Alternate Director of any person who is not himself a Director shall be subject to a resolution of the Board.
- (b) An Alternate Director shall be entitled to receive notice of all board meetings and of all meetings of Committees of which the Director appointing him is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at the meeting these Bye-Laws shall apply as if he were a Director.
- (c) Every person acting as an Alternate Director shall (except as regards power to appoint an Alternate Director and remuneration) be subject in all respects to these Bye-Laws relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the Director appointing him. An Alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an Alternate Director.

- (d) Every person acting as an Alternate Director shall have one vote for each Director for whom he acts as Alternate Director, in addition to his own vote if he is also a Director, but he shall count as only one for the purpose of determining whether a quorum is present.
- (e) Any person appointed as an Alternate Director shall vacate his office as Alternate Director if the Director by whom he has been appointed vacates his office as Director (otherwise than by retirement at a general meeting of the Company at which he is re-appointed) or removes him by notice to the Company or on the happening of any event which, if he is or were a Director, causes or would cause him to vacate that office.
- (f) Every appointment or removal of an Alternate Director shall be made by notice and shall be effective (subject to paragraph (a) above) on receipt by the Secretary of the notice.

REMUNERATION, EXPENSES AND PENSIONS

67. Directors' fees

Unless otherwise decided by the Company by Ordinary Resolution, the Company shall pay the Directors for their services as directors, such amount of aggregate fees as the Board decides (not exceeding in aggregate £1,250,000 per annum or such larger sum as the Company may, by Ordinary Resolution, determine) as the Board may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable under this Bye-Law shall be distinct from any remuneration or other amounts payable to a Director under other provisions of these Bye-Laws and shall accrue from day to day.

68. Special remuneration

- (a) The Board may grant special remuneration to any Director who performs any special or extra services to or at the request of the Company.
- (b) Such special remuneration may be paid by way of lump sum, salary, commission, participation in profits or otherwise as the Board may decide in addition to any remuneration payable under or pursuant to any other of these Bye-Laws.

69. Expenses

A Director shall be paid out of the funds of the Company all travelling, hotel and other expenses properly incurred by him in and about the discharge of his duties, including his expenses of travelling to and from board meetings, committee meetings and general meetings. Subject to any guidelines and procedures established from time to time by the Board, a Director may also be paid out of the funds of the Company all expenses incurred by him in obtaining professional advice in connection with the affairs of the Company or the discharge of his duties as a Director.

70. Pensions and other benefits

- (a) The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or has been at any time a Director of the Company or in the employment or service of the Company or of any company which is or was a Subsidiary of or associated with the Company or of the predecessors in business of the Company or any such Subsidiary or Associated Company or the Relatives or dependants of any such person. For that purpose the Board may procure the establishment and maintenance of, or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement and pay any insurance premiums.

- (b) No Director or former Director shall be accountable to the Company or the Members for any benefit provided pursuant to this Bye-Law and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

POWERS OF THE BOARD

71. General powers of the Board to manage the Company's business

- (a) Subject to the provisions of the Act, these Bye-Laws and to any directions given by Resolution, the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No Resolution, or alteration of the Memorandum or these Bye-Laws shall invalidate any prior act of the Board which would have been valid if the Resolution had not been passed or the alteration had not been made.
- (b) The powers given by this Bye-Law shall not be limited by any special authority or power given to the Board by any other Bye-Law or any Resolution.

72. Power to act notwithstanding vacancy

The continuing Directors or the sole continuing Director at any time may act notwithstanding any vacancy in their number; but, if the number of Directors is less than the minimum number fixed by or in accordance with these Bye-Laws, they or he may act for the purpose of filling up vacancies or calling a general meeting of the Company, but not for any other purpose. If no Director is able or willing to act, then any two Members may summon an extraordinary general meeting for the purpose of appointing Directors.

73. Provisions for employees

The Board may exercise any of the powers conferred by the Act to make provision for the benefit of any persons employed or formerly employed by the Company or any of its Subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its Subsidiaries.

74. Power to borrow money

- (a) The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (b) The Board shall restrict the Borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiary undertakings (if any) so as to secure (but as regards Subsidiary undertakings only so far as by such exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all Borrowings by the Group (exclusive of any Borrowings which are owed by one Group Company to another Group Company) after deducting the amount of Cash Deposited will not, without a previous Ordinary Resolution of the Company, exceed a sum equal to the Adjusted Total Equity.

(c) In this Bye-Law:

(i) **Adjusted Total Equity** means the amount of total equity as shown in the Relevant Balance Sheet but after:

(A) making such adjustments as may be appropriate in respect of:

(aa) any variation in the amount of the paid up share capital, the share premium account since the date of the Relevant Balance Sheet and so that for this purpose if any proposed allotment of shares by the Company for cash has been underwritten or agreed to be subscribed then these Shares shall be deemed to have been allotted and the amount (including any premium) of the subscription moneys payable (not being moneys payable later than six months after the date of allotment) shall be deemed to have been paid up on the date when the issue of the Shares was underwritten or agreed to be subscribed (or if the underwriting or subscription agreement was conditional, the date on which it became unconditional);

(bb) any undertaking which was not a Subsidiary undertaking at the date of the Relevant Balance Sheet but which would be a Subsidiary undertaking if group accounts were prepared as at the relevant time (and as if such time were the end of the Company's financial year) or any undertaking which was a Subsidiary undertaking but which would no longer be so if group accounts were to be so prepared at the relevant time; and

(cc) any variation in the interest of the Company in another Group Company since the date of the Relevant Balance Sheet;

excluding (so far as not already excluded) minority and other outside interests in any Subsidiary undertaking;

(B) deducting the amount of any distribution declared, recommended or made by any Group Company to a person other than another Group Company out of profits accrued up to and including the date of (and to the extent not provided for in) the Relevant Balance Sheet;

(C) excluding the effect of any retirement defined benefits scheme surplus or deficit which would otherwise be reflected in accordance with any applicable accounting standard; and

(D) making such other adjustments (if any) as the auditors may consider appropriate or necessary/Board may consider appropriate or necessary and as are approved by the auditors;

(ii) **Borrowings** include the following except in so far as otherwise taken into account:

(A) the principal amount of any debenture (whether secured or unsecured) of a Group Company;

(B) the outstanding amount raised by acceptances under an acceptance credit or bills facility opened by a bank or acceptance house on behalf of or in favour of a Group Company, excluding acceptances of trade bills relating to goods purchased in the ordinary course of trading;

- (C) the nominal amount of any share capital and the principal amount of any debenture or borrowing, the beneficial interest in which is not owned by a Group Company, to the extent that their payment or repayment is the subject of a guarantee or indemnity by a Group Company;
- (D) the principal amount of any redeemable share capital (not being equity share capital) of any Subsidiary undertaking owned otherwise than by a Group Company;
- (E) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing; and
- (F) any fixed amount in respect of a finance lease payable by any Group Company which would be shown at the relevant time as a liability in a balance sheet and prepared in accordance with the accounting principles used in the preparation of the Relevant Balance Sheet,

but exclude the following:

- (A) borrowings incurred by a Group Company for the purpose of repaying within six months of the borrowing all or part of any borrowings made by it or another Group Company, pending their application for that purpose during that period;
 - (B) borrowings incurred by a Group Company to finance a contract where a part of the price receivable under the contract by that or another Group company is guaranteed or insured by any government, governmental agency or body or by a person (not being a Group Company) carrying on the business of providing credit insurance up to an amount equal to that part of the price which is guaranteed or insured;
 - (C) a proportionate amount of the borrowings of a Group Company which is not a wholly-owned Subsidiary of the Company corresponding to the minority or outside interest in it; and
 - (D) borrowings of an undertaking which was not a Subsidiary undertaking at the date of the Relevant Balance Sheet, to the extent that those borrowings do not exceed its borrowings outstanding on the date when it became a Group Company;
- (iii) **Cash Deposited** means an amount equal to the aggregate for the time being of all cash deposits with any bank or other person (not being a Group Company), (whether on current account or otherwise), the realisable value of debt securities of governments and companies or other readily realisable deposits owned by any Group Company except that in the case of any such item owned by a Group Company which is not a wholly-owned Subsidiary of the Company, there shall be excluded a proportionate amount of that item corresponding to the minority or outside interests in it; and
- (iv) **Relevant Balance Sheet** means the most recent audited consolidated balance sheet of the Group at the relevant time.
- (d) For the purposes of any calculation under this Bye-Law:
- (i) a borrowing denominated or repayable or any Cash Deposited, in a currency other than sterling shall be translated into sterling:
 - (A) at the London Exchange Rate for the date as at which the calculation is being made; or

- (B) if it would result in a lower figure, at the London Exchange Rate on the date of the relevant balance sheet,

and for this purpose the **London Exchange Rate** for any date is the spot rate of exchange, quoted at or about 11.00 a.m. on the business day before that date by a bank in London selected from time to time by the Board; and

- (ii) where under the terms of any borrowing the amount of money that would be required to discharge its principal amount in full if it fell to be repaid (at the option of the borrower or by reason of default) on the date as at which the calculation is being made is less than the amount that would otherwise be taken into account in respect of that borrowing for the purpose of this Bye-Law, the amount of the borrowing to be taken into account shall be the lesser amount.
- (e) The limit imposed under paragraph (b) above shall be deemed not to have been breached until the amount of Borrowings has exceeded that limit for 30 consecutive days. This paragraph overrides all other provisions of this Bye-Law.
- (f) A certificate or report by the Company's auditors:
 - (i) as to the amount of Adjusted Total Equity or the amount of Borrowings; or
 - (ii) to the effect that the limit imposed under this Bye-Law was not exceeded or breached at a particular date,shall be conclusive evidence as to that amount or fact.
- (g) If the Company has joint auditors, references in this Bye-Law to the Company's auditors are to any of the joint auditors.
- (h) No lender or other person dealing with any Group Company need enquire whether the limit imposed under paragraph (b) above has been or will be complied with.
- (i) A borrowing or security resulting in a breach of the limit shall not be void nor shall it be voidable at the instance of the Company or any other Group Company.

75. Applicability of the City Code

- (a) If and for so long as the Company shall not be subject to the City Code, the provisions of this Bye-Law shall apply subject to the Act and to applicable law, and to the Board being satisfied that the application of this Bye-Law is, in any particular case, in the best interests of the Company. In managing and conducting the business of the Company and in exercising or refraining from exercising any and all powers rights and privileges from time to time vested in it, the Board shall use its reasonable endeavours:
 - (i) to apply and to have the Company abide by the General Principles *mutatis mutandis* as though the Company were subject to the City Code;
 - (ii) if any circumstances shall arise under which (had the Company been subject to the City Code) the Company would be an offeree or otherwise the subject of an approach or the subject of a third party's statement of firm intention to make an offer, to comply with and to procure that the Company complies with the provisions of the City Code applicable to an offeree company and the board of directors of an offeree company *mutatis mutandis* as though the Company were subject to the City Code; and

- (iii) in the event that (and in any case for so long as) the Board recommends to Members of the Company or any class thereof any takeover offer made for any Shares from time to time, to obtain the undertaking of the offeror(s) to comply with the provisions of the City Code in the conduct and execution of the relevant offer(s) *mutatis mutandis* as though the Company were subject to the City Code,

but recognising that the Panel will not have jurisdiction (if and for so long as such may be the case) and provided that nothing in these Bye-Laws shall prohibit any third party from making a takeover offer for any Shares which is or may not be recommended by the Board to Members of the Company.

DELEGATION OF BOARD'S POWERS

76. Delegation to individual Directors

The Board may entrust to and confer upon any Director any of its powers, authorities and discretions (with power to sub-delegate) on such terms and conditions as it thinks fit and may revoke or vary all or any of them, but no person dealing in good faith shall be affected by any revocation or variation.

77. Committees

- (a) The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee consisting of such person or persons (whether Directors or not) as it thinks fit. The Board may make any such delegation on such terms and conditions as it thinks fit and may revoke or vary any such delegation and discharge any committee wholly or in part, but no person dealing in good faith shall be affected by any revocation or variation. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may be imposed on it by the Board.
- (b) The proceedings of a committee with two or more Members shall be governed by any regulations imposed on it by the Board and (subject to such regulations) by these Bye-Laws regulating the proceedings of the Board so far as they are capable of applying. Any member of a committee who is present in the United Kingdom or the United States shall not count towards the quorum necessary for the transaction of the business of such committee.

78. Local boards

- (a) The Board may establish any local or divisional board or agency for managing any of the affairs of the Company whether in Bermuda or elsewhere and may appoint any persons to be members of a local or divisional board, or to be managers or agents, and may fix their remuneration.
- (b) The Board may delegate to any local or divisional board, manager or agent any of its powers, authorities and discretions (with power to sub-delegate) and may authorise the members of any local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies.
- (c) Any appointment or delegation under this Bye-Law may be made on such terms and subject to such conditions as the Board thinks fit and the Board may remove any person so appointed, and may revoke or vary any delegation, but no person dealing in good faith shall be affected by the revocation or variation.

79. Powers of attorney

The Board may by power of attorney or otherwise appoint any person to be the agent of the Company on such terms (including terms as to remuneration) as it may decide and may delegate to

any person so appointed any of its powers, authorities and discretions (with power to sub-delegate). The Board may remove any person appointed under this Bye-Law and may revoke or vary the delegation, but no person dealing in good faith shall be affected by the revocation or variation.

DIRECTORS' INTERESTS

80. Directors' interests and voting

- (a) Provided he has disclosed to the Board the nature and extent of any direct or indirect interest of his as required by the Act, a Director, notwithstanding his office:
 - (i) may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit or as seller, buyer or otherwise;
 - (ii) may hold another office or place of profit with the Company (except that of auditor or auditor of a Subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company and in that case on such terms as to remuneration and otherwise as the Board may decide either in addition to or instead of remuneration provided for by another Bye-Law;
 - (iii) may be a Director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment; and
 - (iv) is not liable to account to the Company for a profit, remuneration or other benefit realised by such contract, arrangement, transaction, proposal, office or employment and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.
- (b) The Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest at the first opportunity at a meeting of the Board or by writing to the Board as required by the Act. Subject to the Act, and any further disclosure required thereby, a general notice to the Board by a Director declaring that he is a Director or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be sufficient declaration of interest in relation to any transaction or arrangement so made.
- (c) A Director may not vote on or be counted in the quorum in relation to a resolution of the Board or of a Committee concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which is, to his knowledge, a material interest (otherwise than by virtue of his interest in Shares or debentures or other securities of or otherwise in or through the Company), but this prohibition does not apply to a resolution concerning any of the following matters:
 - (i) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company;
 - (ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

- (iii) a contract, arrangement, transaction or proposal concerning an offer of Shares, debentures or other securities of the Company for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (iv) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a Subsidiary of the Company) (a **Relevant Company**), in which he is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise, if he does not to his knowledge hold an Interest (as that term is used in Bye-Law 134) in shares representing one per cent. Or more of either any class of the equity share capital of or the voting rights in the Relevant Company;
 - (v) a contract, arrangement, transaction or proposal for the benefit of the employees of the Company (including any pension fund or retirement, death or disability scheme) which does not award him a privilege or benefit not generally awarded to the employees to whom it relates; and
 - (vi) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.
- (d) A Director may not vote on or be counted in the quorum in relation to a resolution of the Board or Committee concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including, without limitation, fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In that case each of the Directors concerned (if not otherwise debarred from voting (under this Bye-Law or otherwise)) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (e) If a question arises at a meeting as to the materiality of a Director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a Director (other than the chairman) to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the Director concerned is conclusive and binding on all concerned.
- (f) If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the Board or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.
- (g) For the purposes of this Bye-Law, the interest of a person who is connected with a Director is treated as the interest of the Director and, in relation to an Alternate Director, the interest of his appointor is treated as the interest of the Alternate Director in addition to an interest which the Alternate Director otherwise has. This Bye-Law applies to an Alternate Director as if he were a Director.
- (h) References in this Bye-Law to the Company shall, where the context admits, be read and construed as a reference also to any member of the Group.

- (i) Subject to the Act, the Members in general meeting may resolve to suspend or relax the provisions of this Bye-Law to any extent or ratify any contract, arrangement, transaction or proposal not properly authorised by reason of a contravention of this Bye-Law.

PROCEEDINGS OF THE BOARD

81. Board meetings

- (a) Subject to paragraph (b) below, the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director at any time may, and the Secretary at the request of a Director at any time shall, summon a board meeting.
- (b) A board meeting or a meeting of any committee of the board may not be held in the United Kingdom or the United States. Any resolution which is signed or otherwise approved at a board meeting or a meeting of any committee of the board held in the United Kingdom or the United States shall be invalid and ineffectual.

82. Notice of board meetings

- (a) Notice of a board meeting may be given to a Director personally or by word of mouth or given in writing or by electronic means to him at such address as he may from time to time specify for this purpose (or if he does not specify an address, at his last known address). A Director may waive notice of any meeting either prospectively or retrospectively.
- (b) The Resident Representative shall, upon delivering written notice of an address for the purposes of receipt of notice to the Registered Office, be entitled to receive notice of, attend and be heard at and to receive minutes of all meetings of the Board.

83. Quorum

The quorum necessary for the transaction of the business of the Board may be fixed from time to time by the Board and, unless so fixed at any other number, shall comprise a minimum of three Directors and, in any event, a quorum shall only be present so long as there is no majority in respect of any one jurisdiction (other than Bermuda) representing the tax residence or domicile of those Directors present at any relevant meeting of the Board convened to transact such business. Any Director who is in the United Kingdom or the United States shall not count towards the quorum necessary for the transaction of the business of the Board. Subject to these Bye-Laws and the terms of the Director's resignation or retirement, any Director who ceases to be a Director at a board meeting may continue to be present and to act as a Director and be counted in the quorum until the end of the board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

84. Chairman or deputy chairman to preside

- (a) The Board may appoint a chairman, one or more deputy chairman or chairmen and may at any time revoke any such appointment.
- (b) The chairman, or failing him any deputy chairman (the longest in office taking precedence, if more than one is present), shall, if present and willing, preside at all board meetings but, if no chairman or deputy chairman has been appointed, or if he is not present within five minutes after the time fixed for holding the meeting or is unwilling to act as chairman of the meeting, the Directors present shall choose one of their number to act as chairman of the meeting.

85. Competence of board meetings

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

86. Voting

Questions arising at any board meeting shall be determined by a majority of votes; each Director having one vote. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

87. Telephone board meeting

- (a) A board meeting may consist of a conference between Directors some or all of whom are in different places provided that each Director may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables him:
 - (i) to hear each of the other participating Directors addressing the meeting; and
 - (ii) if he so wishes, to address all of the other participating Directors simultaneously.
- (b) A quorum is deemed to be present if at least the number of Directors required to form a quorum, subject to the provisions of Bye-Law 72, may participate in the manner specified above in the business of the meeting. Any Director who is in the United Kingdom or the United States shall not count towards the quorum necessary for the transaction of the business of the meeting.
- (c) A board meeting held in this way is deemed to take place at the place where the largest group of participating Directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

88. Validity of acts of Directors in spite of formal defect

All acts *bona fide* done by a meeting of the Board, or of a Committee, or by any person acting as a Director or a member of a Committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or Committee or of the person so acting, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and qualified to be a Director and had continued to be a Director or member of the Committee and had been entitled to vote.

89. Minutes

The Board shall cause minutes to be made in books kept for the purpose of maintaining a record of:

- (i) the names of all the Directors present at each meeting of the Board and of any Committee; and
- (ii) all Resolutions and proceedings of all meetings of the Company and of any class of Members, and of all resolutions and proceedings of all meetings of the Board and of any Committee.

SECRETARY AND RESIDENT REPRESENTATIVE

90. Secretary

- (a) The Secretary (including one or more deputy or assistant secretaries) and, if required, the Resident Representative, shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary and Resident Representative so appointed may be removed by the Board. The duties of the Secretary and the duties of the Resident Representative shall be those prescribed by the Act together with such other duties as shall from time to time be prescribed by the Board.
- (b) A provision of the Act or these Bye-Laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

SHARE CERTIFICATES

91. Issue of share certificates

- (a) No share certificates shall be issued by the Company unless, in respect of a class of Shares, the Board has either for all or for some holders of such Shares (who may be determined in such manner as the Board thinks fit) determined that the holders of such Shares may be entitled to share certificates. In the case of a Share held jointly by several persons, delivery of a certificate to one of several joint Holders shall be sufficient delivery to all.
- (b) If a share certificate is defaced, lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.
- (c) All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be in such form as the Board may determine, issued under the Seal or signed by a Director, the Secretary or any person authorised by the Board for that purpose. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any persons, or may determine that a representation of the Seal may be printed on any such certificates. If any person holding an office in the Company who has signed, or whose facsimile signature has been used on, any certificate ceases for any reason to hold his office, such certificate may nevertheless be issued as though that person had not ceased to hold such office.
- (d) Nothing in these Bye-Laws shall prevent title to any securities of the Company from being evidenced and/or transferred without a written instrument in accordance with regulations made from time to time in this regard under the Act, and the Board shall have power to implement any arrangements which it may think fit for such evidencing and/or transfer which accord with those regulations.

LIEN ON SHARES

92. Lien on partly paid Shares

- (a) The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all amounts payable (whether or not due) in respect of that Share. The lien shall extend to every amount payable in respect of that Share.
- (b) The Board may at any time either generally or in any particular case declare any Share to be wholly or partly exempt from this Bye-Law. Unless otherwise agreed, the registration of a transfer of a Share shall operate as a waiver of the Company's lien (if any) on that Share.

93. Enforcement of lien

- (a) The Company may sell any Share subject to a lien in such manner as the Board may decide if an amount payable on the Share is due and is not paid within 14 Clear Days after a notice has been given to the Member or any person entitled by transmission to the Share demanding payment of that amount and giving notice of intention to sell in default.
- (b) To give effect to any sale under this Bye-Law, the Board may authorise some person to transfer the Share sold to, or as directed by, the purchaser. The purchaser shall not be bound to see to the application of the purchase money nor shall the title of the new Member to the Share be affected by any irregularity in or invalidity of the proceedings relating to the sale.
- (c) The net proceeds of the sale, after payment of the costs of such sale, shall be applied in or towards satisfaction of the amount due and any residue shall (subject to a like lien for any amounts not presently due as existed on the Share before the sale), on surrender, in the case of Shares held in certificated form, of the certificate for the shares sold, be paid to the Member or person entitled by transmission to the share immediately before the sale.

94. Liability of the Company

Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment, or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any Shares registered in any of the Company's registers as held either jointly or solely by any Member, or in respect of any dividends, bonuses or other monies due or payable or accruing due or which may become due or payable to such Member by the Company on or in respect of any Shares registered as aforesaid, or for or on account or in respect of any Member, and whether in consequence of:

- (a) the death of such Member;
- (b) the non-payment of any income tax or other tax by such Member;
- (c) the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such Member or by or out of his estate; or
- (d) any other act or thing;

in every such case (except to the extent that the rights conferred upon Members of any class of Shares render the Company liable to make additional payments in respect of sums withheld on account of the foregoing):

- (i) the Company shall be fully indemnified by such Member or his executor or administrator from all liability;
- (ii) the Company shall have a lien upon all dividends and other monies payable in respect of the Shares registered in any of the Company's registers as held either jointly or solely by such Member for all monies paid or payable by the Company in respect of such Shares or in respect of any dividends or other monies as aforesaid thereon or for or on account or in respect of such Member under or in consequence of any such law together with interest at the rate of fifteen percent (15%) per annum thereon from the date of payment to date of repayment and may deduct or set off against such dividends or other monies payable as aforesaid any monies paid or payable by the Company as aforesaid together with interest as aforesaid;
- (iii) the Company may recover as a debt due from such Member or his executor or administrator wherever constituted any monies paid by the Company under or in consequence of any such law and interest thereon at the rate and for the period aforesaid in excess of any dividends or other monies as aforesaid then due or payable by the Company; and
- (iv) the Company may, if any such money is paid or payable by it under any such law as aforesaid, refuse to register a transfer of any Shares by any such Member or his executor or administrator until such money and interest as aforesaid is set off or deducted as aforesaid, or in case the same exceeds the amount of any such dividends or other monies as aforesaid then due or payable by the Company, until such excess is paid to the Company.

Subject to the rights conferred upon the Members of any class of Shares, nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such Member as aforesaid, his estate representative, executor, administrator and estate wheresoever constituted or situate, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

CALLS ON SHARES

95. Calls

- (a) Subject to the terms of allotment, the Board may make calls on the Members (excluding, for the avoidance of doubt, the Company in respect of any nil or partially paid shares held by the Company as treasury shares) in respect of any moneys unpaid on their Shares (whether in respect of nominal amount or premium) and each Member shall (subject to his receiving at least 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 his Shares. A call may be revoked or postponed as the Board may decide.
- (b) Any call may be made payable in one sum or by instalments and shall be deemed to be made at the time when the resolution of the Board authorising that call is passed.
- (c) The joint holder of a Share shall be jointly and severally liable for the payment of all calls in respect of that Share.

96. Interest on calls

If a call is not paid before or on the due date for payment, the person from whom it is due shall pay interest on the amount unpaid, from the due date for payment to the date of actual payment, at such rate as the Board may decide, but the Board may waive payment of the interest, wholly or in part.

97. Sums treated as calls

A sum which by the terms of allotment of a Share is payable on allotment, or at a fixed time, or by instalments at fixed times, shall for all purposes of these Bye-Laws be deemed to be a call duly made and payable on the date or dates fixed for payment and, in case of non-payment, these Bye-Laws shall apply as if that sum had become payable by virtue of a call.

98. Power to differentiate

On any allotment of Shares the Board may make arrangements for a difference between the allottees or holders of the Shares in the amounts and times of payment of calls on their Shares.

99. Payment of calls in advance

The Board may, if it thinks fit, receive all or any part of the moneys payable on a Share beyond the sum actually called up on it if the Member is willing to make payment in advance and, on any moneys so paid in advance, may (until they would otherwise be due) pay interest at such rate as may be agreed between the Board and the Member paying the sum in advance.

FORFEITURE OF SHARES

100. Notice of unpaid calls

- (a) If the whole or any part of any call or instalment remains unpaid on any Share after the due date for payment, the Board may give a notice to the Member requiring him to pay so much of the call or instalment as remains unpaid, together with any accrued interest.
- (b) The notice shall state a further day, being not less than 14 Clear Days from the date of the notice, on or before which, and the place where, payment is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the Share in respect of which the call was made or instalment is payable will be liable to be forfeited.
- (c) The Board may accept a surrender of any Share liable to be forfeited.

101. Forfeiture on non-compliance with notice

- (a) If the requirements of a notice given under the preceding Bye-Law are not complied with, any Share in respect of which it was given may (before the payment required by the notice is made) be forfeited by a resolution of the Board. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited Share and not actually paid before the forfeiture.
- (b) If a Share is forfeited, notice of the forfeiture shall be given to the person who was the holder of the Share or (as the case may be) the person entitled to the Share by transmission, and an entry that notice of the forfeiture has been given, with the relevant date, shall be made in the Register; but no forfeiture shall be invalidated by any omission to give such notice or to make such entry.

102. Power to annul forfeiture or surrender

The Board may, at any time before the forfeited or surrendered Share has been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon payment of all calls and interest due on or incurred in respect of the Share and on such further conditions (if any) as it thinks fit.

103. Disposal of forfeited or surrendered Shares

- (a) Every Share which is forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the Board shall decide either to the person who was before the forfeiture the holder of the Share or to any other person and whether with or without all or any part of the amount previously paid up on the Share being credited as so paid up. The Board may for the purposes of a disposal authorise some person to transfer the forfeited or surrendered Share to, or in accordance with the directions of, any person to whom the same has been disposed of.
- (b) An affidavit in writing that the deponent is a Director or the Secretary and that a Share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the Share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the Share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the Share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Share.

104. Arrears to be paid notwithstanding forfeiture or surrender

A person any of whose Shares have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered Share and shall, in the case of Shares held in certificated form, surrender to the Company for cancellation any certificate for the Share forfeited or surrendered, but shall remain liable (unless payment is waived in whole or in part by the Board) to pay to the Company all moneys payable by him on or in respect of that Share at the time of forfeiture or surrender, together with interest from the time of forfeiture or surrender until payment at such rate as the Board shall decide, in the same manner as if the Share had not been forfeited or surrendered. He shall also be liable to satisfy all the claims and demands (if any) which the Company might have enforced in respect of the Share at the time of forfeiture or surrender. No deduction or allowance shall be made for the value of the Share at the time of forfeiture or surrender or for any consideration received on its disposal.

SEAL

105. Seal

- (a) The Company may exercise the powers conferred by the Act with regard to having official seals and those powers shall be vested in the Board.
- (b) The Board shall provide for the safe custody of every Seal. The Board may authorise the production of one or more duplicate Seals.
- (c) A Seal shall be used only by the authority of the Board or a duly authorised committee but that authority may consist of an instruction or approval given in writing or by electronic means by a majority of the Directors or of the members of a duly authorised committee.
- (d) The Board may determine who shall sign any instrument to which a Seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signature or the use of the Seal shall be dispensed with. Moreover, any document required to be executed as a deed on behalf of the Company may be signed or executed by a person authorised by the Board for that purpose, without the use of the Seal.

Subject to these Bye-Laws, any instrument to which a Seal is affixed shall be attested by the signature of:

- (i) a Director; or
 - (ii) the Secretary; or
 - (iii) any one person authorised by the Board for that purpose;
- (e) Unless otherwise decided by the Board, certificates for Shares, debentures or other securities of the Company issued under Seal need not be signed.

DIVIDENDS

106. Declaration of dividends by the Board

- (a) The Board may, by resolution, declare a dividend to be paid to the Members, according to their respective rights and interests in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the Board.
- (b) The Board has the absolute discretion to determine the procedure and mechanics to be used in relation to the payment of any dividend.

107. Dividend Access Arrangements

- (a) Where any amount paid by way of dividend by a subsidiary of the Company is received by the Dividend Access Trustee on behalf of any Elected Shareholder, the entitlement of such Elected Shareholder to be paid any dividend declared pursuant to these Bye-Laws will be reduced by the corresponding amount that has been paid to the Dividend Access Trustee in respect of such Elected Shareholder.
- (b) If a dividend is declared pursuant to these Bye-Laws and the entitlement of any Elected Shareholder to be paid its pro rata share of such dividend is not fully extinguished on the relevant payment date by virtue of such a payment made to the Dividend Access Trustee, the Company has a full and unconditional obligation to make payment in respect of the outstanding part of such dividend entitlement.
- (c) For these purposes, the amount that is paid to the Dividend Access Trustee in respect of any Elected Shareholder in respect of any particular dividend paid by a subsidiary of the Company (a "specified dividend") will be deemed to include:
 - (i) any amount that the Dividend Access Trustee may be compelled by law to withhold;
 - (ii) a pro rata share of any tax that the company paying the specified dividend is obliged to withhold or to deduct from the same; and
 - (iii) a pro rata share of any tax that is payable by the Dividend Access Trustee in respect of the specified dividend.
- (d) For the purposes of this Bye-Law, the Dividend Access Trustee is to be treated as having been paid an amount in respect of an Elected Shareholder if a cheque, warrant or similar financial instrument in respect of that amount is properly despatched to the Dividend Access Trustee in respect of that Elected Shareholder or if a payment is made through CREST, bank transfer or other electronic means.

- (e) For the purposes of this Bye-Law:

"Dividend Access Trustee" means the trustee of any trust established for the purposes of receiving, on trust for Elected Shareholders, amounts paid by way of dividend to such trust by a Subsidiary of the Company;

"Elected Shareholder" means any Member who has elected to receive dividends from the Dividend Access Trustee paid to such Trustee by a Subsidiary of the Company pursuant to any arrangement or plan determined for such purpose by the Board.

108. Fixed and interim dividends

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, none of the Directors shall incur any liability to the holders of Shares conferring preferred rights for any loss such Members may suffer in consequence of the payment of an interim dividend on any Shares having non-preferred or deferred rights.

109. Calculation and currency of dividends

- (a) Except insofar as the rights attaching to, or the terms of issue of, any Share otherwise provide:
- (i) all dividends shall be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on a Share in advance of calls shall be treated for the purposes of this Bye-Law as paid up on the Share;
 - (ii) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid; and
 - (iii) dividends may be declared or paid in any currency as determined from time to time by the Board.
- (b) The Board may agree with any Member that dividends which may at any time or from time to time be declared or become due on his Shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

110. Method of payment

- (a) The Company may pay any dividend or other sum payable in respect of a Share:
- (i) by cheque or dividend warrant payable to the Member (or, in the case of joint Members, the Member whose name stands first in the Register in respect of the relevant Share) or to such other person as the Member (or, in the case of joint Members, all the joint Members) may notify to the Company for the purpose; or
 - (ii) by a bank or other funds transfer system or by such other electronic means (including, in the case of an uncertificated share, any Relevant System concerned) to such account as the Member (or, in the case of joint Members, all the joint Members) may notify to the Company for the purpose; or

- (iii) in such other way as may be agreed between the Company and the Member (or, in the case of joint Members, all such Members).
- (b) Any such cheque or dividend warrant may be sent by post to the registered address of the Member (or, in the case of joint Members, to the registered address of that person whose name stands first in the Register in respect of the relevant Share) or to such other address as the Member (or, in the case of joint Members, all the joint Members) may notify to the Company for the purpose.
- (c) Every cheque or warrant is sent, and payment in any other way is made, at the risk of the person or persons entitled to it and the Company will not be responsible for any sum lost or delayed when it has sent or transmitted the sum in accordance with these Bye-Laws. Clearance of a cheque or warrant or transmission of funds through a bank or other funds transfer system or by such other electronic means as is permitted by these Bye-Laws shall be a good discharge to the Company.
- (d) Any joint Member or other person jointly entitled to any Share may give a receipt for any dividend or other sum paid in respect of the Share.
- (e) Any dividend or other sum payable in respect of any Share may be paid to a person or persons entitled by transmission to that Share as if he or they were the Member or joint Members of that Share and his address (or the address of the first named of two or more persons jointly entitled) noted in the Register were the registered address.

111. Dividends not to bear interest

No dividend or other moneys payable by the Company on or in respect of any Share shall bear interest as against the Company unless otherwise provided by the rights attached to the Share.

112. Calls or debts may be deducted from dividends

The Board may deduct from any dividend or other moneys payable to any person (either alone or jointly with another) on or in respect of a Share all such sums as may be due from him (either alone or jointly with another) to the Company on account of calls or otherwise in relation to Shares of the Company.

113. Unclaimed dividends

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any Share into a separate account shall not constitute the Company a trustee in respect of it.

114. Uncashed dividends

If:

- (i) a payment for a dividend or other sum payable in respect of a Share sent by the Company to the person entitled to it in accordance with these Bye-Laws is left uncashed or is returned to the Company and, after reasonable enquiries, the Company is unable to establish any new address or, with respect to a payment to be made by a funds transfer system, a new account, for that person; or

- (ii) such a payment is left uncashed or returned to the Company on two consecutive occasions,
- the Company shall not be obliged to send any dividends or other sums payable in respect of that Share to that person until he notifies the Company of an address or, where the payment is to be made by a funds transfer system, details of the account, to be used for the purpose.

115. Dividends *in specie*

- (a) With the authority of an Ordinary Resolution of the Company and on the recommendation of the Board, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up Shares or debentures of any other company.
- (b) Where any difficulty arises with the distribution, the Board may settle the difficulty as it thinks fit and, in particular, may issue fractional certificates (or ignore fractions), fix the value for distribution of the specific assets or any part of them, determine that cash payments be made to any Members on the basis of the value so fixed in order to secure equality of distribution and vest any of the specific assets in trustees on such trusts for the persons entitled to the dividend as the Board may think fit.

116. Scrip dividends

- (a) Subject to these Bye-Laws and the Act, the Board may, with the authority of an Ordinary Resolution, offer any Members of any particular class of Shares the right to elect to receive further Shares of that class, credited as fully paid, instead of cash in respect of all (or some part) of any dividend specified by the Ordinary Resolution (a **Scrip Dividend**) in accordance with the following provisions of this Bye-Law.
- (b) The Ordinary Resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period, but such period may not end later than five years after the date of the meeting at which the Ordinary Resolution is passed.
- (c) The basis of allotment shall be decided by the Board so that, as nearly as may be considered convenient, the value of the further Shares, including any fractional entitlement, is equal to the amount of the cash dividend which would otherwise have been paid (disregarding the amount of any associated tax credit).
- (d) For the purposes of paragraph (c) above the value of the further Shares shall be:
- (i) equal to the average middle-market quotation for a fully paid Share of the relevant class, adjusted if necessary for the proposed dividend, as shown in the London Stock Exchange Daily Official List or as established from such other source as the Board considers appropriate for the five business days immediately preceding or following the announcement of the cash dividend to which the Scrip Dividend relates, as the Board may decide; or
- (ii) calculated in such manner as may be determined by or in accordance with the Ordinary Resolution.
- (e) The Board shall give notice to the Members of their rights of election in respect of the Scrip Dividend and shall specify the procedure to be followed in order to make an election.
- (f) The dividend or that part of it in respect of which an election for the Scrip Dividend is made shall not be paid and instead further Shares of the relevant class shall be allotted in accordance with elections duly made and the Board shall capitalise a sum equal to the aggregate nominal amount of the Shares to be allotted out of such sums available for the purpose as the Board may consider appropriate.

- (g) The further Shares so allotted shall rank *pari passu* in all respects with the fully paid Shares of the same class then in issue except as regards participation in the relevant dividend.
- (h) The Board may decide that the right to elect for any Scrip Dividend shall not be made available to Members resident in any territory where, in the opinion of the Board, compliance with local laws or regulations would be unduly onerous.
- (i) The Board may do all acts and things as it considers necessary or expedient to give effect to the provisions of a Scrip Dividend election and the issue of any Shares in accordance with the provisions of this Bye-Law, and may make such provisions as it thinks fit for the case of Shares becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). To the extent that the entitlement of any Member in respect of any dividend is less than the value of one new Share of the relevant class (as determined for the basis of any Scrip Dividend) the Board may also from time to time establish or vary a procedure for such entitlement to be accrued and aggregated with any similar entitlement for the purposes of any subsequent Scrip Dividend.
- (j) The Board may from time to time establish or vary a procedure for election mandates, under which a Member may, in respect of any future dividends for which a right of election pursuant to this Bye-Law is offered, elect to receive Shares in lieu of such dividend on the terms of such mandate.
- (k) The Board shall not make a Scrip Dividend available unless the Company has sufficient unissued Shares and undistributed profits or reserves to give effect to elections which could be made to receive that Scrip Dividend.

CAPITALISATION OF RESERVES

117. Capitalisation of reserves

- (a) The Board may, with the authority of an Ordinary Resolution:
 - (i) resolve to capitalise any sum standing to the credit of any reserve account of the Company or any sum standing to the credit of profit and loss account not required for the payment of any preferential dividend (whether or not it is available for distribution); and
 - (ii) appropriate that sum as capital to the Members in proportion to the nominal amount of the share capital held by them respectively and apply that sum on their behalf in paying up in full any unissued Shares or debentures of the Company of a nominal amount equal to that sum and allot the Shares or debentures credited as fully paid to those Members, or as they may direct, in those proportions or in paying up the whole or part of any amounts which are unpaid in respect of any issued Shares in the Company held by them respectively, or otherwise deal with such sum as directed by the Ordinary Resolution provided that the share premium account and any sum not available for distribution in accordance with the Act may only be applied in paying up unissued Shares to be allotted credited as fully paid up.
- (b) Where any difficulty arises in respect of any distribution of any capitalised reserve or other sum, the Board may settle the difficulty as it thinks fit and in particular may make such provisions as it thinks fit in the case of Shares or debentures becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than the Members concerned) or ignore fractions and may fix the value for distribution of any fully paid up Shares or debentures and may determine that cash payments be made to any Members on the basis of the value so fixed in order to secure equality of distribution, and may vest any Shares or debentures in trustees upon such trusts for the persons entitled to share in the distribution as the Board may think fit.

- (c) The Board may also authorise any person to sign on behalf of the persons entitled to share in the distribution a contract for the acceptance by those persons of the Shares or debentures to be allotted to them credited as fully paid under a capitalisation and any such contract shall be binding on all those persons.

118. Capitalisation of reserves - Employee Share Schemes

- (a) This Bye-Law (which is without prejudice to the generality of the provisions of the immediately preceding Bye-Law) applies:
 - (i) where a person is granted pursuant to an Employee Share Scheme a right to subscribe for Shares in the Company in cash at a subscription price less than their nominal value; and
 - (ii) where, pursuant to an Employee Share Scheme, the terms on which any person is entitled to subscribe in cash for Shares in the Company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price is less than their nominal value.
- (b) In any such case the Board:
 - (i) shall transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the Shares (the **Cash Deficiency**) from the profits or reserves of the Company which are available for distribution and not required for the payment of any preferential dividend; and
 - (ii) (subject to paragraph (d) below) shall not apply that reserve account for any purpose other than paying up the Cash Deficiency upon the allotment of those Shares.
- (c) Whenever the Company is required to allot Shares pursuant to such a right to subscribe, the Board shall (subject to the Act) appropriate to capital out of the reserve account an amount equal to the Cash Deficiency applicable to those Shares, apply that amount in paying up the deficiency on the nominal value of those Shares and allot those Shares credited as fully paid to the person entitled to them.
- (d) If any person ceases to be entitled to subscribe for Shares as described above, the restrictions on the reserve account shall cease to apply in relation to such part of the account as is equal to the amount of the cash deficiency applicable to those shares.
- (e) No right shall be granted under any Employee Share Scheme under paragraph (a)(i) above and no adjustment shall be made as mentioned in paragraph (a)(ii) above unless there are sufficient profits or reserves of the Company available for distribution and not required for the payment of any preferential dividend to permit the transfer to a reserve account in accordance with this Bye-Law of an amount sufficient to pay up the cash deficiency applicable to the Shares concerned.

CAPITALISATION OF PROFITS

119. Capitalisation of Profits

- (a) The Board may from time to time resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account and appropriate the sum resolved to be capitalised either:
 - (i) so that such amount be set free for distribution amongst the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same

proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any Shares in the Company held by such Members respectively or in payment up in full of unissued Shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid amongst such Members, or partly in one way and partly in the other; or

- (ii) to Members who may, in relation to any dividend or dividends, validly accept an offer or offers on such terms and conditions as the Board may determine (and subject to such exclusions or other arrangements as the Board may consider necessary or expedient to deal with legal or practical problems in respect of overseas Members or in respect of Shares represented by depository receipts) to receive new Shares, credited as fully paid up, in lieu of the whole or any part of any such dividend or dividends (any such offer being called a **Scrip Dividend Offer**); and the Board shall apply such sum on their behalf in paying up in full at par unissued Shares (in accordance with the terms, conditions and exclusions or other arrangements of the Scrip Dividend Offer) to be allotted credited as fully paid up to such Members respectively,

provided that for the purpose of this Bye-Law, a share premium account may be applied only in the paying up of unissued Shares to be issued to such Members credited as fully paid. The authority of the Company in general meeting, such authority not to end later than the fifth anniversary of the date at which the general meeting is held, shall be required before the Board implement any Scrip Dividend Offer (which authority may extend to one or more offers).

- (b) Where any difficulty arises in regard to any distribution under the last preceding Bye-Law, the Board may settle the same as it thinks expedient and, in particular, may authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments should be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

RECORD DATES

120. Fixing of record dates

- (a) Notwithstanding any other of these Bye-Laws, but without prejudice to any rights attached to any Shares, the Company or the Board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.
- (b) In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.
- (c) In relation to any general meeting of the Company or of any class of Member or to any adjourned meeting or any poll taken at a meeting or adjourned meeting of which notice is given, the Board may specify in the notice of meeting or adjourned meeting or in any document sent to Members by or on behalf of the Board in relation to the meeting, a time and date (a **Record Date**) and, notwithstanding any provision in these Bye-Laws to the contrary, in such case:
 - (i) each person entered in the Register as a Member, or a Member of the relevant class at the Record Date, (a **Record Date Holder**) shall be entitled to attend and to vote at the relevant meeting and to exercise all of the rights or privileges of a Member, or a Member of the

relevant class, in relation to that meeting in respect of the Shares, or the Shares of the relevant class, registered in his name at the Record Date;

- (ii) as regards any Shares, or shares of the relevant class, which are registered in the name of a Record Date Holder but are not so registered at the meeting date (**Relevant Shares**), each holder of any Relevant Shares at the meeting date shall be deemed to have irrevocably appointed that Record Date Holder as his proxy for the purpose of attending and voting in respect of those Relevant Shares at the relevant meeting (with power to appoint, or to authorise the appointment of, some other person as proxy), in such manner as the Record Date Holder in his absolute discretion may determine; and
- (iii) accordingly, except through his proxy pursuant to Bye-Law 120(c)(ii) above, a holder of Relevant Shares at the meeting date shall not be entitled to attend or to vote at the relevant meeting, or to exercise any of the rights or privileges of a Member, or a Member of the relevant class, in respect of the Relevant Shares at that meeting.
- (d) The entry of the name of a person in the Register as a Record Date Holder shall be sufficient evidence of his appointment as proxy in respect of any Relevant Shares for the purposes of this paragraph, but all the provisions of these Bye-Laws relating to the execution and deposit of an instrument appointing a proxy or any ancillary matter (including the Board's powers and discretions relevant to such matter) shall apply to any instrument appointing any person other than the Record Date Holder as proxy in respect of any Relevant Shares.

ACCOUNTS

121. Accounting records and audits

- (a) The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Act.
- (b) The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall at all times be open to inspection by the Board, provided that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Board to ascertain with reasonable accuracy the financial position of the Company at the end of each three month period. No Member (other than an officer of the Company) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by Ordinary Resolution.
- (c) A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Act.
- (d) Save and to the extent that an audit is waived in the manner permitted by the Act, auditors shall be appointed and their duties regulated in accordance with the Act, any other applicable law and such requirements not inconsistent with the Act as the Board may from time to time determine.
- (e) No Member (as such) shall have any right of inspecting any account, book or document of the Company, except as conferred by law or authorised by the Board or by any Ordinary Resolution of the Company.

NOTICES

122. Form of notices

- (a) Subject to the Act and except where otherwise expressly stated, any notice to be given to or by any person under these Bye-Laws shall be in writing or, subject to paragraph (b), contained in an Electronic Communication.
- (b) The Board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more Addresses for the receipt of an Electronic Communication, and may from time to time prescribe such procedures as it thinks fit for verifying the authenticity or integrity of any such Electronic Communication. A notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Board.

123. Manner of giving notices

- (a) A notice in writing, document or other Communication may be given or served by the Company to any Member either personally or by sending it through the post (by airmail where applicable) addressed to the Member at his registered address or by leaving it at that address.
- (b) Subject to the Act, a notice, document or other Communication may be given by the Company to any Member by electronic means to such Address as may from time to time be authorised by the Member concerned or by publishing it on a web site and notifying the Member concerned, in such manner as he may from time to time authorise, that it has been so published.
- (c) In the case of joint Members of a Share, any notice, document or other Communication given or served by the Company in any manner permitted by these Bye-Laws to the joint Member who is named first in the Register in respect of the joint holding shall be deemed to be given to all other Members of the Share.

124. Notice by advertisement

If at any time by reason of the suspension or curtailment of postal services within Bermuda or any other territory the Company is unable effectively to convene a general meeting by sending notices through the post, a general meeting may be convened by a notice advertised in at least one national newspaper and in a newspaper in the territory concerned. In any such case the Company shall send confirmatory copies of the notice by post to those Members to whom notice cannot be given by electronic means if at least six Clear Days before the meeting the posting of notices to addresses throughout that territory again becomes practicable.

125. When notice is deemed given

- (a) Any notice in writing, document or other communication, if sent by post, shall be deemed to have been given on the day following that on which the envelope containing it is put into the post, and in proving that a notice, document or other Communication has been given it shall be sufficient to prove that the letter, envelope or wrapper containing the notice, document or other Communication was properly put into the post.
- (b) Any notice in writing, document or other Communication not sent by post but left at a registered address or address at which a notice, document or other Communication may be given shall be deemed to have been given on the day it was so left.

- (c) Any notice, document or other Communication, if sent by electronic means (including through any Relevant System), shall be deemed to have been given on the day following that on which the Electronic Communication was sent by or on behalf of the Company.
- (d) Where notice is given by way of newspaper advertisement, such notice shall be deemed to have been given to each member or person entitled to receive it at 12.00 p.m. on the day when the advertisement appears or, if it appears on different days, at 12.00 p.m. on the first of the days when it appears.
- (e) A Member present, either in person or by proxy, at any meeting of the Company or class of Members of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which the meeting was convened.
- (f) Every person who becomes entitled to a Share shall be bound by every notice in respect of that Share which before his name is entered in the Register was given to the person from whom he derives his title to the Share.

126. Record date for giving notices

- (a) For the purposes of giving notices of meetings, documents or other Communications, whether under the Act, any other Statute, a provision in these Bye-Laws or any other instrument, the Company may determine that persons entitled to receive such notices, documents or other Communications are those persons entered on the Register at the close of business on a day determined by it.
- (b) The day determined by the Company under paragraph (a) above may not be more than 15 days before the day that the notice of the meeting, document or other Communication is given.

127. Notice to person entitled by transmission

Where a person is entitled by transmission to a Share, any notice or other Communication shall be given to him, as if he were the Member and his address noted in the Register as his registered address. In any other case, any notice or other Communication given to any Member pursuant to these Bye-Laws shall, notwithstanding that the Member is then dead or bankrupt or that any other event giving rise to the transmission of the Share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly given in respect of any share registered in the name of that Member as sole or joint Member.

UNTRACED MEMBERS

128. Sale of shares of untraced Members

- (a) The Company may sell, in such manner as the Board may decide and at the best price it considers to be reasonably obtainable at that time, any Share of a Member, or any Share to which a person is entitled by transmission if:
 - (i) during a period of 12 years at least three cash dividends have become payable in respect of the Share to be sold and have been sent by the Company in accordance with these Bye-Laws;
 - (ii) during that period of 12 years no cash dividend payable in respect of the Share has been claimed, no cheque, warrant, order or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no Communication has

been received by the Company from the Member or the person entitled by transmission to the Share;

- (iii) on or after the expiry of that period of 12 years the Company has published advertisements both in a national newspaper and in a newspaper circulating in the area in which the last known address of the Member or person entitled by transmission to the Share or the address at which notices may be given in accordance with these Bye-Laws is located, in each case giving notice of its intention to sell the Share; and
 - (iv) during the period of three months following the publication of those advertisements and after that period until the exercise of the power to sell the Share, the Company has not received any Communication from the Member or the person entitled by transmission to the Share.
- (b) The Company's power of sale shall extend to any further Share which, on or before the date of publication of the first of any advertisement pursuant to subparagraph (a)(iii) above, is issued in right of a Share to which paragraph (a) applies (or in right of any Share to which this paragraph applies) if the conditions set out in subparagraphs (a)(ii) to (iv) are satisfied in relation to the further Share (but as if the references to a period of 12 years were references to a period beginning on the date of allotment of the further Share and ending on the date of publication of the first of the advertisements referred to above).
- (c) To give effect to any sale, the Board may authorise some person to transfer the Share to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money; nor shall the title of the new holder to the Share be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

129. Application of proceeds of sale

- (a) The Company shall account to the person entitled to the Share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.
- (b) Pending payment of the net proceeds of sale to such person, the proceeds may either be employed in the business of the Company or invested in such investments (other than Shares of the Company or its Holding Company, if any) as the Board may from time to time decide.
- (c) No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds.

DESTRUCTION OF DOCUMENTS

130. Destruction of documents

- (a) The Board may authorise or arrange the destruction of documents held by the Company as follows:
 - (i) at any time after the expiration of six years from the date of registration, all instruments of transfer of Shares and all other documents transferring or purporting to transfer Shares or representing or purporting to represent the right to be registered as the Member of Shares on the faith of which entries have been made in the Register;
 - (ii) at any time after the expiration of one year from the date of cancellation, all registered share certificates which have been cancelled;

- (iii) at any time after the expiration of two years from the date of recording them, all dividend mandates and notifications of change of address; and
 - (iv) at any time after the expiration of one year from the date of actual payment, all paid dividend warrants and cheques.
- (b) It shall conclusively be presumed in favour of the Company that:
- (i) every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made;
 - (ii) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
 - (iii) every share certificate so destroyed was a valid certificate duly and properly cancelled;
 - (iv) every other document mentioned in paragraph (a) above so destroyed was a valid and effective document in accordance with the particulars of it recorded in the books and records of the Company; and
 - (v) every paid dividend warrant and cheque so destroyed was duly paid.
- (c) The provisions of paragraph (b) above shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant.
- (d) Nothing in this Bye-Law shall be construed as imposing on the Company or the Board any liability in respect of the destruction of any document earlier than as stated in (a) above or in any other circumstances in which liability would not attach to the Company or the Board in the absence of this Bye-Law.
- (e) References in this Bye-Law to the destruction of any document include references to its disposal in any manner.

WINDING UP

131. Powers to distribute *in specie*

If the Company is in liquidation, the liquidator may, with the authority of a Special Resolution of the Company and any other authority required by the Act:

- (i) divide among the Members *in specie* the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members; or
- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like sanction, shall think fit but no Member shall be compelled to accept any assets upon which there is any liability.

INDEMNITY

132. Indemnity

Except to the extent prohibited or restricted by the Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director of the Company may be indemnified out of the assets of the Company against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office.

MISCELLANEOUS

133. Continuation

Subject to the Act, the Company may with the approval of:

- (a) the Board, by resolution adopted by a majority of Directors then in office; and
- (b) the Members by Resolution passed by a majority of votes cast at the general meeting,

approve the discontinuation of the Company in Bermuda and the continuation of the Company in a jurisdiction outside Bermuda.

134. Power of the Company to investigate Interests in Shares

- (a) For the purposes of this Bye-Law
 - (i) **Relevant Share Capital** means the Company's issued share capital of any class carrying rights to vote in all circumstances at general meetings of the Company (including any Shares held as treasury shares); and for the avoidance of doubt (a) where the Company's share capital is divided into different classes of Shares, references to Relevant Share Capital are to the issued share capital of each such class taken separately and (b) the temporary suspension of voting rights in respect of Shares comprised in issued share capital of the Company of any such class does not affect the application of this Bye-Law in relation to Interests in those or any other Shares comprised in that class;
 - (ii) **Interest** means, in relation to the Relevant Share Capital, any Interest of any kind whatsoever in any Shares comprised therein (disregarding any restraints or restrictions to which the exercise of any right attached to the Interest in the Share is, or may be, subject) and without limiting the meaning of **Interest** a person shall be taken to have an Interest in a Share if:
 - (A) he enters into a contract for its purchase by him (whether for cash or other consideration); or
 - (B) not being the registered Member, he is entitled to exercise any right conferred by the holding of the Share or is entitled to control the exercise or non-exercise of any such right; or
 - (C) he is a beneficiary of a trust where the property held on trust includes an Interest in the Share; or
 - (D) otherwise than by virtue of having an Interest under a trust, he has a right to call for delivery of the Share to himself or to his order; or

(E) otherwise than by virtue of having an Interest under a trust, he has a right to acquire an Interest in the Share or is under an obligation to take an Interest in the Share; or

(F) he has a right to subscribe for the Share,

whether in any case the contract, right or obligation is absolute or conditional, legally enforceable or not and evidenced in writing or not, and it shall be immaterial that a Share in which a person has an Interest is unidentifiable;

(iii) a person is taken to be interested in any Shares in which his spouse or any infant child or step-child of his is interested; and **infant** means a person under the age of 18 years;

(iv) a person is taken to be interested in Shares if a company is interested in them and:

(A) that body or its directors are accustomed to act in accordance with his directions or instructions; or

(B) he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that company;

(v) a transfer of shares is an **Excepted Transfer** if but only if:

(A) it is a transfer by way of, or in pursuance of, acceptance of a takeover offer for the Company meaning an offer to acquire all the Shares, or all the Shares of any class or classes, in the Company (other than Shares which at the date of the offer are already held by the offeror), being an offer on terms which are the same in relation to all the Shares to which the offer relates or, where those Shares include Shares of different classes, in relation to all the Shares of each class; or

(B) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the Shares to a person who is not connected with a Member and with any other person appearing to be interested in the shares; or

(C) a transfer in consequence of a sale made through the London Stock Exchange or any stock exchange outside the United Kingdom on which the Company's Shares of the same class as the default shares are normally traded.

(b) The provisions of this Bye-Law are in addition to any, and separate from other rights or obligations arising at law or otherwise.

(c) The Company may by notice in writing request any person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in Shares comprised in the Relevant Share Capital:

(i) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and

(ii) where he holds or has during that time held an Interest in Shares so comprised, to give such further information as may be requested in accordance with Bye-Law 134(d).

(d) A notice under Bye-Law 134(c) may request the person to whom it is addressed:

- (i) to give particulars of his own past or present Interest in Shares comprised in the Relevant Share Capital (held by him at any time during the three year period mentioned in Bye-Law 134(c);
 - (ii) where the Interest is a present Interest and any other Interest in the Shares subsists or, in any case, where another Interest in the Shares subsisted during that three-year period at any time when his own Interest subsisted, to give (so far as lies within his knowledge) such particulars with respect to that other Interest as may be requested by the notice including the identity of persons interested in the Shares in question; and
 - (iii) where his Interest is a past Interest, to give (so far as lies within his knowledge) particulars of the identity of the person who held that Interest immediately upon his ceasing to hold it.
- (e) A notice under Bye-Law 134(c) shall request any information given in response to the notice to be given in writing within such time as may be specified in the notice, being a period of not less than three days following service thereof.
- (f) This Bye-Law applies in relation to a person who has or previously had, or is or was entitled to acquire, a right to subscribe for Shares in the Company which would on issue be comprised in Relevant Share Capital as it applies in relation to a person who is or was interested in Shares so comprised; and references above in this section to an Interest in Shares so comprised and to Shares so comprised are to be read accordingly in any such case as including respectively any such right and Shares which would on issued be so comprised.
- (g) If any Member, or any other person appearing to the Board to be interested in any Shares in the capital of the Company held by such Member has been served with a request notice under this Bye-Law and has failed within the three day period prescribed therein to supply to the Company the information thereby requested, the Company may (at the absolute discretion of the Board) at any time thereafter issue a notice (a **Restriction Notice**) to such Member in which it is directed that, in respect of the Shares in relation to which the default has occurred (the **Default Shares** which expression shall include any further Shares which are issued in respect of any Default Shares), the Member shall not be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting of the Company or separate general meeting of the holder of any class of Shares of the Company or on a poll, or to be reckoned in a quorum.
- (h) Where the Default Shares represent at least 0.25 per cent. in nominal value of the issued Shares of their class, then the Restriction Notice may also direct that:
- (i) any dividend (or any part of a dividend) or other amount payable in respect of the Default Shares shall be withheld by the Company, which has no obligation to pay interest on it; and shall be payable (when the Restriction Notice ceases to have effect) to the person who would but for the Restriction Notice have been entitled to them; and/or
 - (ii) where an offer of the right to elect to receive Shares of the Company instead of cash in respect of any dividend or part thereof is or has been made by the Company, any election made thereunder by such Member in respect of such Default Shares shall not be effective; and/or
 - (iii) no transfer of any of the Shares held by any such Member shall be recognised or registered by the Board unless:
 - (A) the transfer is an Excepted Transfer; or

- (B) the Member is not himself in default as regards supplying the requisite information required under this Bye-Law and, when presented for registration, the transfer is accompanied by a certificate by the Member in a form satisfactory to the Board to the effect that after due and careful enquiry the Member is satisfied that none of the Shares the subject of the transfer are Default Shares.
- (i) Upon the giving of a Restriction Notice its terms shall apply accordingly.
- (j) Where, on the basis of information obtained from a Member in respect of a Share held by him, the Company issues a notice under Bye-Law 134(c) to another person, it shall at the same time send a copy of that notice to the Member, but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of paragraph (h) above.
- (k) The sanctions under Bye-Law 134(h) cease to apply seven days after the earlier of:
 - (i) receipt by the Company of notice of an Excepted Transfer, but only in relation to the Shares thereby transferred; or
 - (ii) receipt by the Company, in a form satisfactory to the Board, of all the information required by the notice under Bye-Law 134(c).
- (l) The Company may (at the absolute discretion of the Board) at any time give notice to the Member cancelling, or suspending for a stated period the operation of, a Restriction Notice in whole or in part.
- (m) For the purposes of this Bye-Law:
 - (i) a person, other than the Member holding a Share, shall be treated as appearing to be interested in that share if the Member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member, or pursuant to a notice under Bye-Law 134(c), from anyone else) knows or has reasonable cause to believe that the person is or may be so interested; or
 - (ii) reference to a person having failed to give the Company the information required by a notice under Bye-Law 134(c), or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it, and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.

135. Takeover provisions

- (a) A person must not (other than solely as custodian or depositary (or nominee thereof) under any arrangements implemented and/or approved by the Board under Bye-Law 12):
 - (i) effect or purport to effect a Prohibited Acquisition;
 - (ii) except as a result of a Permitted Acquisition:
 - (A) whether by himself, or with persons determined by the Board to be acting in concert with him, acquire after the date that this Bye-Law shall come into effect (the **Effective Date**) Shares of the Company which, taken together with Shares held or acquired after the Effective Date by persons determined by the Board to be acting in concert with him, carry 30 per cent. or more of the voting rights attributable to Shares of the Company; or

- (B) whilst he, together with persons determined by the Board to be acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights attributable to the Shares of the Company, acquire after the Effective Date, whether by himself or with persons determined by the Board to be acting in concert with him, additional Shares which, taken together with Shares held by persons determined by the Board to be acting in concert with him, increases his voting rights attributable to the Shares of the Company (each of (A) and (B) being a **Limit**).
- (b) Where any person breaches any Limit, except as a result of a Permitted Acquisition, or becomes interested in any Shares of the Company as a result of a Prohibited Acquisition, that person is in breach of these Bye-Laws.
- (c) The Board may do all or any of the following where it has reason to believe that any Limit is or may be breached or any Prohibited Acquisition has been or may be effected:
 - (i) require any Member or person appearing or purporting to be interested in any Shares of the Company to provide such information as the Board considers appropriate to determine any of the matters under this Bye-Law;
 - (ii) have regard to such public filings as it considers appropriate to determine any of the matters under this Bye-Law;
 - (iii) make such determinations under this Bye-Law as it thinks fit, either after calling for submissions from affected Members or other persons or without calling for such submissions;
 - (iv) determine that the voting rights attached to such number of Shares held by such persons as the Board may determine are held, or in which such persons are or may be interested, in breach of these Bye-Laws (**Excess Shares**) are from a particular time incapable of being exercised for a definite or indefinite period;
 - (v) determine that some or all of the Excess Shares must be sold;
 - (vi) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; or
 - (vii) take such other action as it thinks fit for the purposes of this Bye-Law including:
 - (A) prescribing rules (not inconsistent with this Bye-Law);
 - (B) setting deadlines for the provision of information;
 - (C) drawing adverse inferences where information requested is not provided;
 - (D) making determinations or interim determinations;
 - (E) executing documents on behalf of a Member;
 - (F) converting any Excess Shares held in uncertificated form into certificated form, or vice versa or correcting any Excess Shares represented by Depositary Interests issued in uncertificated form under Bye-Law 12 into shares in certificated form; and
 - (G) paying costs and expenses out of proceeds of sale; and

- (viii) changing any decision or determination or rule previously made.
- (d) An acquisition is a **Permitted Acquisition** if:
 - (i) the Board consents to the acquisition (even if, in the absence of such consent, the acquisition would be a Prohibited Acquisition);
 - (ii) the acquisition is made in circumstances in which the City Code, if it applied to the Company, would require an offer to be made as a consequence and such offer is made in accordance with Rule 9 of the City Code, as if it so applied;
 - (iii) the acquisition arises from repayment of a stock-borrowing arrangement (on arm's length normal commercial terms); or
 - (iv) a person breaches a Limit only as a result of the circumstances referred to in Bye-Law 135(h).
- (e) An acquisition is a **Prohibited Acquisition** if Rules 4, 5, 6 or 8 of the City Code, would in whole or part apply to the acquisition if the Company were subject to the City Code and the acquisition were made (or, if not yet made, would if and when made be) in breach of or otherwise would not comply with Rules 4, 5, 6 or 8 of the City Code.
- (f) The Board has full authority to determine the application of this Bye-Law, including as to the deemed application of the whole or any part of the City Code. Such authority shall include all discretion vested in the Panel as if the whole or any part of the City Code applied including, without limitation, the determination of conditions and consents, the consideration to be offered and any restrictions on the exercise of control. Any resolution or determination of, or decision or exercise of any discretion or power by, the Board or any Director or by the chairman of any meeting acting in good faith under or pursuant to the provisions of this Bye-Law shall be final and conclusive; and anything done by, or on behalf of, or on the authority of, the Board or any Director acting in good faith pursuant to the provisions of this Bye-Law shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Bye-Law.
- (g) Any one or more of the Directors may act as the attorney(s) of any Member in relation to the execution of documents and other actions to be taken for the sale of Excess Shares determined by the Board under this Bye-Law.
- (h) If as a consequence of the Company redeeming or purchasing its own Shares, there is a resulting increase in the percentage of the voting rights attributable to the Shares held by a person or persons determined by the Board to be acting in concert and such an increase would constitute a breach of any Limit, such an increase shall be deemed a Permitted Acquisition.
- (i) This Bye-Law shall have effect only during such times as the City Code does not apply to the Company.

136. Electronic Communications

- (a) A notice of general meeting or other document (including notice, any statutory instrument made under the Act or requirement in these Bye-Laws to provide a document to a person or for a document to accompany such document) may, instead of being sent to the Member in any of the ways specified in Bye-Laws 122 to 123 inclusive and subject to the Act and to the extent permitted by law, be given

to a Member by the Company by publishing the notice or document on a web site, provided that the following conditions are met:

- (i) the Member and the Company have agreed that notices of general meetings and/or documents may be accessed by the Member on a web site instead of being sent to the Member in one of the ways specified in Bye-Laws 122 to 123 inclusive; and
- (ii) the notice of meeting or other document (in any other case) is one to which that agreement applies; and
- (iii) the Member is given a notification, in the manner agreed for the time being between the Member and the Company, containing the following information:
 - (A) the fact that the notice or document has been published on the web site;
 - (B) the address of the web site;
 - (C) the place on the web site where the notice may be accessed and how it may be accessed;

and with respect to a notice of a general meeting

- (D) a statement that it concerns a notice of general meeting;
 - (E) the place, date and time of the general meeting; and
 - (F) whether the general meeting is to be an annual or extraordinary general meeting; and
 - (iv) in the case of a notice of meeting, such notice of meeting is published in accordance with Bye-Law 136(c); and
 - (v) in the case of a document referred to in section 87 of the Act and in the case of a document comprising a summary financial statement referred to in section 87A of the Act, such document is published in accordance with Bye-Law 136(c).
- (b) A notice given under this Bye-Law is deemed to be given at the time of the notification under Bye-Law 136(a)(iii).
- (c) Where a notice of meeting or other document is required by Bye-Laws 136(a)(iv) or 136(a)(v) to be published in accordance with this Bye-Law, it shall be treated as so published only if:
- (i) in the case of a notice of meeting, the notice is published on the website throughout the period beginning with the giving of the notification referred to in Bye-Law 136(b) and ending with the conclusion of the relevant meeting; and
 - (ii) in the case of a document referred to in Bye-Law 136(a)(v), the document is published on the website throughout the period beginning at least 21 days before the date of the relevant meeting and ending with the conclusion of the meeting and the notification referred to in Bye-Law 136(a)(iii) is given not less than 21 days before the date of the meeting,

but so that nothing in this Bye-Law shall invalidate the proceedings of the meeting where the notice or other document is published for a part, but not all, of the period mentioned in Bye-Law 136(c)(i) or, as the case may be, Bye-Law 136(c)(ii) and the failure to publish the notice or other document

throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

- (d) The Board may from time to time make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the giving of notices or other documents by Electronic Communication by or to the Company and otherwise for the purpose of implementing and/or supplementing the provisions of these Bye-Laws in relation to Electronic Communication; and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Bye-Law.
- (e) Each Member and each person becoming a Member subsequent to the adoption of these Bye-laws, by virtue of its holding or its acquisition and continued holding of a Share, as applicable, shall be deemed to have acknowledged and agreed that any notice of general meeting or other document (including without limitation, notice, any statutory instrument made under the Act or requirement in these Bye-Laws to provide a document to a person or for a document to accompany such document, excluding a share certificate) may be given to a Member by the Company by way of either:
 - (i) Electronic Communication to the last known Electronic Communication address which the Company has on file for that Member (without any further investigation thereof) or as last communicated by the Member to the Company; or
 - (ii) publishing such notice or document on a website

instead of being sent to the Member in any of the ways specified in Bye-Laws 122 to 123 inclusive.

- (f) Notwithstanding the provisions of this Bye-Law 136 a Member may (upon the Company publishing any notice or document on a website or receiving notification of such publication pursuant to this Bye-Law 136) request the Company provide a physical copy of the document or notice.

137. Lloyd's

- (a) For the purposes of this Bye-Law:

Interest means in relation to the share capital of the Company any Interest of any kind whatsoever in any Shares comprised therein (disregarding any restraints or restrictions to which the exercise of any right attached to the Interest in the Share is, or may be, subject) and without limiting the meaning of **Interest** a person shall be taken to have an Interest in a Share if:

- (i) he enters into a contract for its purchase by him (whether for cash or other consideration); or
- (ii) not being the registered Member, he is entitled to exercise any right conferred by the holding of the Share or is entitled to control the exercise or non-exercise of any such right; or
- (iii) he is a beneficiary of a trust where the property held on trust includes an Interest in the share; or
- (iv) otherwise than by virtue of having an Interest under a trust, he has a right to call for the share; or
- (v) otherwise than by virtue of having an Interest under a trust, he has a right to acquire an Interest in the Share or is under an obligation to take an Interest in the Share; or

(vi) he has a right to subscribe for the Share,

whether in any case the contract, right or obligation is absolute or conditional, legally enforceable or not and evidenced in writing or not, and it shall be immaterial that a Share in which a person has an Interest is unidentifiable.

Relevant Shares means any and all Shares comprised in the share capital of the Company in which any person holding a Prohibited Interest has, or appears to the Board to have, or who is deemed for the purposes of this Bye-Law to have, an Interest;

Required Disposal means a disposal of such number of Relevant Shares (or interest therein) which would, if made, remedy the relevant breach or non compliance with section 10 and/or 11 of the United Kingdom Lloyd's Act 1982 (**Lloyd's Act**) (as the case may be).

- (b) No person shall have or acquire any Interest in any of the Share or Shares in the capital of the Company if the having or acquisition of any such Interest would give or has given rise to any breach of or non-compliance with any of the provisions of sections 10 and/or 11 of the Lloyd's Act and/or any bye-laws or regulations promulgated thereunder (a **Prohibited Interest**).
- (c) The Board may at any time (but shall not be obliged to) serve a notice upon any person (including without limitation any Member) requiring him to furnish such information as the Board may require for the purpose of determining whether such person, and/or any other person who has an Interest held by such person, has or may have acquired a Prohibited Interest. If to the knowledge of the Board, any person has a Prohibited Interest, the Board may give notice to all persons as referred to in this sub-paragraph who appear to the Board to have Interests in any Relevant Shares and, if different, to the registered Members of those Shares. The notice shall set out the restrictions referred to in Bye-Law 137(g) below and shall call for a Required Disposal to be made within 21 days of the giving of the notice to the Member or such longer period as the Board considers reasonable.
- (d) The Board may at any time, and from time to time, extend the period in which any notice served pursuant to Bye-Law 137(c) is required to be complied with (the **Relevant Period**) and may withdraw any such notice (whether before or after the expiry of the period referred to) in their absolute discretion and without being obliged to give any reason for so doing. After the giving of such notice, and save for the purpose of a Required Disposal, no transfer of any of the Relevant Shares in question may be registered until either the notice is withdrawn or a Required Disposal has been made and registered to the satisfaction of the Board.
- (e) If at the expiry of the Relevant Period a notice served under Bye-Law 137(c) has not been complied with in all respects to the satisfaction of the Board and has not been withdrawn the Board may, so far as it is able, make a Required Disposal and shall give written notice of such disposal to those persons on whom such notice was served. The manner, timing and terms of any such Required Disposal made or sought to be made by the Board (including but not limited to the price or prices at which the same is made) and the extent to which assurance is obtained that no such disposal will give rise to any other prohibited Interest shall be such as the Board shall reasonably determine, based upon advice from bankers, brokers or other appropriate persons consulted by them for the purpose, as to be reasonably practicable having regard to all the circumstances, including but not limited to, the number of Shares to be disposed of and the requirement that the disposal be made without delay, and the Board shall not be liable to any person for any of the consequences of reliance on such advice provided that the Required Disposal shall in any event be completed within 30 days of the expiry of the Relevant Period unless at that time dealings by the Board in the Shares are not permitted either by law or by regulations of any stock exchange on which the Company's Shares are listed in which event the Required Disposal shall be completed within 30 days after the expiry of such restriction. If on a Required Disposal being made by the Board, the Relevant Shares are held by more than one registered Member (treating joint Members of any Relevant Shares as a single Member), the Board

shall cause as near as is practicable the same proportion of such registered holding, as is known to it, of such Relevant Shares to be sold.

- (f) Save as required by law, a registered holder of a Share in the Company on whom a notice has been served under Bye-Law 137(c) shall not in respect of such Share be entitled, until such time as such notice has been withdrawn or the notice has been complied with to the satisfaction of the Board, to attend or vote at any general meeting of the Company or meeting of the holders of that class of Share, or to exercise any other right conferred by membership in relation to any such meeting and the rights to attend (whether in person or by proxy), to speak and to demand and vote on a poll which would otherwise have attached to such Relevant Shares shall vest in the chairman of any such meeting. The manner in which the chairman exercises or refrains from exercising any such rights shall be entirely at his discretion. The chairman of any such meeting as aforesaid shall be informed by the Board of any Share becoming or being deemed to be a Relevant Share.
- (g) For the purpose of effecting any Required Disposal the Board may authorise in writing any officer or employee of the Company to execute any necessary transfer on behalf of any registered Member and may enter the name(s) of the transferee(s) in respect of the transferred Shares in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee(s) and the title of the transferee(s) shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of such disposal shall be received by the Company whose receipt shall be a good discharge for the purchase monies, and shall be paid (without any interest being payable thereon and after deduction of any expenses incurred by the board in the sale) to the former registered Member (or, in the case of joint Members, the first of them named in the Register) upon surrender by him or on his behalf of any certificate in respect of the Relevant Shares sold and formerly held by him.
- (h) The Board shall not be obliged to serve any notice required under this Bye-Law to be served upon any person if they do not know either his identity or his address. The absence of service of such notice in such circumstances as aforesaid and any accidental error in or failure to give any notice to any person upon whom notice is required to be served under this Bye-Law shall not prevent the implementation of or invalidate any procedure under this Bye-Law.
- (i) Any resolution or determination of, or decision or exercise of any discretion or power by, the Board or any of them or by the chairman of any meeting under or pursuant to the provisions of this Bye-Law (including without prejudice to the generality of the foregoing as to what constitutes reasonable enquiry or as to the manner, timing and terms of a Required Disposal made by the Board) shall be final and conclusive. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Bye-Law.
- (j) The provisions of Bye-Laws 122 and 123 shall apply to the service upon a Member of any notice given pursuant to this Bye-Law. Any notice required or permitted by this Bye-Law to be served upon a person who is not a Member shall be deemed validly served if it is sent through the post in a pre-paid envelope addressed to that person at the address (or if more than one, at one of the addresses), if any, at which the Board believes him or her to be resident or carrying on business. The notice shall in such case be deemed to have been served on the day following that on which the envelope containing the same is posted, unless there is only one class of post in which case it shall be deemed to have been served upon the day next but one after it was posted. Proof that the envelope was properly posted shall be conclusive evidence that the notice was served.
- (k) The rights and obligations created by this Bye-Law in respect of Interests in Shares are in addition to and separate from any other rights and obligations arising at law or otherwise. This Bye-Law shall apply notwithstanding any provisions in the Bye-Laws to the contrary.

138. Non-qualified persons

- (a) The Board shall have power (but shall not be under any duty) to impose such restrictions (including a restriction on transfer) as may be necessary for the purpose of ensuring that no Shares are acquired or held:
 - (i) by any person in breach of the law or requirements of any country or governmental authority, including any applicable securities laws of the United States or of any state in the United States or the securities laws of any other country; or
 - (ii) by any persons under circumstances which may require the Company to register as an investment company under the United States Investment Company Act of 1940.
- (b) The Board may upon an application for Shares or at any other time and from time to time require such evidence to be furnished to them in connection with the matter stated in Bye-Law 138(a) as they shall in their discretion deem sufficient.
- (c) If it shall come to the notice of the Board that the registered Member or any beneficial owner of any share is a person falling within Bye-Law 138(a)(i) or (ii) (a **Non-qualified Person**), the Board may at any time serve a notice on such Non-qualified Person requiring the transfer of the relevant interest in the relevant Shares to a person who is not a Non-qualified Person and requiring such person to provide evidence of such sale to the Board. If an instrument of transfer so transferring the Shares and the relevant share certificates have not been received at the Registered Office of the Company within 14 days of service of the notice, then the Company is hereby empowered, upon giving the Non-qualified Person 14 days notice of its intention to do so, as agent for the Non-qualified Person, to sell the relevant Shares on behalf of the holder of the Shares for the best price reasonably obtainable.
- (d) For the purposes of any sale made pursuant to the power contained in Bye-Law 138(c), the Board shall authorise any Director to be the attorney of the Non-qualified Person in order to execute the necessary instrument of transfer of the relevant Shares, to deliver it unconditionally on his behalf against receipt in full by the Company of the purchase money and to do all other acts matters and things to complete the sale of the relevant Shares so that all of the right, title and interest thereto shall cease to be vested in the Non-qualified Person.
- (e) The Company shall upon completion of such sale and subject to such instrument being duly stamped, cause the transferee to be registered as the Member of the relevant Shares and shall hold such purchase money on behalf of (but not as trustee for) the Non-qualified Person. The Company shall not be bound to earn or pay interest on any money so held. The net proceeds of sale shall be paid by the Company to the former Member upon surrender by him of the relevant share certificate. The receipt by the Company of such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof and after the name of the transferee has been entered into the Register in exercise of the aforesaid power, the validity of any action pursuant to this Bye-Law shall not be questioned by any person.

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