

**DATED 25 February 1997**

**Bye-Laws**  
**of**  
**WORLDSEC LIMITED**

**LINKLATERS & PAINES**

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Ref: JGP/SJ



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**THE COMPANIES ACT 1981  
COMPANY LIMITED BY SHARES**

**BYE-LAWS**

**Adopted by Special Resolution passed on 25 February 1997**

**of**

**WORLDSEC LIMITED**

**PRELIMINARY**

**1 Interpretation**

In these Bye-Laws (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

<b>The Act</b>	The Companies Act 1981 of Bermuda as amended from time to time.
<b>The Statutes</b>	The Act and every other statute (as amended from time to time) for the time being in force of the Legislature of Bermuda concerning companies and affecting the Company, the Memorandum of Association of the Company and/or these Bye-Laws.
<b>These Bye-Laws or these presents</b>	These Bye-Laws as from time to time altered.
<b>Office</b>	The registered office of the Company for the time being.
<b>Head Office</b>	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
<b>Register</b>	shall mean the Principal Register and any branch register to be kept pursuant to the provisions of the Statutes.
<b>Registration Office</b>	shall mean in respect of any class of share capital, such place or places in the UK or elsewhere where the Directors from time to time determine to keep a branch register of shareholders in respect of that class of share capital and where (except in cases where the Directors otherwise agree) transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
<b>Principal Register</b>	shall mean the register of shareholders of the Company maintained in Bermuda.
<b>UK Companies Act</b>	shall mean the UK Companies Act 1985 from time to time amended and in force.
<b>UK Financial Services Act</b>	shall mean the UK Financial Services Act 1986 from time to time amended and in force.
<b>the Board</b>	shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present voting at a meeting of Directors.



<b>Directors</b>	shall mean the Directors from time to time of the Company.
<b>Bermuda Transfer Office</b>	The place where the Principal Register is situate for the time being.
<b>Common Seal</b>	The Common Seal of the Company.
<b>Securities Seal</b>	shall mean a seal for use for sealing certificates for shares or other securities issued by the Company which is a facsimile of the Common Seal with the addition of the words "Securities Seal".
<b>the London Stock Exchange</b>	The London Stock Exchange Limited.
<b>the United Kingdom</b>	Great Britain and Northern Ireland.
<b>Month</b>	Calendar month.
<b>Year</b>	Calendar year.
<b>In writing</b>	Written or produced by any substitute for writing or partly one and partly another.
<b>Paid</b>	Paid or credited as paid.

The expressions **debenture** and **debenture holder** shall respectively include "debenture stock" and "debenture stockholder".

The expressions **recognised clearing house** and **recognised investment exchange** shall have the meaning ascribed thereto under the UK Financial Services Act 1986.

The expression **Secretary** shall mean the person or corporation for the time being performing the duties of that office.

The expression **shareholders' meeting** shall include both a general meeting and a meeting of the holders of any class of shares of the Company.

All such of the provisions of these Bye-Laws as are applicable to paid-up shares shall apply to stock, and the words **share** and **shareholder** shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force (whether coming into force before or after the adoption of these Bye-Laws).

Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Bye-Laws.

A resolution shall be a **Special Resolution** when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or, by a duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which not less than 21 days' notice, specifying (without prejudice to the power contained in these presents to amend the same) the intention to propose the resolution as a **Special Resolution**, has been given. Provided that, if it is so agreed by a majority in number of the shareholders having a right to attend and vote at any such meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, a resolution may

be proposed and passed as a Special Resolution at a meeting of which less than 21 days' notice has been given.

A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such shareholders as, being entitled so to do, vote in person or by a duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting held in accordance with these presents and of which not less than 14 days' notice has been duly given. Provided that, if it is so agreed by a majority in number of the shareholders having a right to attend and vote at any such meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, a resolution may be proposed and passed as a Ordinary Resolution at a meeting of which less than 14 days' notice has been given.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Bye-Laws.

## **SHARE CAPITAL**

### **2 Amount of share capital**

The share capital of the Company at the date of the adoption of these Bye-Laws consists of 12,000 Ordinary Shares of US\$1 each.

### **3 Increase of share capital**

- 3.1 The Company may from time to time increase its capital by such sum to be divided into shares of such par value as the Company by Ordinary Resolution shall prescribe.
- 3.2 The Company may, by the Ordinary Resolution increasing the capital, 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 Statutes) at a discount to all the holders for the time being of shares of any class or classes 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.
- 3.3 The new shares shall be subject to all the provisions of these Bye-Laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

### **4 Alteration of share capital**

- 4.1 The Company may from time to time by Ordinary Resolution:-

- (a) increase its capital as provided by Bye-Law 3.1;
- (b) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- (c) consolidate and divide all or any of its share capital into shares of larger par value than its existing shares;
- (d) sub-divide its shares or any of them into shares of smaller par value than is fixed by its Memorandum of Association, subject nevertheless to the Act, and, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each such reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (e) make provision for the issue and allotment of shares which do not carry any voting rights;

- (f) cancel shares which, at the date of the passing of the resolution in that behalf, 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
- (g) change the currency denomination of its share capital.

Where any difficulty arises in regard to any division, consolidation, or sub-division under this Bye-Law, the Board may settle the same as it thinks expedient and, in particular (without prejudice to the generality of the foregoing), may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

- 4.2 Subject to the Statutes and to any confirmations or consent required by law or these Bye-Laws, the Company may by Ordinary Resolution from time to time convert any preference shares into redeemable preference shares.

## **5 Purchase of own shares**

Subject to the provisions of the Statutes, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class (including any redeemable shares) but so that if there shall be in issue any shares which are admitted to the Official List of the London Stock Exchange and which are convertible into equity share capital of the Company of the class proposed to be purchased, then the Company shall not purchase, or enter into a contract under which it will or may purchase, such equity shares unless either:-

- (a) the terms of issue of such convertible shares include provisions permitting the Company to purchase its own equity shares or providing for adjustment to the conversion terms upon such a purchase; or
- (b) the purchase, or the contract, has first been approved by a Special Resolution passed at a separate meeting of the holders of such convertible shares.

## **6 Reduction of capital**

Subject to the provisions of the Statutes, the Company may by Ordinary Resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any way.

# **SHARES**

## **7 Rights attaching to shares on issue**

Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

## **8 Directors' power to allot**

Subject to the provisions of these Bye-Laws, the Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any shares up to an aggregate amount representing 20 per cent. of the issued share capital of the Company in any calendar year (which shall, for the purposes of this Bye-Law 8, be from 1 January to 31 December) to such persons, at such times and generally on such terms and conditions as the Directors may determine.

## **9 Commissions on issue of shares**

The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.

## **10 Renunciation of allotment**

The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

## **11 Trust etc. interests not recognised**

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Bye-Laws or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the holder.

# **SHARE CERTIFICATES**

## **12 Issue of share certificates**

Every person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the Register shall upon the issue or transfer to him of shares be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully-paid shares) within five business days after lodgment of the transfer or (in the case of a transfer of partly-paid shares) within two months after lodgment of the transfer.

## **13 Form of share certificate**

Every share certificate shall be executed by the Company in such manner as the Directors may decide (which may include use of the Common Seal or the Securities Seal (or, in the case of shares on a branch register, an official seal for use in the relevant territory) and/or manual or facsimile signatures by one or more Directors) and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

#### **14 Joint holders**

In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

#### **15 Replacement of share certificates**

- 15.1** Any two or more certificates representing shares of any one class held by any shareholder may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- 15.2** If any shareholder shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.
- 15.3** If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
- 15.4** In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

### **CALLS ON SHARES**

#### **16 Power to make calls**

The Directors may from time to time make calls upon the shareholders in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of allotment of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

#### **17 Liability for calls**

Each shareholder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

#### **18 Interest on overdue amounts**

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10 per cent per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

## **19 Other sums due on shares**

Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of allotment of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Bye-Laws be deemed to be a call duly made and payable on the date on which by the terms of allotment the same becomes payable. In case of non-payment all the relevant provisions of these Bye-Laws as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

## **20 Power to differentiate between holders**

The Directors may on the allotment of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

## **21 Payment of calls in advance**

The Directors may if they think fit receive from any shareholder willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate as the shareholder paying such sum and the Directors may agree.

# **FORFEITURE AND LIEN**

## **22 Notice on failure to pay a call**

- 22.1** If a shareholder fails to pay in full any call or instalment of a call on or before the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
- 22.2** The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

## **23 Forfeiture for non-compliance**

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

## **24 Disposal of forfeited shares**

A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in

such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

## **25 Holder to remain liable despite forfeiture**

A shareholder whose shares have been forfeited or surrendered shall cease to be a shareholder in respect of the shares (and shall surrender to the Company for cancellation the certificate for such shares) but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at 10 per cent per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal or waive payment in whole or in part.

## **26 Lien on partly-paid shares**

The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and the Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Bye-Law.

## **27 Sale of shares subject to lien**

The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing demanding payment of the sum presently payable and giving notice of intention to sell the share in default of payment shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.

## **28 Proceeds of sale of shares subject to lien**

The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the amount in respect whereof the lien exists so far as the same is then payable and any residue shall, upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares prior to the sale, be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

## **29 Evidence of forfeiture**

A statutory declaration in writing that the declarant is a Director or the Secretary and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **VARIATION OF RIGHTS**

### **30 Manner of variation of rights**

- 30.1** Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.
- 30.2** To every such separate meeting all the provisions of these Bye-Laws relating to general meetings and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him.
- 30.3** The foregoing provisions of this Bye-Law shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

### **31 Matters not constituting variation of rights**

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by (a) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto or (b) the purchase by the Company of any of its own shares.

## **TRANSFER OF SHARES**

### **32 Form of transfer**

All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof.

### **33 Shares registered on Principal Register, branch register, etc.**

- 33.1** Subject to the provisions of the Statutes if the Directors consider it necessary or appropriate the Company may establish and maintain in any place outside Bermuda, a local or branch register, and the Directors may, in their absolute discretion, at any time and from time to time transfer any share upon the Principal Register to any branch registers or any share on any branch register to the Principal register or any other branch register.
- 33.2** Unless the Directors otherwise agree (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time stipulate, and which agreement shall, without giving any reason therefore, be entitled in its absolute discretion to give or withhold) no shares on the Principal Register shall be transferred to any branch register, nor shall shares on any branch register be transferred to the Principal Register or any other branch



register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Principal Register, at the Bermuda Transfer Office. Unless the Directors otherwise agree, all transfers and other documents of title shall be lodged for registration with, and registered at, the relevant Registration Office.

- 33.3** Notwithstanding anything contained in this Bye-Law, the Company shall as soon as practicable and on a regular basis record in the Principal Register all transfers of shares effected on any branch register and shall, at all times maintain the Principal Register in all respects in accordance with the Act.

#### **34 Balance certificate**

Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

#### **35 Right to refuse registration**

- 35.1** The Directors may decline to recognise any instrument of transfer unless it is in respect of only one class of share and is lodged (duly stamped if required) at the relevant Registration Office, or, as the case may be, the Bermuda Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). Subject to the Statutes, in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgment of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.
- 35.2** The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares (not being fully-paid shares) provided that, where any such shares are admitted to the Official List of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Directors may also refuse to register an allotment or transfer of shares (whether fully-paid or not) in favour of more than four persons jointly. If the Directors refuse to register an allotment or transfer they shall within two months after the date on which the letter of allotment or transfer was lodged with the Company send to the allottees or transferees notice of the refusal.
- 35.3** Transfers may only be effected through a recognised clearing house or a nominee of a recognised clearing house or a recognised investment exchange to the extent that this is permitted by the Statutes.

#### **36 Retention of transfers**

All instruments of transfer which are registered may be retained by the Company.

#### **37 No fee on registration**

No fee will be charged by the Company in respect of the registration of any instrument of transfer or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

### **38 Closure of Register**

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine and either generally or in respect of any class of shares.

### **39 Branch Register**

Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of shareholders resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.

## **TRANSMISSION OF SHARES**

### **40 Persons entitled on death**

In case of the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the legal representatives executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Bye-Law shall release the estate of a deceased shareholder (whether sole or joint) from any liability in respect of any share held by him.

### **41 Election by persons entitled by transmission**

A person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder or otherwise by operation of law may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing to that effect or transfer such share to some other person. All the limitations, restrictions and provisions of these Bye-Laws relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the notice or transfer were a transfer executed by the shareholder registered as the holder of any such share.

### **42 Rights of persons entitled by transmission**

Save as otherwise provided by or in accordance with these Bye-Laws, a person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder or otherwise by operation of law (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to shareholders' meetings until he shall have been registered as a shareholder in respect of the share.

## **UNTRACED SHAREHOLDERS**

### **43 Untraced Shareholders**

- 43.1 The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a shareholder or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (b) below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares have become payable and no dividend in respect of those shares has been claimed; and
  - (b) the Company shall on expiry of such period of 12 years have inserted advertisements in both a national newspaper and in a newspaper circulating in the area in which the last known address of the shareholder or the address at which service of notices may be effected under these Bye-Laws is located giving notice of its intention to sell the said shares; and
  - (c) during the period of three months following the publication of such advertisements the Company shall have received no communication from such shareholder or person; and
  - (d) notice shall have been given to the London Stock Exchange of its intention to make such sale.
- 43.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former shareholder or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former shareholder or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may 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 Directors may from time to time think fit.

## **GENERAL MEETINGS**

### **44 Annual and special general meetings**

An annual general meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting) and at a place as may be determined by the Directors. All other general meetings shall be called special general meetings.

### **45 Convening of general meetings**

The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene a special general meeting.

## **NOTICE OF GENERAL MEETINGS**

### **46 Length of notice for general meetings**

An annual general meeting and a special general meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and any other special general meeting by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on

which the meeting is to be held and shall be given in manner hereinafter mentioned to all shareholders other than such as are not under the provisions of these Bye-Laws entitled to receive such notices from the Company Provided that a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an annual general meeting by all the shareholders entitled to attend and vote thereat; and
- (b) in the case of a special general meeting by a majority in number of the shareholders having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

Any notice of a general meeting of the Company shall be deemed to be duly given to a Shareholder if it is sent to him by cable, telex, telecopier or other mode of representing or reproducing words in a legible and non-transitory form at his address as appearing in the Register or any other address given by him to the Company for this purpose. Any such notice shall be deemed to have been served twenty-four hours after its despatch.

#### **47 Contents of notice of general meetings**

- 47.1 Every notice calling a general meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a shareholder of the Company.
- 47.1 The notice shall specify the general nature of the business to be transacted at the meeting; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.
- 47.2 In the case of an annual general meeting, the notice shall also specify the meeting as such.

### **PROCEEDINGS AT GENERAL MEETINGS**

#### **48 Chairman**

The Chairman of the Directors, failing whom a Deputy Chairman, shall preside as chairman at a general meeting. If there is no such Chairman or Deputy Chairman, or if at any meeting neither is present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present decline to take the chair, the shareholders present and entitled to vote shall choose one of their number) to be chairman of the meeting.

#### **49 Quorum**

No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Two shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

#### **50 Lack of quorum**

If within five minutes from the time appointed for a general meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of shareholders, shall be dissolved. In any other case it shall stand adjourned to such other day and such time and

place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine.

## **51 Adjournment**

The chairman of any general meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

## **52 Notice of adjourned meeting**

Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **53 Amendments to resolutions**

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

## **POLLS**

### **54 Demand for poll**

**54.1** 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 by:

- (a) the chairman of the meeting; or
- (b) not less than three shareholders present in person or by proxy and entitled to vote; or
- (c) a shareholder or shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (d) a shareholder or shareholders present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares 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.

**54.2** A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

## **55 Procedure on a poll**

A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers (who need not be shareholders) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

## **56 Voting on a poll**

On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

## **57 Timing of poll**

A poll demanded on the choice 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 subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

# **VOTES OF SHAREHOLDERS**

## **58 Votes attaching to shares**

Subject to any special rights or restrictions as to voting attached by or in accordance with these Bye-Laws to any class of shares, on a show of hands every shareholder who is present in person shall have one vote and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder.

## **59 Votes of joint holders**

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

## **60 Chairman's casting vote**

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 casting vote in addition to any other vote he may have.

## **61 Restriction on voting in particular circumstances**

- 61.1** No shareholder shall, unless the Directors otherwise determine, be entitled in respect of any share held by him to vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

## **62 Disclosure of Interests**

**62.1** The provisions of Section 212 of the UK Companies Act together with such other sections of that Act incorporated by reference in Section 212 shall apply *mutatis mutandis* to the Company as if such provisions were stated in these Bye-laws save as expressly varied herein and for the purpose of this Bye-law, unless the context otherwise requires:

- 62.1.1** **disclosure notice** means a notice issued by the Company requiring the disclosure of interests in shares pursuant to this Bye-law;
- 62.1.2** **restrictions** means one or more, as the case may be, of the restrictions referred to in paragraph 62.3 of this Bye-law as determined by the Board;
- 62.1.3** **specified shares** means the shares referred to in the relevant disclosure notice; and
- 62.1.4** a person shall be treated as appearing to be interested in shares if:
  - (i) such person has been named in response to a disclosure notice as being so interested; or
  - (ii) in response to a disclosure notice, the shareholder holding such shares or any other person appearing to be interested in shares has failed to establish the identities of all those who are interested in such shares and, taking into account the response and any other relevant information the Company knows or has reasonable cause to believe that such person is or may be interested in such shares.

**62.2** Notwithstanding anything in these Bye-laws to the contrary, if:

- 62.2.1** a disclosure notice has been served on a shareholder or a person appearing to be interested in shares; and
- 62.2.2** the Company has not received the information required therein in respect of the specified shares not later than 14 days (subject as provided in paragraph 62.6 of this Bye-law) after the service of such disclosure notice;

then the Board may determine that the shareholder holding the specified shares shall be subject to restrictions (and such shareholder shall thereupon be so subject). The Company shall, as soon as practicable after such determination, give notice thereof to the relevant shareholder stating that, or substantially to the effect that, (until such time as the Board determines otherwise pursuant to paragraph 62.4 of this Bye-law) the specified shares referred to therein shall be subject to the restrictions stated therein.

**62.3** Subject to paragraphs 62.6 and 62.8 of this Bye-law, the restrictions which the Board may determine shall apply to specified shares shall be any one or more, as determined by the Board, of the following:

- 62.3.1** that the shareholder holding the specified shares shall not be entitled, in respect of those specified shares, to be present or to vote either personally or by proxy or otherwise at any general meeting or at any separate general meeting of the holders of any class of shares or upon any poll or to exercise any other right in relation to any general meeting or any separate class meeting;
- 62.3.2** that no transfer, other than an excepted transfer, of the specified shares by, the shareholder holding the specified shares shall be effective or shall be registered by the Company;

- 62.3.3 that no dividend or other monies which would otherwise be payable on or in respect of the specified shares shall be paid to the shareholders holding the specified shares and that, in circumstances where an offer of the right to elect to receive ordinary shares instead of cash in respect of any dividend is or has been made, any election made thereunder by such shareholder in respect of the specified shares shall not be effective.
- 62.4 The Board may at any time determine that one or more restrictions imposed on specified shares shall cease to apply (whereupon they shall cease to so apply). If the Company receives the information required in the relevant disclosure notice in respect of the specified shares the Board shall, as soon as reasonably practicable and in any event within 7 days of such receipt, determine that all restrictions imposed on specified shares shall cease to apply (whereupon they shall cease to apply). In addition if:
- 62.4.1 the Company receives an executed instrument of transfer in respect of the specified shares, which would otherwise be given effect to, pursuant to:
- (i) a sale of the specified shares on a recognised investment exchange as defined in the UK Financial Services Act or on any stock exchange on which the Company's shares are normally dealt in; or
  - (ii) an acceptance of a takeover offer for the Company as defined in Section 14 of the Company Securities (Insider Dealing) Act 1985 of Great Britain; or
- 62.4.2 the Company receives any other executed instrument of transfer in respect of the specified shares, which would otherwise be given effect to, and the Board has not determined, within 10 days after such receipt, not to give effect thereto on the grounds that it has reasonable cause to believe that the change in the shareholder holding the specified shares will not be as a result of an arms length sale resulting in a material change in a beneficial interest in the specified shares;
- then all such restrictions imposed on the specified shares concerned shall cease to apply on registration of such transfer.
- 62.5 Where dividends or other monies payable on specified shares are not paid as a result of restrictions having been imposed, such dividends or other monies shall accrue and shall be payable (without interest) upon the relevant restriction ceasing to apply.
- 62.6 Where the specified shares represent less than 0.25 per cent (in nominal value) of the shares of the same class as the specified shares in issue at the date of the relevant disclosure notice then:
- 62.6.1 the reference to a period of 14 days in paragraph 62.2.2 of this Bye-law shall be deemed to be a reference to a period of 28 days; and
- 62.6.2 any determination made by the Board in respect of the specified shares pursuant to paragraph 62.2 of this Bye-law may only impose the restriction referred to in paragraph 62.3.1 of this Bye-law.
- 62.7 Shares issued by way of rights in respect of specified shares which are for the time being subject to particular restrictions shall on issue become subject to the same restrictions whilst held by the shareholder holding the specified shares as the specified shares in right of which they are issued. For this purpose, shares which the Company procures to be offered to shareholders pro rata (or pro rata ignoring fractional entitlements and shares not offered to certain shareholders by reason of legal or practical problems associated with offering shares outside Great Britain) shall be treated as shares issued by way of rights in respect of specified shares.



- 62.8** The Board may at any time, at its discretion, suspend, in whole or in part, the imposition of any restrictions either permanently or for any given period and may pay to a trustee any dividend or other monies payable in respect of any shares subject to a restriction of the type referred to in paragraph 62.3.3 of this Bye-law. Notice of any suspension, specifying the restrictions suspended and the period of suspension, shall be given by the Company to the relevant holder as soon as practicable thereafter.

### **63 Voting by guardian**

Where in Bermuda or elsewhere a guardian, receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any shareholder on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such guardian, receiver or other person on behalf of such shareholder to vote in person or by proxy at any shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings.

### **64 Validity and result of vote**

- 64.1** No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 64.2** Unless a poll is taken a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

## **PROXIES AND CORPORATE REPRESENTATIVES**

### **65 Proxy need not be a shareholder**

A proxy need not be a shareholder of the Company.

### **66 Form of proxy**

An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

- (a) in the case of an individual shall be signed by the appointor or his attorney; and
- (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Bye-Law, failing which the instrument may be treated as invalid.

## **67 Deposit of form of proxy**

An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Bermuda Transfer Office) not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

## **68 Rights of proxy**

An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting.

## **69 Revocation of proxy**

A vote cast or demand for a poll made by proxy shall not be invalidated by the previous death or insanity of the shareholder or by the revocation of the appointment of the proxy or of the authority under which the appointment was made unless written notice of such death, insanity or revocation shall have been received by the Company at the Bermuda Transfer Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

## **70 Corporations Acting by Representatives**

Any corporation which is a shareholder of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any shareholders' meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual shareholder of the Company and such corporation shall for the purposes of these Bye-Laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.

# **DIRECTORS**

## **71 Number of Directors**

Subject as hereinafter provided the Directors shall not be less than two and there shall be no maximum number. The Company may by Ordinary Resolution from time to time vary the maximum number of Directors.

## **72 Share qualification**

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a shareholder of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

### **73 Directors' fees**

The ordinary remuneration of the Directors shall from time to time be determined by the Directors except that such remuneration shall not exceed US\$100,000 (or the foreign currency equivalent thereof) per annum in aggregate or such higher amount as may from time to time be determined by Ordinary Resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

### **74 Other remuneration of Directors**

Any Director who holds any executive office or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine.

### **75 Directors' expenses**

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or shareholders' meetings or otherwise in connection with the business of the Company.

### **76 Directors' pensions and other benefits**

The Directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

### **77 Appointment of officers and executive Directors**

- 77.1** The officers of the Company shall include a Chairman and a Deputy Chairman who shall be Directors and shall be elected by the Board as soon as possible after each annual general meeting. In addition, the Board may appoint any person whether or not he is a Director to hold such executive office as the Board may from time to time determine. Any person elected or 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 election or 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 Statutes 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.
- 77.2** The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director shall automatically determine 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.
- 77.3** The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without

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

#### **78 Powers of executive Directors**

The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

#### **79 Age limit**

Any provision of the Statutes which, subject to the provisions of these Bye-Laws, would have the effect of rendering any person ineligible for appointment or election as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any Director over a specified age, shall not apply to the Company.

#### **80 Retirement by rotation**

At each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.

#### **81 Selection of Directors to retire by rotation**

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last re-elected 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 re-election.

#### **82 Re-election of retiring Director**

The Company at the meeting at which a Director retires under any provision of these Bye-Laws may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for election. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;
- (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where the default is due to the moving of a resolution in contravention of the next following Bye-Law; or
- (d) where such Director has attained any retiring age applicable to him as Director.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

### **83 Election of two or more Directors**

A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

### **84 Nomination of Director for election**

No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless not less than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

### **85 Election or appointment of additional Director**

The Company may by Ordinary Resolution elect, and without prejudice thereto the Directors shall have power at any time to appoint, any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Bye-Laws. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

### **86 Vacation of office**

The office of a Director shall be vacated in any of the following events, namely:

- (a) if he shall become prohibited by law from acting as a Director;
- (b) if he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (c) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (d) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (e) if he shall be absent from meetings of the Directors for six months without leave and the Directors shall resolve that his office be vacated; or
- (f) if a notice in writing is served upon him, signed by not less than three-quarters of the Directors for the time being, to the effect that his office as Director shall on receipt of such notice *ipso facto* be vacated, 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 Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

### **87 Removal of Director**

The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these Bye-Laws or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and elect another person in place of a Director so removed from office and any person so elected shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is elected was last elected a Director. In default of such election the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

## **MEETINGS AND PROCEEDINGS OF DIRECTORS**

### **88 Convening of meetings of Directors**

Subject to the provisions of these Bye-Laws the Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any Director may, and the Secretary at the request of a Director shall, summon a meeting of the Directors. Any Director may waive notice of any meeting and any such waiver may be retroactive. A meeting of the Board or any committee of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such meeting shall constitute presence in person at such meeting.

### **89 Quorum**

The quorum necessary for the transaction of business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

### **90 Chairman**

- 90.1 If at any meeting of the Directors neither the President, Chairman nor Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- 90.2 If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

### **91 Casting vote**

Questions arising at any meeting of the Directors shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

## **92 Number of Directors below minimum**

The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Bye-Laws the continuing Directors or Director may act for the purpose of filling such vacancies or of summoning general meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two shareholders may summon a general meeting for the purpose of appointing Directors.

## **93 Written resolutions**

A resolution in writing signed by all the Directors entitled to vote thereon shall be as valid and effectual as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form each signed by one or more Directors.

## **94 Validity of proceedings**

All acts done by any meeting of Directors, or of any committee or sub-committee of the Directors, or by any person acting as a Director or as a shareholder of any such committee or sub-committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons 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 was qualified and had continued to be a Director or shareholder of the committee or sub-committee and had been entitled to vote.

## **DIRECTORS' INTERESTS**

## **95 Directors may have interests**

Subject to the provisions of the Statutes, and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (c) may (or any firm of which he is a partner, employee or shareholder may) act in a professional capacity for the Company (other than as Auditor) and be remunerated therefor; and
- (d) shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate or for such remuneration and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

## **96 Restrictions on voting**

- 96.1** Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of interests in shares or debentures or other securities of, or otherwise in or through, the Company.

A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote.

**96.2** Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (a) the giving of any security, guarantee or indemnity in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings 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;
- (c) any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him within the meaning of Section 346 of the UK Companies Act) does not have an interest (as that term is used in Sections 198 to 211 of the UK Companies Act in one per cent or more of the issued equity share capital of any class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to shareholders of the relevant body corporate (any such interest being deemed for the purpose of this Bye-Law to be a material interest in all circumstances);
- (d) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- (e) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors.

**96.3** Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph 96.2(c) of this Bye-Law) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

**96.4** If a question arises at any time as to the materiality of a Director's interest or as to his entitlement to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

## **97 Directors' Interests - general**

For the purposes of the two preceding Bye-Laws:



- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract, transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such contract, transaction or arrangement of the nature and extent so specified;
- (b) an interest of a person who would be connected (within the meaning of Section 346 of the UK Companies Act) with a Director shall be treated as an interest of the Director as if the Company were incorporated in England and Wales; and
- (c) an interest (whether of his or of such a connected person) of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

## **COMMITTEES OF THE DIRECTORS**

### **98 Appointment and constitution of committees**

The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees. Any such committee shall, unless the Directors otherwise resolve, have power to sub-delegate to sub-committees any of the powers or discretions delegated to it. Any such committee or sub-committee shall consist of one or more Directors and (if thought fit) one or more other named person or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee or sub-committee, any reference in these Bye-Laws to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee or sub-committee. Any committee or sub-committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee or sub-committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee or sub-committee but so that (a) the number of members who are not Directors shall be less than one-half of the total number of members of the committee or sub-committee and (b) no resolution of the committee or sub-committee shall be effective unless a majority of the members of the committee or sub-committee present throughout the meeting are Directors.

### **99 Proceedings of committee meetings**

The meetings and proceedings of any such committee or sub-committee consisting of two or more persons shall be governed *mutatis mutandis* by the provisions of these Bye-Laws regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Bye-Law.

## **POWERS OF DIRECTORS**

### **100 General powers**

The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these Bye-Laws required to be exercised by the Company in general meeting subject nevertheless to any regulations of these Bye-Laws, to the provisions of the Statutes and to such regulations as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate

any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Bye-Law shall not be limited or restricted by any special authority or power given to the Directors by any other Bye-Law.

#### **101 Local boards**

The Directors may establish any local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

#### **102 Appointment of attorney**

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

#### **103 Signature on cheques etc.**

All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

#### **104 Borrowing powers**

Subject to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property (present and future) and uncalled capital or any part or parts thereof 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.

### **ALTERNATE DIRECTORS**

#### **105 Alternate Directors**

- 105.1 Any Director may at any time by writing under his hand and deposited at the Office, or at the Head Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors or unless the appointee is another Director, shall have effect only upon and subject to being so approved.

- 105.2** The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director, otherwise than by retirement at a general meeting at which he is re-elected.
- 105.3** An alternate Director shall be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-Laws shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Bye-Laws, nor shall he be deemed to be the agent of his appointor.
- 105.4** An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

## **SECRETARY**

### **106 Secretary**

- 106.1** The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. The duties of the Secretary shall be those prescribed by the Statutes together with such other duties as shall from time to time be prescribed by the Directors. The Directors may also appoint from time to time on such terms as they may think fit one or more Deputy and/or Assistant Secretaries.
- 106.2** A provision of the Statutes 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.

## **THE SEAL**

### **107 The Common Seal**

- 107.1** The Common Seal shall consist of a circular metal device with the name of the Company around the outer margin thereof and the country and year of incorporation across the centre thereof. Should the Common Seal not have been received at the Office in such form at the date of adoption of this Bye-Law then, pending such receipt, any document requiring to be sealed with the Common Seal shall be sealed by affixing a red wafer seal to the document with the name of the Company, and the country and year of incorporation type written across the centre thereof.

- 107.2** The Board shall provide for the custody of every Common Seal. A Common Seal shall only be used by authority of the Board or of a committee constituted by the Board. Subject to these Bye-Laws, any instrument to which the Common Seal is affixed shall be signed by two Directors or the Secretary and one Director, or by any two persons whether or not Directors or the Secretary, who have been authorised either generally or specifically to attest to the use of a Common Seal; provided that the Secretary or a Director may affix a Common Seal attested with his signature only to authenticate copies of these Bye-Laws, the Minutes of any meeting or any other documents requiring authentication.
- 107.3** The Company may have a duplicate Common Seal for use outside Bermuda where and as the Directors shall determine and the Company may by writing under the Common Seal appointed any agents or agent or committee outside Bermuda to be the duly authorised agent of the Company for the purpose of affixing and using such duplicate Common Seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in the Bye-Laws reference is made to the Common Seal, the reference shall, when and so far as may be applicable, be deemed to include any such duplicate Common Seal as aforesaid.

#### **108 The Securities Seal**

The Company may have a Securities Seal for use for sealing certificates for shares or other securities issued by the Company and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such Securities Seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid.

### **AUTHENTICATION OF DOCUMENTS**

#### **109 Authentication of Documents**

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed at a shareholders' meeting or at a meeting of the Directors or any committee, and any book, record, document or account relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any book, record, document or account is elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

### **RESERVES**

#### **110 Establishment of reserves**

The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have

been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

#### **111 Business bought as from past date**

Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

### **DIVIDENDS**

#### **112 Final dividends**

The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

#### **113 Fixed and Interim dividends**

If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. Provided the Directors act in good faith they shall not incur any liability to the holders of any shares for any loss they may suffer by the lawful payment, on any other class of shares having rights ranking after or *pari passu* with those shares, of any such fixed or Interim dividend as aforesaid.

#### **114 Distribution in specie**

The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash shall be paid to any shareholder upon the footing of the value so fixed in order to adjust the rights of shareholders and may vest any assets in trustees.

#### **115 Contributed surplus account**

- 115.1 (a) Subject to any preference or other special rights for the time being attached to any special class of shares, the Directors may, in accordance with the Statutes, declare a dividend or make any lawful distribution out of the profits or contributed surplus account (as the case may be) available for the purpose, to be paid to the shareholders (subject to the provisions of these Bye-Laws), in proportion to the number of shares held by them and paid up, (other than the monies paid up in advance of call), and such dividend or distribution may be paid in cash (in any currency) or wholly or partly in

specie in which case the Directors may fix the value for distribution in specie of any assets.

- (b) The Directors may declare or make such other dividends or distributions (in cash or in specie and in any currency) to the shareholders as may be lawfully made.

**115.2** Subject to the Statutes, the Directors may from time to time before declaring a dividend or other distribution set aside out of the surplus or profits or contributed surplus account of the Company such sum as they think proper as a reserve fund to be used to meet contingencies or for equalising dividends or for any other special purpose and pending such use the Directors may employ the sums from time to time so reserved in the business of the Company or invest the same in such securities (other than the shares of the Company or any holding company) as they may select. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company not to divide.

**116** The Directors may deduct from the dividends or distributions payable to any shareholders all money due by him to the Company on account of calls or otherwise.

#### **117 Ranking of shares for dividend**

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Bye-Law no amount paid on a share in advance of calls shall be treated as paid on the share.

#### **118 Manner of payment of dividends**

**118.1** Any dividend or other moneys payable on or in respect of a share shall be paid to the shareholder or to such other person as the shareholder (or, in the case of joint holders of a share, all of them) may in writing direct. Such dividend or other moneys may be paid (i) by cheque sent by post to the payee or, where there is more than one payee, to any one of them, or (ii) by inter-bank transfer to such account as the payee or payees shall in writing direct, or (iii) by such other method of payment as the shareholder (or in the case of joint holders of a share, all of them) may agree to. Payment of a cheque by the banker upon whom it is drawn shall be a good discharge to the Company and every such cheque shall be sent at the risk of the person or persons entitled to the money represented thereby.

**118.2** Subject to the provisions of these Bye-Laws and to the rights attaching to any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Directors may determine.

**118.3** The Company may cease to send any cheque, warrant or order by post for any dividend on any shares which is normally paid in that manner if in respect of at least two consecutive dividends payable on those shares the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these Bye-Laws, shall recommence sending cheques, warrants or orders in respect of the dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

#### **119 Joint holders**

If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law,

any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

#### **120 Record date for dividends**

Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.

#### **121 No interest on dividends**

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

#### **122 Retention of dividends**

- 122.1** The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the moneys payable to the Company in respect of that share.
- 122.2** The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a shareholder, or which any person is under those provisions entitled to transfer, until such person shall become a shareholder in respect of such shares or shall transfer the same.

#### **123 Unclaimed dividend**

The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of 12 years from the date on which such dividend was declared or became due for payment shall be forfeited and shall revert to the Company.

#### **124 Waiver of dividend**

The waiver in whole or in part of any dividend on any share by any document (whether or not executed as a deed) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

### **CAPITALISATION OF PROFITS AND RESERVES**

#### **125 Capitalisation of Profits and Reserves**

- 125.1** The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account or contributed surplus account.



- 125.2** Such capitalisation shall be effected by appropriating such sum to the holders of Ordinary Shares on the Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.
- 125.3** The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the shareholders concerned). The Directors may authorise any person to enter on behalf of all the shareholders interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

## **SCRIP DIVIDENDS**

### **126 Scrip Dividends**

- 126.1** Subject as hereinafter provided, the Directors may offer to ordinary shareholders the right to receive, in lieu of dividend (or part thereof), an allotment of new Ordinary Shares credited as fully paid.
- 126.2** The Directors shall not make such an offer unless so authorised by an Ordinary Resolution passed at any general meeting, which authority may extend to dividends declared or paid prior to the next following annual general meeting.
- 126.3** The Directors may either offer such rights of election in respect of the next dividend (or part thereof) proposed to be paid; or may offer such rights of election in respect of that dividend and all subsequent dividends, until such time as the election is revoked; or may allow shareholders to make an election in either form.
- 126.4** The basis of allotment on each occasion shall be determined by the Directors so that, as nearly as may be considered convenient, the value of the Ordinary Shares to be allotted in lieu of any amount of dividend shall equal such amount. For such purpose the value of an Ordinary Share shall be the average of the middle market quotations of an Ordinary Share on the London Stock Exchange, as derived from the Daily Official List, on each of the first five business days on which the Ordinary Shares are quoted "ex" the relevant dividend.
- 126.5** If the Directors determine to offer such right of election on any occasion they shall give notice in writing to the ordinary shareholders of such right and shall issue forms of election and shall specify the procedures to be followed in order to exercise such right. Provided that they need not give such notice to a shareholder who has previously made, and has not revoked, an earlier election to receive Ordinary Shares in lieu of all future dividends, but instead shall send him a reminder that he has made such an election, indicating how that election may be revoked in time for the next dividend proposed to be paid.
- 126.6** On each occasion the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on Ordinary Shares in respect whereof the share election has been duly exercised and has not been revoked (the **elected Ordinary Shares**), and in lieu thereof additional shares (but not any fraction of a share) shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Directors shall capitalise, out of such of the sums standing to the credit of reserves (including



any share premium account or capital redemption reserve) or profit and loss account or contributed surplus account as the Directors may determine, a sum equal to the aggregate nominal amount of additional Ordinary Shares to be allotted on that occasion on such basis and shall apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares on such basis.

- 126.7 The additional Ordinary Shares so allotted on any occasion shall rank *pari passu* in all respects with the fully-paid Ordinary Shares then in issue save only as regards participation in the relevant dividend.
- 126.8 Bye-Law 124 shall apply (*mutatis mutandis*) to any capitalisation made pursuant to this Bye-Law.
- 126.9 No fraction of an Ordinary Share shall be allotted. The Directors may make such provision as they think fit for any fractional entitlements including, without limitation, provision whereby, in whole or in part, the benefit thereof accrues to the Company and/or fractional entitlements are accrued and/or retained and in either case accumulated on behalf of any ordinary shareholder.
- 126.10 The Directors may on any occasion determine that rights of election shall not be made available to any ordinary shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.
- 126.11 In relation to any particular proposed dividend the Directors may in their absolute discretion decide (i) that shareholders shall not be entitled to make any election in respect thereof and that any election previously made shall not extend to such dividend or (ii) at any time prior to the allotment of the Ordinary Shares which would otherwise be allotted in lieu thereof, that all elections to take shares in lieu of such dividend shall be treated as not applying to that dividend, and if so the dividend shall be paid in cash as if no elections had been made in respect of it.

## ACCOUNTS

### 127 Accounting records

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no shareholder of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.

### 128 Copies of accounts for shareholders

A copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than 21 days before the date of the meeting be sent to every shareholder of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Bye-Laws. Provided that this Bye-Law shall not require a copy of these documents to be sent to any shareholder to whom a summary financial statement is sent in accordance with the Statutes nor to more than one of joint holders nor to any person of whose address the Company is not aware, but any shareholder or holder of debentures to whom a copy

of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

## **AUDITORS**

### **129 Validity of Auditor's acts**

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

### **130 Auditor's right to attend general meetings**

An Auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any shareholder is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as Auditor.

## **NOTICES**

### **131 Service of notices**

- 131.1** Any notice or document (including a share certificate) may be served on or delivered to any shareholder by the Company either personally or by sending it by post (by airmail where applicable) in a pre-paid cover addressed to such shareholder at his registered address, or to the address, if any, supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. In the case of a shareholder registered on a branch register any such notice or document may be posted either in Bermuda or in the territory in which such branch register is maintained.
- 131.2** Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected 48 hours after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- 131.3** The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.

### **132 Joint holders**

Any notice given to that one of the joint holders of a share whose name stands first in the Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such.

### **133 Deceased and bankrupt shareholders**

A person entitled to a share in consequence of the death or bankruptcy of a shareholder or otherwise by operation of law upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within Bermuda or the United Kingdom, for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said shareholder would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as

claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any shareholder in pursuance of these Bye-Laws shall, notwithstanding that such shareholder be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such shareholder as sole or first-named joint holder.

#### **134 Statutory requirements as to notices**

Nothing in any of the preceding five Bye-Laws shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

### **WINDING UP**

#### **135 Directors' power to petition**

The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

#### **136 Distribution of assets in specie**

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of an Special Resolution, divide among the shareholders in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

### **DESTRUCTION OF DOCUMENTS**

#### **137 Destruction of Documents**

The Company shall be entitled to destroy all instruments of transfer or other documents which have been registered or on the basis of which registration was made at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Bye-Law;
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

## **INDEMNITY**

### **138 Indemnity**

- 138.1** Subject to the proviso below, every Director or Officer of the Company shall be indemnified out of the funds of the Company against all civil liabilities loss damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director or Officer and the indemnity contained in this Bye-Law shall extend to any person acting as a Director or Officer in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election PROVIDED ALWAYS that the indemnity contained in this Bye-Law shall not extend to any matter which would render it void pursuant to the Statutes.
- 138.2** Every Director or Officer of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director or Officer in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Statutes in which relief from liability is granted to him by the court.
- 138.3** To the extent that any Director or Officer is entitled to claim an indemnity pursuant to these Bye-Laws in respect of amounts paid or discharged by him, the relative indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.
- 138.4** Without prejudice to paragraph 138.1 of this Bye-Law the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of any Relevant Company (as defined in paragraph 138.5 of this Bye-Law) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- 138.5** For the purpose of paragraph 138.4 of this Bye-Law Relevant Company shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.