

Britannia Restructuring

The Articles of Association of the Britannia Companies

The Britannia Companies following the Restructuring

The Britannia Steam Ship Insurance Association Holdings Limited ("**Britannia Holdings**"), the group holding company;

The Britannia Steam Ship Insurance Association Limited ("**Britannia**"), being current Britannia, a UK regulated insurer; and

The Britannia Steam Ship Insurance Association Europe ("**Britannia Europe**"), licensed as an insurer in Luxembourg.

The articles of association reflect the group structure following the Restructuring. While the two insurers will operate independently, their respective articles have the effect that control and strategy will lie with Britannia Holdings; the directors of each of these companies will be the same.

The articles of association of each of the Britannia companies

There follows a summary of the salient features of the articles of association of each of the Britannia Companies. The summary highlights the changes made to reflect the new structure; some further amendments have been made for updating and to reflect regulatory changes.

Britannia Holdings

Article 3 sets out that its Members are Britannia Members, Britannia Europe Members and the directors; Britannia Members and Britannia Europe Members constitute separate Categories of Member. The separate Categories of Member are relevant only where their rights may be affected.

Where Britannia Holdings votes as the controlling Member of Britannia or Britannia Europe, it will vote in accordance with the instructions given by their Members unless the resolution proposed conflicts with its authority as group holding company.

The Member Representative Committee provisions are transferred from Britannia's current articles of association.

Britannia

The new articles of association, which are proposed to be adopted by the Special Resolution to be put to the General Meeting on 25 February 2019, are attached.

Article 46 contains the means of Britannia Holdings exercising control, the matters listed in that article require the authority or agreement of Britannia Holdings; by way of a Group Authority, Britannia Holdings will set out the parameters of operation of Britannia UK.

Articles 56-59 are updated provisions which effect no change of substance from the provisions in the current articles.

In articles 60-64, the current provisions regarding the appointment of directors and their retirement by rotation remain, but additionally Britannia Holdings has power to appoint and remove directors and suspend the provisions for retirement by rotation (which will apply in Britannia Holdings).

The provisions regarding the Member Representative Committee have been removed and transferred to Britannia Holdings.

There are a number of changes to the definitions reflecting the new structure, other changes are of detail not altering substance, the residual provisions of what was formerly the memorandum of association are of no modern relevance and have been removed.

Britannia Europe

These articles largely follow those for Britannia UK except for some Luxembourg law and regulatory requirements.

THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED

The Companies Acts 1862 to 2006

Company Limited by Guarantee and not having a Share Capital

Company number 10340

ARTICLES OF ASSOCIATION

Adopted effective from 29 March 2019

Articles of Association

Interpretation

1 In these Articles the words standing in the first column of the table below shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:

Acts	the Companies Acts, as defined in section 2 of the Companies Act 2006, from time to time in force concerning companies and statutory instruments made thereunder, insofar as they apply to the Association;
Articles	these Articles of Association as originally adopted or as altered from time to time by special resolution;
Association	The Britannia Steam Ship Insurance Association Limited;
Authority	the Prudential Regulation Authority and/or the Financial Conduct Authority or such other body or bodies as shall be designated as the Regulator for the purposes of Part I of the Financial Services and Markets Act 2000, as amended;
Board	the Directors for the time being of the Association or, as the context may require, the Directors present at a Board Meeting;
Board Meeting	a duly convened meeting of the Board at which a quorum is present;
Britannia Holdings	The Britannia Steam Ship Insurance Association Holdings Limited, a company limited by guarantee incorporated in England & Wales with registered number 11686576;
Chairman	the chairman of the Board;
Class	any Class of Insurance at any time existing or operating within the Association;
Clear Days	in relation to a period of notice, that period excluding the day when notice is given or is deemed to be given and the day for which it is given or on which it is to take effect;
Defence risks	the risks specified in and insured under the Rules of Class 6 for the time being in force;
Deputy Chairman	the deputy chairman of the Board;

Director	a director of the Association;
Expert Director	a Director, not being a Manager Director, who has expertise in the marine, insurance or investment industries and who is not a Member (other than by virtue of being a Director);
Electronic Means	the meaning given in the Companies Act 2006;
Full Tonnage	the gross registered tonnage of a Ship as certified or stated in the certificate of registry or other official document relating to the registration of such Ship or, if more than one tonnage is shown, the higher;
Group	Britannia Holdings and its subsidiaries;
Group Authority	authority granted by the board of directors of Britannia Holdings from time to time in relation to Reserved Matters;
Insurance	insurance or reinsurance against the risks specified in the Rules of any Class;
Managers	the Managers for the time being of the Association and Manager means an employee of the Managers;
Manager Director	a Director appointed under Article 54;
Member	a member of the Association as more particularly defined in Article 3 or, as the context may require, a member of any Class within the Association;
Month	calendar month;
Office	the registered office for the time being of the Association;
Protection and Indemnity risks	the risks specified in and insured under the Rules of Class 3 for the time being in force;
Register	the Register of Members of the Association;
Regulated Function	a function regulated by the Authority under the Senior Managers and Certification Regime or any successor regulatory regime of the Authority;
Reserved Matters	the matters set out in Article 46 in respect of which the management authority of the Board and the Managers is restricted;
Rules	the rules for the time being in force concerning any Class;

Seal	the common seal of the Association;
Ship	any ship, boat, hovercraft or other description of vessel or structure (including any ship, boat, hovercraft or other vessel or structure under construction) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part thereof or any proportion of the tonnage thereof or any share therein; and
United Kingdom	the United Kingdom of Great Britain and Northern Ireland.

Writing shall include printing, typewriting, lithography, Electronic Means and any other mode or modes of representing or reproducing words in a visible form.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender shall include the feminine and neuter.

Words importing persons shall include individuals, partnerships, corporations and associations and the expression "Secretary" shall (subject to the provisions of the Acts) include a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary.

Subject as aforesaid any words or expressions defined in the Acts shall if not inconsistent with the subject or context bear the same meaning in these Articles.

Members

2 The Association shall consist of an unlimited number of Members.

3 (a) The Members shall be limited to:

- (i) every person whose application to enter a Ship for the insurance of his interest therein in any Class has been accepted;
- (ii) every person whose application for reinsurance in any Class has been accepted in terms of Article 13;
- (iii) those persons who shall be elected as Directors in accordance with these Articles (except for Directors appointed following nomination in accordance with Article 54) for so long as they shall serve as Directors; and
- (iv) Britannia Holdings.

(b) A person shall cease to be a Member if:

- (i) being a Member only by reason of holding office as a Director and not otherwise, he shall cease to be a Director;
- (ii) being an individual, he shall become incapable by reason of mental disorder of managing and administering his property and affairs;

- (iii) being an individual, he shall die, become bankrupt, or make any arrangement or composition with his creditors generally;
 - (iv) being a corporation, it is wound up by an Order of the Court, or by an effective resolution being passed for voluntary winding up, or it is dissolved;
 - (v) not being a Member by reason of holding office as a Director, he shall cease to have an interest in any Ship entered for Insurance in any Class or be entered for reinsurance in any Class;
 - (vi) being a Member making default in payment of any contribution due from him under the Rules of any Class, the Board shall have so resolved.
- (b) A person who ceases to be a Member and his estate, personal representatives, trustee in bankruptcy, receiver or other person authorised to act on behalf of a Member who becomes incapable by reason of mental disorder of managing his property and affairs or liquidator as the case may require shall, notwithstanding such cesser, be and remain liable to pay to the Association all monies which under these Articles or the Rules such Member would, had he not ceased to be a Member, have been liable to pay to the Association in respect of the period down to and including 20 February next after the date of such cesser.
- (c) Membership shall not be transferable nor transmissible.
- (d) The Association shall keep the Register and shall enter therein the following particulars:
- (i) the name and address of each Member;
 - (ii) the date on which each person was entered in the register as a Member; and
 - (iii) the date on which any person ceased to be a Member.
- 4 Any application by any person (whether or not a Member) to enter a Ship for the insurance of his interest therein in any Class may be refused without any reason for such refusal being given.
- 5 Where any Ship is entered in any Class for Insurance, all persons having an interest in such Ship so entered in such Class by them shall be deemed to be joint Members. Joint Members shall, for the purposes of the guarantee under these Articles and of any contribution falling due pursuant to these Articles and the Rules, be treated as one Member but shall be jointly and severally liable in respect thereof.

Business

- 6 (a) As at the date of the adoption of these Articles the following Classes exist and are in operation within the Association:
- Class 3, Protection and Indemnity; and
- Class 6, Freight, Demurrage and Defence.

- (b) The Rules of each such Class in force at the date of the adoption of these Articles shall remain in force subject to any alterations or additions made in the manner hereinafter provided.
 - (c) The Rules of a Class may, on the recommendation of the Board, be altered or added to by ordinary resolution passed at a separate meeting of the Members of such Class but so that this provision shall be without prejudice to the powers conferred upon the Board by Articles 7 and 8.
- 7 The Board shall have power to make or alter bye-laws (which shall be deemed to be part of the Rules) respecting the form of contracts of carriage of goods to be entered into concerning the employment of Ships entered in any Class and/or to adopt as bye-laws the bye-laws or decisions passed or arrived at by any society, organisation, committee or association respecting the form of such contracts of carriage and, upon the Association giving notice in writing thereof to the Members of any Class, the same shall be and become binding upon such Members with effect on and from the date specified in such notice. The accidental omission to give such notice to, or the non-receipt of such notice by, any Member shall not invalidate such bye-laws or any alterations thereof.
- 8 The Board may from time to time and at any time whenever they think it expedient in the interest of the Association, waive unconditionally or on such terms and conditions as the Board thinks fit, any breach by any Member of the obligations, conditions or provisions contained in the Rules of any Class. Any such waiver shall be without prejudice to the rights and powers of the Board under these Articles or under the Rules.
- 9 Any Class may be discontinued or wound-up by special resolution of the Association and any new Class may be constituted in such manner and upon such terms as may be directed by the Association by ordinary resolution.
- 10 The business of each Class shall, subject to these Articles, be conducted in accordance with the Rules of such Class.
- 11 A separate account shall be kept for each Class to which shall be debited all claims, expenses and other outgoings which, in the opinion of the Board, necessarily and properly fall upon that Class. There shall also be debited to the separate account of each Class its proper proportion of the general expenses of the Association.
- 12 (a) The funds necessary to meet the amounts debited to the separate account of a Class, and the funds thought proper to meet, provide for or reserve against outstanding, anticipated and future claims, expenses and outgoings, shall be provided by contributions to be made by the Members having Ships entered in such Class or being entered for reinsurance in such Class in accordance with the Rules of such Class, and it shall be lawful for the Board, from time to time, to direct that contributions shall be paid to the Association by such Members accordingly.
- (b) If the amount realised by contributions to a Class shall be more than sufficient to meet claims, expenses and liabilities then the whole, or any proportion, of the surplus may be retained and applied for the purposes of that Class in such manner as the Board may in its absolute discretion determine; or the Board may at any time order that the whole, or any part, of such surplus be returned or paid to the Members or former Members of that Class in such proportions and in such manner as the Board may in its absolute discretion determine:

provided that nothing herein contained shall be deemed to give such Members any interest in the undertaking of the Association and no such payment shall be made in any manner which is contrary to the provisions of the Rules of that Class.

- 13 The Board may, notwithstanding the provisions of these Articles or of the Rules, accept entries on special terms as to membership, contribution and, within the scope of the Rules, as to the nature and extent of risks covered and may accept, as such entries, reinsurances from other insurers.
- 14 All Insurance underwritten on behalf of any Class shall be underwritten in the name of the Association but no person shall, in respect of Insurance in any one Class, be liable to pay or entitled to receive any money in respect of any Insurance in any other Class.
- 15 Every engagement or liability of a Member in respect of any Insurance shall, for all purposes relating to enforcing such engagement or liability, be deemed to be an engagement or liability by or on the part of such Member to the Association and not to any other Member or other person and all monies payable in respect of such engagement or liability shall be paid to the Association.
- 16 All claims in respect of Insurance shall be made and enforced against the Association only and not against any Member, and only a Member shall be entitled to make and enforce such claims on the Association. The Association shall not be liable to any Member or other person for the amount of any loss, claim or demand, except to the extent of the funds which the Association is entitled to and does recover from the Member, or other persons liable, for the same and which are applicable to that purpose.
- 17 All payments to or by the Association in respect of any Insurance in any Class shall be due to or made by the Association but shall be accounted for or charged to, as the case may be, the separate account for such Class. In case the Association shall incur any costs or expenses in or for any legal proceedings by arbitration, or otherwise in respect of the business of any Class, such costs or expenses shall be charged to the account of such Class.
- 18 The Board may reinsure the whole or any proportion of the risks of the Association on such terms as it may think fit.
- 19 In the event of any Member making default in payment of any contribution due from him under the Rules of any Class, such contribution shall (subject to the provisions of Article 13) be paid by the other Members entered for insurance in such Class rateably in proportion to the contributions last due from them respectively, and payment may be enforced in the name of the Association. Each Member who may, for the time being, be entitled to receive from any Class any payment in respect of any loss, claim or demand shall bear and contribute his own proportion thereof as a Member.
- 20 Neither the Directors nor the Managers shall incur any personal liability by reason of any loss to the Association arising from any default, bankruptcy or insolvency of any banker, agent, clerk or servant or from accident or from any cause beyond their control.

General meetings

- 21 The Association shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; not more than fifteen months shall elapse between the date of one annual general meeting of the Association and that of the next.
- 22 All general meetings other than annual general meetings shall be called general meetings.
- 23 The Board may, whenever it thinks fit, convene a general meeting and general meetings shall also be convened on such requisitions or, in default, may be convened by such requisitionists as provided by the Acts.
- 24 All general meetings shall be held at such time and place as the Board shall appoint.

Notice of general meetings

- 25 A general meeting of the Association shall be called by not less than fourteen Clear Days' notice in writing. The notice shall specify the place, the day and the hour of the meeting and, in case of special business, the general nature of that business. A general meeting shall, notwithstanding that it is called by a shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:
- (a) in the case of a general meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) in the case of any other general meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together representing not less than 95% of the total voting rights exercisable at that meeting.
- 26 The accidental omission to give notice of a general meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at the meeting.

Proceedings at general meetings

- 27 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, five Members present in person or by proxy and having the right to vote shall be a quorum. A Member may attend and participate in a general meeting by telephone or other communication equipment which allows all persons participating in the meeting to hear each other and a Member participating in a general meeting in such manner shall be deemed to be present in person, shall be entitled to vote and shall be counted in a quorum; where a vote is taken on a show of hands, a Member present in such manner may cast his vote orally.
- 28 A Member entitled to attend and vote at a general meeting is entitled to appoint another person as his proxy to attend and vote instead of him and such proxy shall have the right to speak at the meeting.
- 29 If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case the meeting shall stand adjourned to the same day in the next week at the same time and place,

or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present within half-an-hour from the time appointed for the meeting, the Members present in person or by proxy shall be a quorum.

- 30 The Chairman (or in his absence the Deputy Chairman) shall preside as chairman at every general meeting of the Association or, if neither the Chairman nor the Deputy Chairman shall be present within fifteen minutes after the time appointed for the holding of the meeting or be willing to act, the Members present shall choose some Director (not being a Manager Director) then present to be chairman of such meeting. If at any Meeting no Director (other than a Manager Director) is present (or all such Directors present decline to take the chair) the Members present shall choose one of their number to be chairman of the meeting.
- 31 The chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. When a meeting is adjourned for fourteen days or more, seven Clear Days' notice at the least, specifying the place, the day and the hour of the adjourned Meeting shall be given, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no Member shall be entitled to any notice of an adjournment. 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.
- 32 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- (a) by the chairman of the meeting; or
 - (b) by at least three Members present in person or by proxy and entitled to vote; or
 - (c) by Britannia Holdings or any Member or Members present in person or by proxy and entitled to vote and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the book containing the minutes of proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

- 33 If a poll is duly demanded the same shall be taken in such manner as the chairman of the meeting directs, including the use of ballot or voting papers, and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 34 In the case of an equality of votes whether 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 shall be entitled to a second or casting vote.
- 35 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time (not being more than 30 days from the date of the meeting at which the poll was

demanded) as the chairman of the meeting directs. No notice need be given of a poll not taken immediately and the demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the resolution on which a poll was demanded.

Voting at general meetings

- 36 Subject to any special rights or restrictions as to voting attached by, or in accordance with, these Articles, on a show of hands every Member who is present in person and on a poll every Member who is present in person or by proxy shall:
- (a) if he is a Member pursuant to Article 3(a)(i):
 - (i) have one vote for each Ship entered for Insurance in the Association whose Full Tonnage is 1,500 tons or more (excluding those so entered on the basis of paying a fixed contribution);
 - (ii) have one vote for all the Ships entered for Insurance in the Association the Full Tonnage of each of which is less than 1,500 tons (excluding those so entered on the basis of paying a fixed contribution); and
 - (iii) have one vote for all Ships entered for Insurance in the Association on the basis of paying a fixed contribution;
 - (b) if he is a Member pursuant to Article 3(a)(ii), have one vote for all reinsurances entered in the Association;
 - (c) if he is a Member pursuant to Article 3(a)(iii), have one vote;
 - (d) if the Member is Britannia Holdings pursuant to Article 3(a)(iv), have three times the number of votes as are exercisable by all other Members at such general meeting in terms of the preceding provisions of this Article 36.
- 37 In the case of joint Members the vote of the senior Member who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the other joint Members and for this purpose seniority shall be determined by the order in which the names stand as joint Members in the Register.
- 38 No Member shall, unless the Board otherwise determines, be entitled to vote either in person or by proxy at any Meeting or to exercise any other privilege as a Member unless and until he shall have paid all monies for the time being due and payable from him to the Association.
- 39 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. An instrument of proxy may be in any common form or in such other form as the Board shall approve and need not be witnessed. No person shall be appointed a proxy unless he is himself a Member or the duly authorised representative of a body corporate which is a Member.
- 40 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the Office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the Meeting or adjourned Meeting at which the person

named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

- 41 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 42 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 43 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of the authority under which the proxy was executed Provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Association at the place of the meeting before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 44 Any corporation which is a Member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Association and the person so authorised 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.

Separate meetings of Members of Classes

- 45 The Board may, whenever it thinks fit, convene a separate meeting of the Members of any Class and such separate meetings shall also be convened on the signed requisition in writing of not less than fifteen Members of the Class in question being entitled to exercise not less than 15% of the votes exercisable at such meeting. If the Board fails to convene a meeting so requisitioned within twenty-one days from the date of the deposit of the requisition, the requisitionists may themselves convene such a meeting. All the provisions of the Acts shall, mutatis mutandis, apply to any such requisition as if such requisition were in respect of a general meeting of the Association. All the provisions as to general meetings contained in these Articles shall, mutatis mutandis, apply to such separate meetings.

Management

- 46 The business of the Association shall be conducted by the Board and the Managers save that neither the Board nor the Managers shall have any power or authority in respect of the following Reserved Matters unless and to the extent that decisions and actions in respect of them are either: within the terms of a Group Authority; or have received the prior approval of the board of directors of Britannia Holdings; or have received the prior approval of the Members by Special Resolution and any purported decision or act of the Board or the Managers not within the terms of a Group Authority and without such approval shall be ineffective and invalid. Reserved Matters are:
- (a) Group strategy;
 - (b) the acceptance of any Ship for insurance;

- (c) the underwriting of any insurance;
- (d) any extension of standard cover under the Rules in respect of terrorist risks or otherwise;
- (e) reinsurance of any risk or category of risk;
- (f) the acceptance of any application for reinsurance;
- (g) decisions regarding calls or any waiver of calls;
- (h) the settlement of claims;
- (i) closure of policy years;
- (j) the appointment or removal of the Managers and the management fee payable to them;
- (k) the appointment of the Association's auditors;
- (l) the Association's investment strategy and the appointment or removal of investment advisers;
- (m) approval of individual appointments by the Managers to perform roles and functions;
- (n) the exercise of any right of the Association to purchase the Managers' management business;
- (o) any proposal or recommendation to the Members of any Class to amend the rules of that Class, to wind up that Class or in respect of any other matter to be put to a separate meeting of the Members of any Class; and
- (p) any distribution of reserves or other assets of the Association.

47 The Board shall exercise such powers as are given to them by these Articles and by the Rules for the time being of the respective Classes and the Managers shall exercise all such other powers of the Association as are not, by the Acts or by these Articles, required to be exercised by the Association in general meeting or by the Members of any Class at a separate meeting, but no resolution of the Association in general meeting or of the Members at any separate meeting shall invalidate any prior act of the Board or the Managers which would have been valid if such resolution had not been made.

48 The Board may entrust to, and confer upon, the Managers any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as the Board may think fit and either collaterally with, or to the exclusion of, the Board's own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

49 The Board shall have power to agree with the Managers the terms of their appointment as the Managers. In the event of their ceasing, for any reason, to be the Managers, then the Board shall have power to appoint new Managers upon such terms as the Board and such new Managers may mutually agree.

50 The Managers shall be entitled to attend all meetings of the Board and its sub-committees, all general meetings of the Association and all separate meetings of the Members of any Class.

51 The Board may exercise all the powers of the Association to borrow money and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Association or of any third party.

52 The Board may from time to time, and at any time by power of attorney, appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Association for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as the Board may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities or discretions vested in him.

Directors

53 Unless otherwise determined by the Association by ordinary resolution, the number of Directors shall not be less than seven nor more than fourteen, of whom two shall be Managers appointed following nomination in accordance with Article 54, one of whom shall be the Chairman, one of whom shall be the Deputy Chairman, at least one of whom but no more than two of whom shall be Expert Directors and up to eight of whom shall be Members.

54 The Managers shall be entitled to nominate up to two executives of the Managers to be appointed as Directors; Directors so appointed shall not become Members.

55 The remuneration of Directors (other than Manager Directors) shall be determined by the Association in general meeting and such remuneration shall (unless otherwise stated) be deemed to accrue from day to day. The Directors shall also be entitled to be repaid all travelling and hotel expenses incurred by them respectively in or about the performance of their duties as Directors including their expenses of travelling to and from meetings of the Board or general meetings or otherwise incurred while engaged on the business of the Association. The Association may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to, or at the request of, the Association.

56 A Director may:

- (a) with the approval of the board of directors of Britannia Holdings, be appointed by the Board to any other office or place of profit under the Association (except that of auditor or Manager) and such Director may hold such office or place of profit in conjunction with his office as a Director on such terms and at such remuneration as the Board may determine; and
- (b) act by himself or his firm in a professional capacity for the Association and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

57 (a) Subject to the provisions of the Acts and the Rules, a Director may:

- (i) be a party to, or otherwise directly or indirectly interested in, any transaction or arrangement with the Association or in which the Association is otherwise interested; and

- (ii) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise directly or indirectly interested in, any body corporate in which the Association is interested

and where a proposed decision of the Board is concerned with such a transaction, arrangement, office or employment, that Director may be counted as participating in the decision making process for quorum and voting purposes, subject to the relevant Director making a declaration of the nature and extent of his interest in accordance with the Acts.

- (d) Subject to the provisions of the Acts and the Rules, the following shall not be treated as an interest:
 - (i) an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware, or an interest in a transaction or arrangement of which he is not aware and of which it is unreasonable to expect him to be aware;
 - (ii) an interest of which the other Directors are aware, or ought reasonably be aware, to the extent they are or ought reasonably to be aware of such interest;
 - (iii) an interest which cannot reasonably be regarded as giving rise to a conflict of interest; and
 - (iv) an interest if, or to the extent that, that interest contains terms of his service contract or other terms of engagement, which have been, or are to be, considered by a meeting of the Board or a duly appointed committee of the Board.
- 58
- (a) Subject to the provisions of the Rules, the Directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Association and which may reasonably be regarded as likely to give rise to a conflict of interests.
 - (b) Authorisation given by the Directors under Article 58 (a) may be subject to any terms and conditions which the Board considers appropriate and the Board may at any time vary or terminate such authorisation.
 - (c) A decision to authorise any matter under Article 58 (a) may be made either at a meeting of the Board, or by a decision in accordance with Article 76, of those Directors entitled to vote on the matter; but the decision will only be effective if:
 - (i) the quorum for any meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and
 - (ii) the matter is agreed to without any interested Director voting, or would have been agreed to had no interested Directors' votes been counted.
 - (d) The provisions of this Article 58 shall not apply to any conflict of interest arising in relation to a transaction or arrangement between a Director and the Association. Article 57 shall apply to Directors' interests in any such transactions or arrangements.
- 59
- (a) Where the Directors have authorised any matter under Article 58, or where a matter falls within Article 57, the Directors may, at the time of such authorisation or subsequently, provide (without limitation) that an interested Director:

- (i) is excluded from discussions (whether at Board meetings or otherwise) related to the matter;
 - (ii) is not given any documents or other information relating to the matter; or
 - (iii) both for quorum purposes and for voting purposes may or may not be counted or vote at any future Board meeting in relation to the matter.
- (b) Where the Directors have authorised any matter under Article 58, or where a matter falls within Article 57 (subject to a Director making a declaration of the nature and extent of his interest in an office, employment, transaction or arrangement in accordance with the Acts), then an interested Director:
- (i) will not be required to disclose to the Association, or use for the benefit of the Association, any confidential information relating to the matter if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with the matter;
 - (ii) may absent himself from Board meetings at which the matter may be discussed; and
 - (iii) may make such arrangements as he thinks fit not to receive documents and information in relation the matter, or for such documents and information to be received and read by a professional adviser on behalf of that Director.
- (c) Article 59 (b) does not limit any existing law or equitable principle which may excuse a Director from disclosing information in circumstances where disclosure would otherwise be required, or from attending meetings or receiving and reading documents in circumstances where such actions would otherwise be required.
- (d) Where the Directors authorise a matter under Article 58, or where a matter falls within Article 57, then an interested Director:
- (i) will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the matter; and
 - (ii) will not infringe any duty he owes to the Association under sections 171 to 177 of the Companies Act 2006 if he complies with any terms, limits and conditions (if any) imposed by the Board in relation to the authorisation and, where relevant, makes any disclosure required by the Acts.
- (e) In relation to any matter which has been authorised under Article 58, or where a matter involves a transaction or arrangement which falls within Article 57 (subject to a Director making a declaration of the nature and extent of his interest in an office, employment, transaction or arrangement in accordance with the Acts):
- (i) an interested Director will not be accountable to the Association for any benefit conferred on him in connection with that matter;
 - (ii) the receipt of such a benefit shall not constitute a breach of his duty under section 176 of the Companies Act 2006; and
 - (iii) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Rotation, appointment and removal of Directors

- 60 Britannia Holdings may, by notice given to the Association at the Office, appoint any person or persons as a Director (subject to their consenting to act as such) and may likewise remove any Director from office; such appointment or removal shall take effect from the date of deemed receipt of such notice for which purposes the provisions of Article 88 (a) – (c) shall apply mutatis mutandis.
- 61 The provisions of Articles 62-65 shall apply unless Britannia Holdings, by notice given to the Association at the Office not later than 12 months following the latest annual general meeting of the Association (for which purposes the provisions of Article 88 (a) – (c) shall apply mutatis mutandis), directs that such Articles should not apply at any or all forthcoming annual general meetings of the Association.
- 62 One third of the Directors for the time being (excluding those appointed following nomination under Article 54) or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one third, shall retire from office at each annual general meeting. The Directors to retire shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for reappointment and shall act as a Director throughout the meeting at which he retires.
- 63 The Association may, by ordinary resolution at the meeting at which any Director retires in the manner aforesaid, fill the vacated office by appointing a person thereto (subject to the provisions of Article 64) and in default the retiring Director, if willing to act, shall be deemed to have been reappointed unless at such meeting it is expressly resolved not to fill such vacated office or a resolution for the reappointment of such Director shall have been put to the meeting and lost.
- 64 No person other than a Director retiring at the meeting shall, unless recommended for appointment by the Board with the approval of the board of directors of Britannia Holdings, be eligible for appointment to the office of Director at any general meeting.
- 65 The Board shall have power at any time, with the approval of the board of directors of Britannia Holdings, to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any person so appointed to fill a casual vacancy shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he was appointed was last appointed as a Director. Any person so appointed as an addition to the existing Directors shall hold office until the next following annual general meeting and shall then be eligible for reappointment but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
- 66 The office of a Director shall be vacated if such Director:
- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally;

- (b) becomes incapable by reason of mental disorder of managing and administering his property and affairs;
- (c) ceases to be eligible for appointment as a Director;
- (d) being a Manager Director, ceases to be employed by the Managers;
- (e) ceases to be a Director or is prohibited from being a Director by an order made under any provisions of the Acts or law;
- (f) resigns his office by notice in writing to the Association;
- (g) ceases in the opinion of the Board to be actively engaged in business;
- (h) attains the age of 70 (unless with the agreement of the board of directors of Britannia Holdings);
- (i) has served a total of 10 years (unless with the agreement of the board of directors of Britannia Holdings);
- (j) has served upon him a notice in writing signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Association and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Association.

67 In addition to any power to remove a Director conferred on the Association by the Acts, the Association may by special resolution remove any Director before the expiration of his period of office and may, if thought fit, by ordinary resolution appoint another person, approved by the directors of Britannia Holdings, in his stead. Any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he was appointed was last appointed as a Director.

Proceedings of the Board

68 The Board shall meet from time to time as may be required for the purposes of the business of the Association and when, and so often as, a meeting of the Board shall be convened by the Chairman (if any) or the Managers; reasonable notice shall be given to each member of the Board. The quorum necessary for the transaction of business of the Board shall be five or such higher number as from time to time may be fixed by the Board.

69 The Board or any validly constituted sub-committee of the Board may meet together (either in person and/or by telephone or any other communication equipment which allows all persons participating in the meeting to hear each other) for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A person participating in any such meeting by telephone or other communication equipment shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

- 70 Questions arising at any Board Meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman or in his absence the Deputy Chairman, shall have a second or casting vote.
- 71 The continuing Directors may act notwithstanding any vacancy in their body, but if their number is reduced below the minimum number of Directors fixed by, or pursuant to, these Articles the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Association, but for no other purpose.
- 72 The Board may, from time to time, appoint and remove a Chairman. The Chairman shall preside at all Board Meetings but if no such Chairman is appointed or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number (excluding the Manager Directors) to be chairman of such meeting.
- 73 The Board may delegate any of its powers to sub-committees consisting of such Director or Directors as it thinks fit. Any sub-committee so formed shall, in the exercise of any powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.
- 74 The meetings and proceedings of any such sub-committee consisting of two or more Directors shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations made by the Board under Article 73.
- 75 All acts bona-fide done by the Board or any sub-committee or any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of any such committee or sub-committee or any such person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
- 76 A resolution in writing, signed by all of the Directors for the time being entitled to receive notice of a meeting of the Board, shall be as effective for all purposes as a resolution duly passed at a Board Meeting and may consist of several documents in the like form signed by one or more Directors.

Secretary

- 77 The Secretary shall be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Acts or these Articles required or authorised to be done by or to the Secretary may, if the office is vacant, or there is, for any other reason, no Secretary capable of acting, be done by or to any assistant or deputy Secretary or, if there is no assistant or deputy Secretary capable of acting, by or to any employee of the Managers authorised generally or specifically in that behalf by the Board provided that any provision of the Acts or these Articles 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 a Director and as, or in the place of, the Secretary.

The Seal

- 78 The Board shall provide for the safe custody of the Seal which shall only be used by the authority of the Board or of a sub-committee authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or the Managers.

Reserves

- 79 Any monies for the time being in the hands of the Association not immediately required to meet any claims, expenses and outgoings may be carried to such reserve or reserves as the Board may think proper but so that monies representing contributions made by Members of any one Class shall be kept separate from monies representing contributions made by the Members of any other Class. Any monies for the time being standing to the credit of any reserve or reserves may be invested in such investments as the Board thinks fit.

Accounts

- 80 The Board shall cause proper accounts to be kept in accordance with the provisions of the Acts.
- 81 The books of account shall be kept at the Office or (subject to the provisions of the Acts) at such other place as the Board shall think fit and shall always be open to the inspection of the Board. No Member (not being a Director) shall have any right of inspecting any book or account or document of the Association except as conferred by the Acts or authorised by the Board.
- 82 The Board shall, from time to time, in accordance with the provisions of the Acts, cause to be prepared and to be laid before the Association in general meeting such company accounts and reports as are specified in the Acts.
- 83 A copy of the annual accounts (including every document required by the Acts to be annexed thereto) which is to be laid before the Association in general meeting together with a copy of the auditors' report shall, fourteen days at least before the date of the meeting, be sent to every Member and to the auditors and to every holder of debentures of the Association Provided that this Article shall not require a copy of these documents to be sent to any Member who is not entitled to receive notices of general meetings of the Association.
- 84 The auditors' report shall be open to inspection by any Member.

Audit

- 85 The provisions of the Acts in regard to audit and auditors shall be observed.

Notices and addresses

- 86 A notice or other document may be served by the Association upon any Member either:
- (a) personally; or
 - (b) by sending it through the post in a prepaid letter addressed to such Member at his address as appearing in the Register; or

- (c) by Electronic Means addressed to such Member at an email address specified by such Member for that purpose; or
- (d) by means of the Association's website.

In the case of joint Members, such notice or other document shall be served on that one of the joint Members whose name stands first in the Register and such service shall be sufficient service upon all the joint Members. In the case of joint Members the address of the joint Member whose name stands first in the Register shall, unless the Board shall otherwise decide, be the address to be entered in the Register for the other Members who are joint Members with such Member. All notices and other documents shall be issued by the Managers.

87 Any Member described in the Register as having an address not within the United Kingdom may give to the Association an address within the United Kingdom at which all notices shall be served upon him and all notices served at such an address shall be deemed to be well served.

88 Any notice or other documents shall be served or deemed to have been served or delivered:

- (a) if served personally, at the time of delivery;
- (b) if served by post, at the expiration of twenty-four hours after the letter containing it was put into the post (and, in proving such service or sending, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter);
- (c) if served by Electronic Means, on the day after it was despatched (and, in proving such service, it shall be sufficient to prove that the notice or other document was duly despatched); or
- (d) if served by means of the Association's website, on the date on which notification of its availability on the website is deemed to have been served.

Winding up

89 In the event of the Association being wound up, the assets of the Association remaining after payment of all debts and liabilities of the Association and of all costs, charges and expenses of winding up, shall be distributed amongst such of the Members and/or former Members of the Association and in such proportions or amounts as the Board in its discretion shall recommend prior to such winding up and subject always to the final decision of any liquidator.

Indemnity

90 The Association shall indemnify each Director, Manager, other person carrying out any Regulated Function, Secretary and any other officer of the Association against each loss, liability and cost which he may incur in connection with negligence, default, breach of duty or breach of trust by him (a "Liability") provided that the Liability is incurred by him in connection with the performance of his duties, obligations or role as a Director, Manager or other person carrying out a Regulated Function, Secretary or other officer of the Association subject to the following restrictions:

- (a) the Association shall not indemnify him to the extent the Liability is incurred by him to the Association or a subsidiary company;

- (b) the Association shall not indemnify him to the extent the Liability is incurred by him to pay (i) a fine imposed in criminal proceedings, or (ii) a sum payable to a regulatory authority by way of a penalty in respect of their non-compliance with any requirement of a regulatory nature (however arising);
- (c) the Association shall not indemnify him to the extent the Liability is incurred by him (i) in defending any criminal proceedings in which he is Finally convicted, or (ii) in defending any civil proceedings brought by the Association, Britannia Holdings, or a subsidiary company, in which the Final judgment is given against him; and
- (d) the Association shall not indemnify him other than to the extent it is lawful to do so under sections 232, 233 and 234 of the Companies Act 2006.

91 The Association shall provide each Director, Manager or other person carrying out a Regulated Function, Secretary or other officer with sufficient funds to meet any expenditure incurred or to be incurred by him and to do anything in its power to assist him to avoid incurring such expenditure:

- (a) in defending any criminal or civil proceedings; or
- (b) in connection with any application made by him under section 1157 Companies Act 2006, in each case in connection with the performance of his duties, obligations or role as a Director, Manager or other person carrying out a Regulated Function, Secretary or other officer of the Association provided that the terms of the Association doing such thing or providing or agreeing to provide such funds are such that such Director, Manager or other person carrying out a Regulated Function, Secretary or other officer agrees to repay such funds and that any liability of the Association under any transaction connected with the doing of such thing or the provision of such funds falls to be discharged by the Director, Manager or other person carrying out a Regulated Function, Secretary or other officer not later than the date on which the Ruling becomes Final either in the event of the Director, Manager or other person carrying out a Regulated Function, Secretary or other officer being convicted, or in the event of judgment being given against him, or in the event of the court refusing to grant him relief (as the case may be).

92 For the purposes of Article 90 and 91:

- "subsidiary company" means a company which is a subsidiary of the Association as defined in the Acts;
- "Final" or "Finally" means in respect of a Ruling, the point at which (a) if the Ruling is not appealed against, the period for bringing an appeal ends; or (b) if the Ruling is appealed against, the appeal (or any further appeal) (i) is determined and the period for bringing any further appeal ends, or (ii) is abandoned or otherwise ceases to have effect; and
- "Ruling" means a conviction, judgment or refusal of relief, as the context requires.

Guarantee

- 93 Every member of the Association undertakes to contribute to the assets of the Association in the event of it being wound up during the time that he is a Member, or within one year afterwards, for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a Member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding five pounds.