

THE COMPANIES ACT 1985

A PUBLIC COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION**

**OF**

**SHAFTESBURY PLC**

(Adopted by special resolution passed on 25 January 2005)

**Lovells**

Ref: C2/BOO/NPLR

## CONTENTS

	<b>PAGE</b>
<b>I. PRELIMINARY</b>	<b>1</b>
1. <b>APPLICATION</b>	<b>1</b>
2. <b>INTERPRETATION</b>	<b>1</b>
<b>II. CAPITAL</b>	<b>4</b>
<b>A. ISSUES AND RIGHTS</b>	<b>4</b>
3. <b>AUTHORISED SHARE CAPITAL</b>	<b>4</b>
4. <b>PURCHASE AND REDEMPTION OF THE COMPANY'S SHARES</b>	<b>4</b>
5. <b>FINANCIAL ASSISTANCE FOR THE ACQUISITION OF THE COMPANY'S SHARES</b>	<b>4</b>
6. <b>ISSUE OF SHARES WITH SPECIAL RIGHTS</b>	<b>4</b>
7. <b>VARIATION OF RIGHTS ATTACHING TO SHARES</b>	<b>4</b>
8. <b>RIGHTS NOT VARIED BY AN ISSUE OF FURTHER SHARES OF THE CLASS</b>	<b>5</b>
9. <b>DISQUALIFICATION FROM VOTING AND OTHER MATTERS</b>	<b>5</b>
<b>B. ALLOTMENTS</b>	<b>7</b>
10. <b>ALLOTMENT OF SHARES</b>	<b>7</b>
11. <b>POWER TO PAY COMMISSION AND BROKERAGE</b>	<b>9</b>
12. <b>TRUSTS IN RELATION TO SHARES NOT TO BE RECOGNISED</b>	<b>9</b>
13. <b>ISSUE OF SHARE WARRANTS TO BEARER</b>	<b>9</b>
<b>C. EVIDENCE OF TITLE</b>	<b>10</b>
14. <b>UNCERTIFICATED SHARES</b>	<b>10</b>
15. <b>FORM OF SHARE CERTIFICATE AND METHOD OF SEALING</b>	<b>11</b>
16. <b>MAXIMUM NUMBER OF JOINT HOLDERS</b>	<b>11</b>
17. <b>PERIOD FOR THE ISSUE OF SHARE CERTIFICATES</b>	<b>11</b>
18. <b>BALANCE CERTIFICATES</b>	<b>11</b>
19. <b>ISSUE OF REPLACEMENT CERTIFICATES</b>	<b>12</b>
20. <b>CERTIFICATES FOR DEBENTURES AND OTHER SECURITIES</b>	<b>12</b>
<b>D. LIEN</b>	<b>12</b>
21. <b>LIEN ON PARTLY-PAID SHARES</b>	<b>12</b>
22. <b>ENFORCEMENT OF LIEN BY A SALE OF SHARES</b>	<b>12</b>
23. <b>APPLICATION OF PROCEEDS</b>	<b>13</b>
<b>E. CALLS ON SHARES</b>	<b>13</b>
24. <b>BOARD MAY MAKE CALLS</b>	<b>13</b>
25. <b>WHEN A CALL IS DEEMED TO BE MADE</b>	<b>13</b>
26. <b>LIABILITIES OF JOINT HOLDERS</b>	<b>13</b>
27. <b>INTEREST ON UNPAID CALLS</b>	<b>13</b>
28. <b>AMOUNTS PAYABLE ON ALLOTMENT OR AT ANY FIXED TIME DEEMED TO BE A CALL</b>	<b>14</b>
29. <b>BOARD'S POWER TO DIFFERENTIATE REGARDING CALLS</b>	<b>14</b>

30.	<b>PAYMENT UP OF SHARES IN ADVANCE OF CALLS</b>	14
F.	<b>TRANSFERS OF SHARES</b>	14
31.	<b>TRANSFER OF CERTIFICATED SHARES</b>	14
32.	<b>TRANSFER OF UNCERTIFICATED SHARES</b>	14
33.	<b>NO REGISTRATION FEES PAYABLE</b>	14
34.	<b>WHEN TRANSFEREE BECOMES HOLDER</b>	15
35.	<b>GENERAL CONDITIONS AS TO REGISTRATION OF TRANSFERS OF CERTIFICATED SHARES</b>	15
36.	<b>BOARD'S POWER TO REFUSE TO REGISTER CERTAIN TRANSFERS OF CERTIFICATED SHARES</b>	15
37.	<b>TEMPORARY SUSPENSION OF THE REGISTRATION OF TRANSFERS</b>	15
38.	<b>RETENTION OF TRANSFERS AND DESTRUCTION OF DOCUMENTS</b>	15
39.	<b>RENUNCIATION OF ALLOTMENT PERMITTED</b>	16
G.	<b>TRANSMISSION OF SHARES</b>	17
40.	<b>DEATH OF A MEMBER</b>	17
41.	<b>PERSON BECOMING ENTITLED BY TRANSMISSION MAY BE REGISTERED</b>	17
42.	<b>ELECTION REQUIRED</b>	17
43.	<b>RIGHTS OF PERSONS ENTITLED BY TRANSMISSION TO A SHARE</b>	17
H.	<b>FORFEITURE OF SHARES</b>	18
44.	<b>SERVICE OF NOTICE REQUIRING PAYMENT OF UNPAID CALLS</b>	18
45.	<b>CONTENTS OF NOTICE REQUIRING PAYMENT OF UNPAID CALLS</b>	18
46.	<b>FORFEITURE OF SHARES</b>	18
47.	<b>SERVICE OF NOTICE OF FORFEITURE AND REGISTRATION</b>	18
48.	<b>SALE OF FORFEITED SHARES</b>	18
49.	<b>FORMER HOLDER OF FORFEITED SHARES REMAINS LIABLE FOR UNPAID CALLS</b>	19
50.	<b>EXTINCTION OF CERTAIN CLAIMS ON FORFEITURE</b>	19
51.	<b>STATUTORY DECLARATION AS EVIDENCE OF FORFEITURE</b>	19
I.	<b>UNTRACED SHAREHOLDERS</b>	19
52.	<b>COMPANY'S POWER TO SELL SHARES</b>	19
J.	<b>INCREASE OF CAPITAL</b>	20
53.	<b>POWER TO INCREASE CAPITAL</b>	20
54.	<b>NEW SHARES SUBJECT TO THESE ARTICLES</b>	20
K.	<b>ALTERATIONS OF CAPITAL</b>	21
55.	<b>CONSOLIDATION, SUB-DIVISION, CANCELLATION AND REDUCTION</b>	21
56.	<b>FRACTIONAL ENTITLEMENTS ARISING ON CONSOLIDATION OR SUB-DIVISION</b>	21
III.	<b>GENERAL MEETINGS</b>	22
A.	<b>MEETINGS AND NOTICES</b>	22
57.	<b>ANNUAL GENERAL MEETINGS</b>	22
58.	<b>EXTRAORDINARY GENERAL MEETINGS</b>	22

59.	<b>NOTICE OF MEETING</b>	22
60.	<b>SPECIAL NOTICE</b>	23
61.	<b>SHORT NOTICE</b>	23
62.	<b>NOTICE TO BE GIVEN OF MEMBERS' RESOLUTIONS ON REQUISITION</b>	23
63.	<b>ACCIDENTAL OMISSION OR NON-RECEIPT OF NOTICE</b>	23
64.	<b>CHANGE IN PLACE OR TIME OF MEETING</b>	24
<b>B.</b>	<b>PROCEEDINGS AT GENERAL MEETINGS</b>	24
65.	<b>OVERFLOW MEETINGS</b>	24
66.	<b>SECURITY</b>	24
67.	<b>CHAIRMAN</b>	25
68.	<b>QUORUM</b>	25
69.	<b>ADJOURNMENT OR DISSOLUTION FOR LACK OF QUORUM</b>	25
70.	<b>ADJOURNMENT FOR OTHER REASONS</b>	25
71.	<b>AMENDMENTS TO RESOLUTIONS AND OTHER MATTERS</b>	26
72.	<b>METHOD OF VOTING</b>	26
73.	<b>CHAIRMAN'S DECLARATION ON A RESULT OF A SHOW OF HANDS</b>	26
74.	<b>PROXY MAY DEMAND A POLL</b>	27
75.	<b>ERRORS IN COUNTING VOTES</b>	27
76.	<b>WHEN A POLL HAS TO BE TAKEN AND NOTICE OF A POLL</b>	27
77.	<b>MANNER OF TAKING A POLL</b>	27
78.	<b>CONTINUANCE OF OTHER BUSINESS</b>	27
79.	<b>DEMAND FOR A POLL MAY BE WITHDRAWN</b>	27
80.	<b>CHAIRMAN'S CASTING VOTE</b>	28
<b>C.</b>	<b>VOTES</b>	28
81.	<b>VOTING RIGHTS</b>	28
82.	<b>VOTING BY JOINT HOLDERS</b>	28
83.	<b>MEMBER OF UNSOUND MIND</b>	28
84.	<b>OBJECTIONS TO THE QUALIFICATION OF A VOTER</b>	28
85.	<b>VOTING ON A POLL</b>	28
86.	<b>APPOINTMENT OF A PROXY</b>	28
87.	<b>IDENTITY AND NUMBER OF PROXIES</b>	29
88.	<b>VALIDITY OF PROXY APPOINTMENT</b>	29
89.	<b>SCOPE OF PROXY APPOINTMENT</b>	30
90.	<b>BOARD TO SEND OUT PROXY FORMS TO ALL MEMBERS</b>	30
91.	<b>WHEN VOTES BY PROXY VALID THOUGH AUTHORITY REVOKED</b>	30
92.	<b>A CORPORATE MEMBER MAY APPOINT A REPRESENTATIVE</b>	31
93.	<b>DIRECTORS ENTITLED TO ATTEND AND SPEAK AT GENERAL MEETINGS</b>	31
<b>IV.</b>	<b>DIRECTORS</b>	31
<b>A.</b>	<b>NUMBER, APPOINTMENT AND REMUNERATION</b>	31

94.	<b>NUMBER OF DIRECTORS</b>	31
95.	<b>INCREASE OR REDUCTION IN PERMITTED NUMBER OF DIRECTORS</b>	31
96.	<b>SHARE QUALIFICATION OF DIRECTORS</b>	31
97.	<b>APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY</b>	31
98.	<b>APPOINTMENT OF DIRECTORS TO EXECUTIVE OFFICE</b>	32
99.	<b>REMUNERATION OF DIRECTORS</b>	32
100.	<b>REMUNERATION FOR SPECIAL OR ADDITIONAL SERVICES</b>	32
101.	<b>EXPENSES</b>	32
B.	<b>RETIREMENT</b>	32
102.	<b>DIRECTORS TO RETIRE</b>	32
103.	<b>RETIRING DIRECTOR TO HOLD OFFICE UNTIL DISSOLUTION OF MEETING</b>	32
C.	<b>VACATION OF, AND REMOVAL FROM, OFFICE</b>	33
104.	<b>RE-APPOINTMENT OF A RETIRING DIRECTOR</b>	33
105.	<b>EACH RE-APPOINTMENT TO BE VOTED ON SEPARATELY</b>	33
106.	<b>NOTICE REQUIRED OF AN INTENTION TO PROPOSE A NEW DIRECTOR</b>	33
107.	<b>AGE LIMIT</b>	33
108.	<b>VACATION OF OFFICE</b>	33
109.	<b>REMOVAL FROM OFFICE BY NOTICE FROM CO-DIRECTORS</b>	34
D.	<b>ALTERNATE DIRECTORS</b>	34
111.	<b>APPOINTMENT, REMOVAL AND POWERS</b>	34
E.	<b>INTERESTS OF DIRECTORS</b>	35
112.	<b>OTHER OFFICE OR PLACE OF PROFIT UNDER THE COMPANY</b>	35
113.	<b>CONTRACTS WITH THE COMPANY - DISCLOSURE OF INTEREST</b>	35
114.	<b>RESTRICTION ON VOTING</b>	36
115.	<b>OFFICES AND EMPLOYMENT, RULING ON MATERIALITY AND DIRECTOR'S INTEREST</b>	37
F.	<b>POWERS, DUTIES AND PROCEEDINGS OF DIRECTORS</b>	38
116.	<b>BOARD TO MANAGE THE COMPANY'S BUSINESS</b>	38
117.	<b>DELEGATION OF POWERS TO A DIRECTOR</b>	38
118.	<b>EXERCISE BY COMPANY OF VOTING RIGHTS</b>	38
119.	<b>COMMITTEES AND LOCAL BOARDS</b>	38
120.	<b>APPOINTMENT OF ATTORNEYS, AGENTS AND REGISTRAR</b>	39
121.	<b>OVERSEAS BRANCH REGISTER</b>	39
122.	<b>BORROWING POWERS</b>	39
123.	<b>POWER OF BOARD TO DELEGATE THE POWER TO MAKE CALLS</b>	42
124.	<b>SIGNING OF CHEQUES AND SIMILAR INSTRUMENTS</b>	43
125.	<b>DIRECTOR'S PLACES OF PROFIT IN OTHER COMPANIES</b>	43
126.	<b>PENSION AND SUPERANNUATION FUNDS AND CHARITABLE SUBSCRIPTIONS</b>	43
127.	<b>POWER TO MAKE PROVISION FOR EMPLOYEES</b>	44

128.	<b>MEETINGS OF THE BOARD</b>	44
129.	<b>QUORUM</b>	44
130.	<b>CONFERENCE MEETINGS</b>	44
131.	<b>RESTRICTED POWER OF DIRECTORS IF NUMBER FALLS BELOW PRESCRIBED MINIMUM</b>	45
132.	<b>CHAIRMAN OF THE BOARD</b>	45
133.	<b>DIRECTORS' RESOLUTIONS</b>	45
134.	<b>POWERS OF A QUORUM OF THE BOARD</b>	46
135.	<b>PROCEEDINGS OF COMMITTEES AND LOCAL BOARDS</b>	46
136.	<b>VALIDITY OF ACTS OF THE BOARD, COMMITTEES AND LOCAL BOARDS</b>	46
137.	<b>MINUTES</b>	46
138.	<b>STATUTORY REGISTERS</b>	46
139.	<b>APPOINTMENT OF AND ACTS OF THE SECRETARY</b>	47
140.	<b>CUSTODY AND USE OF THE SEAL</b>	47
141.	<b>SECURITIES SEAL AND OFFICIAL SEAL FOR USE OVERSEAS</b>	47
142.	<b>AUTHENTICATION OF DOCUMENTS</b>	48
V.	<b>DIVIDENDS AND DISTRIBUTIONS</b>	48
143.	<b>DISTRIBUTION OF PROFITS</b>	48
144.	<b>DIVIDENDS ONLY PAYABLE ON PAID UP AND CALLED-UP CAPITAL</b>	48
145.	<b>DEDUCTION FROM DIVIDENDS OF UNPAID CALLS</b>	48
146.	<b>INTERIM DIVIDENDS</b>	48
147.	<b>RECORD DATES FOR DIVIDEND PAYMENTS AND CAPITALISATION DISTRIBUTIONS</b>	49
148.	<b>COMPANY MAY RETAIN UNCLAIMED DIVIDENDS</b>	49
149.	<b>METHOD OF PAYMENT</b>	49
150.	<b>COMPANY NOT OBLIGED TO SEND DIVIDENDS TO UNTRACEABLE SHAREHOLDERS</b>	50
151.	<b>ANY JOINT HOLDER MAY GIVE RECEIPT FOR A DIVIDEND</b>	50
152.	<b>PAYMENT OF DIVIDEND IN SPECIE</b>	50
153.	<b>SCRIP DIVIDENDS</b>	50
VI.	<b>RESERVES</b>	52
154.	<b>BOARD MAY CARRY PROFITS TO RESERVE AND CARRY FORWARD PROFITS</b>	52
155.	<b>DEPLETION OF ASSETS</b>	52
VII.	<b>CAPITALISATION OF PROFITS</b>	52
156.	<b>CAPITALISATION ISSUES</b>	52
VIII.	<b>ACCOUNTS AND AUDIT</b>	54
157.	<b>KEEPING OF ACCOUNTS AND RETENTION OF ACCOUNTING RECORDS</b>	54
158.	<b>LOCATION OF ACCOUNTING RECORDS</b>	54
159.	<b>ACCOUNTS TO BE LAID BEFORE GENERAL MEETINGS</b>	54
160.	<b>AUDITORS' REPORT</b>	54

161.	<b>SUMMARY FINANCIAL STATEMENTS</b>	54
160.	<b>APPOINTMENT OF AUDITORS</b>	54
161.	<b>ACCOUNTS TO BE AUDITED ANNUALLY</b>	54
162.	<b>VALIDITY OF ACTS OF AUDITORS</b>	54
163.	<b>RIGHTS OF AUDITORS</b>	55
IX.	<b>NOTICES AND DOCUMENTS</b>	55
164.	<b>FORM OF NOTICES AND DOCUMENTS</b>	55
165.	<b>METHODS OF GIVING NOTICES AND DOCUMENTS TO MEMBERS</b>	55
166.	<b>NOTICE BY ADVERTISEMENT</b>	55
169.	<b>WEBSITE PUBLICATION BY COMPANY</b>	56
167.	<b>EVIDENCE OF SERVICE</b>	56
171.	<b>PERSONS BECOMING ENTITLED TO SHARES TO BE BOUND BY NOTICES</b>	57
172.	<b>THE GIVING OF NOTICES OR DOCUMENTS TO DECEASED OR BANKRUPT MEMBER</b>	57
X.	<b>WINDING-UP</b>	57
170.	<b>DISTRIBUTION OF ASSETS IN SPECIE</b>	57
171.	<b>SALE BY A LIQUIDATOR</b>	57
XI.	<b>INDEMNITIES</b>	58
172.	<b>INDEMNITY TO DIRECTORS AND OTHER OFFICERS</b>	58
173.	<b>SECURITY FOR PERSONAL LIABILITY IN RELATION TO SUMS DUE BY THE COMPANY</b>	58

The [Companies Act 1985](#)

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**A PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

OF

**SHAFTESBURY PLC**

(Adopted by special resolution  
passed on 25 January 2005)

I. **PRELIMINARY**

1. **APPLICATION**

No regulations or articles made pursuant to or set out in any schedule to any statute or any statutory instrument concerning companies apply to the **Company** and the following are the **Company's** articles of association.

2. **INTERPRETATION**

2.1 In these **Articles**, if not inconsistent with the subject or context:

"**1985 Act**" means the [Companies Act 1985](#);

"**Articles**" means these articles of association as from time to time altered in accordance with the **Statutes**;

"**Base Rate**" means the base rate of Barclays Bank PLC (or such other bank as the **Board** may decide) as it stands from time to time;

"**Board**" means the board of **Directors** or the **Directors** present or deemed to be present at a duly convened meeting of the **Directors** at which a quorum is present;

"**Certificated**" or "**Certificated Form**" in relation to a share means that title to the share is recorded on the **Register** as being held in certificated form;

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

"**Communication**" has the meaning given to it in the [Electronic Communications Act 2000](#);

"**Company**" means Shaftesbury PLC registered in England and Wales (registered number 1999238);

"**Connected**", in relation to a **Director**, has the meaning given to it in section 346 of the **1985 Act**;

"**Director**" means a director of the **Company**;

"**Electronic Communication**" has the meaning given to it in the [Electronic Communications Act 2000](#);

"**Employees' Share Scheme**" means a scheme for encouraging or facilitating the holding of shares or debentures in the **Company** by or for the benefit of:

- (a) the in good faith employees or former employees of the **Company**, a holding company or subsidiary of the **Company** or a subsidiary of a holding company of the **Company**; or
- (b) the wives, husbands, widows, widowers or children or step-children under the age of 18 of those employees or former employees;

"**Entitled by Transmission**" in relation to a share means entitled as a consequence of the death or bankruptcy of a **Member** or otherwise by operation of law;

"**Financial Institution**" has the meaning given to it in section 185(4B) of the **1985 Act**;

"**FSA**" means the Financial Services Authority;

"**Holder**" in relation to a share means the **Member** whose name is entered in the **Register** or **Operator Register** as the holder of that share;

"**London Stock Exchange**" means London Stock Exchange plc;

"**Member**" means a **Person** whose name is entered in the **Register** and, if the **Company** is a **Participating Issuer**:

- (a) the **Register** also shows that **Person** as holding shares in the **Company** in **Certificated Form**; or
- (b) the **Operator Register** shows that **Person** as holding shares in the **Company** in **Uncertificated Form**; or
- (c) that **Person** is deemed to be a member of the **Company** by the **Regulations**;

"**Minimum Amount**" means £3.00 or such greater sum as the **Board** may decide being not greater than the maximum sum which the **FSA** may from time to time permit for the purpose;

"**Office**" means the **Company's** registered office;

"**Official List**" means the Official List of the **FSA**;

"**Operator**" means a **Person** approved by the Treasury under the **Regulations** as Operator of a **Relevant System**;

"**Operator Register**" means the **Company's** Operator register of members as required by regulation 20(3) of the **Regulations**;

"**Paid up**" means paid up or credited as paid up in respect of the nominal amount of a share;

"**Participating Issuer**" means a **Person** who has issued a security which is a **Participating Security**;

"**Participating Security**" means a security title to units of which is permitted by an **Operator** to be transferred by means of a **Relevant System**;

"**Record of Uncertificated Shares**" means the record of the entries made in its **Operator Register** as required by regulation 20(6) of the **Regulations**;

"**Register**" means:

- (d) the register of members as required by section 352(1) of the **1985 Act**; or
- (e) if the **Company** is a **Participating Issuer**, the **Company's** issuer register of members as required by regulation 20(2) of the **Regulations**;

"**Regulations**" means the Uncertificated Securities Regulations 2001;

"**Relevant System**" means a computer-based system and procedures, permitted by the **Regulations**, which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters and includes, without limitation, the relevant system of which CRESTCo Limited is the **Operator**;

"**Seal**" means the **Company's** common seal and any official seal permitted to be used by section 39 of the **1985 Act**;

"**Securities Seal**" means the **Company's** official seal permitted to be used by section 40 of the **1985 Act**;

"**Secretary**" means the secretary of the **Company** and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;

"**Statutes**" means the **1985 Act**, the **Regulations** and each Act and statutory instrument for the time being in force concerning companies and affecting the **Company**;

"**United Kingdom**" means Great Britain and Northern Ireland;

"**Uncertificated**" or "**Uncertificated Form**" in relation to a share means that title to the share is recorded on the **Operator Register**, and may, by virtue of the **Regulations**, be transferred by means of a **Relevant System**.

2.2 In these **Articles**, a reference to:

- (a) a section or provision of any of the **Statutes**, if not inconsistent with the subject or context, includes every statutory modification, substitution, amendment, extension or re-enactment of the section or provision for the time being in force;
- (b) a "**Person**" includes an individual, company, corporation or firm; and
- (c) a notice or document in writing does not include a notice or document in writing generated as a result of giving the notice or document by means of an **Electronic Communication**.

2.3 Words and expressions contained in these **Articles** which are not defined in article 2.1 but are defined in the **Statutes** have, unless inconsistent with the subject or context, the same meaning as in the **Statutes** (but excluding any modification of the **Statutes** not in force at the date of adoption of these **Articles**).

2.4 A special or extraordinary resolution is effective for any purpose for which an ordinary resolution is expressed to be required under these **Articles**. A special resolution is also effective for any purpose for which an extraordinary resolution is expressed to be required.

- 2.5 Where, in relation to a share, these **Articles** refer to a **Relevant System**, the reference is to the **Relevant System** in which that share is a **Participating Security** at the relevant time.
- 2.6 The headings in these **Articles** do not affect the construction of these **Articles**.

## II. CAPITAL

### A. ISSUES AND RIGHTS

#### 3. AUTHORISED SHARE CAPITAL

The **Company's** authorised capital at the date of the adoption of these **Articles** is £50,000,000 divided into 200,000,000 ordinary shares of 25p each.

#### 4. PURCHASE AND REDEMPTION OF THE COMPANY'S SHARES

- 4.1 Subject to the **Statutes** and the rights attached to any existing shares, a share may be issued on the terms that it is, or at the option of the **Company** or the **Holder** of the share, is liable to be redeemed.
- 4.2 Subject to the **Statutes** and these **Articles**, the **Company** may purchase any of its own shares of any class (including, without limitation, any redeemable shares) in any way and at any price (whether above, at or below par).

#### 5. FINANCIAL ASSISTANCE FOR THE ACQUISITION OF THE COMPANY'S SHARES

Except to the extent prohibited by the **Statutes** or by law, the **Company** may, in accordance with the **Statutes**, give financial assistance directly or indirectly for the purpose of:

- (a) the acquisition or proposed acquisition of any shares in the **Company** or a body corporate of which it is a subsidiary; or
- (b) reducing or discharging a liability incurred by a **Person** for the purpose of acquiring any shares in the **Company** or a body corporate of which it is subsidiary.

#### 6. ISSUE OF SHARES WITH SPECIAL RIGHTS

Subject to the **Statutes** and (while any of the **Company's** shares are admitted to the **Official List**) the rules of the **FSA** and without prejudice to any rights attached to any existing shares or class of shares, a share may be issued with such rights or restrictions as the **Company** may by ordinary resolution decide or, failing that decision, as the **Board** may decide.

#### 7. VARIATION OF RIGHTS ATTACHING TO SHARES

Subject to the **Statutes**, the rights attached to a class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied with the written consent of the **Holders** of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of an extraordinary resolution passed at a separate meeting of the **Holders** of the shares of that class. All the provisions of these **Articles** relating to general meetings of the **Company** apply to such a separate meeting, except that:

- (a) the quorum is a **Holder** or  **Holders** of shares of that class present in person or by proxy holding not less than one-third in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares);
- (b) the quorum at an adjourned meeting is a **Holder** of shares of that class who is present in person or by proxy;
- (c) any **Holder** of shares of that class present in person or by proxy may demand a poll; and
- (d) on a poll, each **Holder** of shares of that class has one vote for each share of that class held by him.

## 8. **RIGHTS NOT VARIED BY AN ISSUE OF FURTHER SHARES OF THE CLASS**

The rights attached to a class of shares are not (unless otherwise expressly provided by the rights attached to those shares) deemed to be varied by the creation or issue of further shares ranking *pari passu* with or subsequent to them but in no respect in priority to them.

## 9. **DISQUALIFICATION FROM VOTING AND OTHER MATTERS**

9.1 A **Member** may not in respect of any share held by him vote (personally or by proxy) at any general meeting or at any separate meeting of the  **Holders** of any class of shares or exercise any other right conferred by membership in relation to such a meeting unless all calls or other sums presently payable by him in respect of shares in the **Company** have been paid or the **Board** otherwise decides.

9.2 If at any time the **Board** is satisfied that any **Member**, or any other **Person** appearing to be interested in shares held by that **Member**, has been properly served with a notice under section 212 of the **1985 Act** (a "**Section 212 Notice**") and is in default at the end of the time specified in that notice by not supplying to the **Company** the information required by that notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, the **Board** may, in its absolute discretion, at any time by notice to the **Member** (a "**Direction Notice**") direct:

- (a) that in respect of the shares in relation to which the default has occurred (the "**Default Shares**") which expression includes any shares issued after the date of the **Section 212 Notice** in respect of those shares and with effect from the later of the date of service of the **Direction Notice** and the date falling 14 days after service of the **Section 212 Notice** (the later date being the "**Suspension Date**"), the **Member** may not attend or vote (personally or by proxy) at any general meeting or at any separate meeting of the  **Holders** of any class of shares or exercise any other rights conferred by membership in relation to such a meeting until the **Direction Notice** ceases to have effect pursuant to article 9.6; and
- (b) if the **Default Shares** represent, at the date of the **Direction Notice**, at least 0.25% of the nominal value of the issued shares of their class (excluding any shares of their class held as treasury shares), that during the period starting on the **Suspension Date** and ending on the date the **Direction Notice** ceases to have effect:
  - (i) the **Company** may retain any dividend (including, without limitation, shares issued instead of a dividend) or other amount which would otherwise be payable on the **Default Shares** (without the **Company** being liable to pay interest on the dividend or other amount) and the acceptance of an offer made by the **Company** under article 153 in respect of any dividend has no effect;

- (ii) subject to the **Statutes**, no transfer of any of the **Default Shares** is to be registered unless:
  - (1) the **Member** is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the **Member** in such form as the **Board** may in its absolute discretion require to the effect that after due and careful enquiry the **Member** is satisfied that no **Person** in default as regards supplying such information is interested in any of the shares the subject of the transfer
  - (2) the transfer is an approved transfer; or
  - (3) if the **Default Shares** are in **Uncertificated Form**, registration of the transfer is required by regulation 27 of the **Regulations**,

and to give effect to article 9.2(b)(ii), the **Company** (without having to notify the **Member**) may notify the **Operator**, in accordance with the **Regulations**, that it requires the conversion of any **Default Shares** which are in **Uncertificated Form** into **Certificated Form**.

- 9.3 The **Company** must send a copy of the **Direction Notice** to each other **Person** appearing to be interested in the **Default Shares** if the address of that **Person** has been notified to the **Company**, but the **Company's** failure or omission to do so does not invalidate that notice.
- 9.4 Any new shares of the **Company** issued in right of any **Default Shares** are also to be subject to the **Direction Notice**. The **Board** may make any right to an allotment of the new shares subject to restrictions corresponding to those which are to apply to the new shares by reason of the **Direction Notice** when the new shares are issued. For this purpose, shares which the **Company** procures to be offered or appropriated to **Holders** of shares in proportion to their respective holdings (or in proportion ignoring fractional entitlements, treasury shares and shares not offered to certain shareholders by reason of legal, regulatory or practical problems associated with offering shares outside the **United Kingdom**) are to be treated as shares issued in right of **Default Shares**.
- 9.5 A **Person** on whom a **Direction Notice** has been served may give the **Directors** a notice containing representations concerning the **Direction Notice**. The **Company** and the **Directors** are not liable to any **Person** as a result of the **Directors** having imposed restrictions or failed to decide that restrictions are to cease to apply if the **Directors** have acted in good faith.
- 9.6 A **Direction Notice** ceases to have effect after a period specified by the Board (not exceeding seven days) following the earlier of the date:
  - (a) when the **Company** has received a document containing all information it requires pursuant to a **Section 212 Notice** in respect of the **Default Shares**;
  - (b) when the **Company** is notified that an approved transfer to a third party has occurred; or
  - (c) when the **Board** decides (if and to the extent that it does so).
- 9.7 For the purposes of this article, a **Person** is to be treated as appearing to be interested in any shares if the **Member** holding the shares has notified the **Company** under section 212 of the **1985 Act** that the **Person** is interested or if the **Company** (after taking into account that notification and any other notification under the **Statutes** or any relevant information otherwise available to the **Company**) knows or has reasonable cause to believe that the **Person** is, or may be, interested in the shares, and so that a reference to

**Persons** interested in shares and to interests in shares are to be construed in accordance with section 212(5) of the **1985 Act**.

9.8 For the purposes of this article, a transfer is an approved transfer if:

- (a) the transfer results from a sale made through a recognised investment exchange for the purposes of the [Financial Services and Markets Act 2000](#) or any stock exchange outside the **United Kingdom** on which the **Company's** shares (or rights in respect of the **Company's** shares) are normally traded;
- (b) it is a transfer of shares to an offeror by way of acceptance of or in connection with a takeover offer (as defined for the purposes of Part XIII A of the **1985 Act**); or
- (c) the **Board** is satisfied that:
  - (i) the transfer of any of the **Default Shares** is made pursuant to a sale of the whole of the beneficial ownership in those shares to a transferee who, in the **Board's** opinion, is not connected with the transferor or with any other **Person** appearing to be interested in those shares before the transfer;
  - (ii) the transferee does not hold any shares in respect of which a **Direction Notice** is then in force or is a **Person** appearing to be interested in any of those shares; and
  - (iii) it does not have reasonable grounds to believe that the transferor or any other **Person** appearing to be interested in the shares the subject of the transfer will after the transfer have any interest in those shares.

9.9 The **Company** may give a notice pursuant to section 212 of the **1985 Act** or this article in accordance with articles 166 and 167.

9.10 For the purposes of this article, a reference to a **Person** being in default by not supplying to the **Company** the information required by a **Section 212 Notice** includes a reference to a **Person** having:

- (a) failed or refused to supply all or part of the information; or
- (b) supplied information which the **Person** knows to be false in a material respect or having recklessly supplied information which is false in a material respect.

9.11 None of the provisions contained in this article in any way limits or restricts the **Company's** rights under sections 212 and 216 of the **1985 Act** or any order made by the court under section 216 of the **1985 Act**.

9.12 The **Company** is not, by virtue of anything done for the purposes of this article, to be affected with notice of, or put on enquiry as to, the rights of any **Person** in relation to any share.

## B. ALLOTMENTS

### 10. ALLOTMENT OF SHARES

10.1 In this article:

- (a) "**Rights Issue**" means an offer (whether expressed to be by way of rights, or otherwise) of equity securities to **Holders** of relevant shares and relevant employee shares in proportion (as nearly as may be) to their respective holdings of those shares, but subject to such exclusions or other arrangements as the

**Board** considers necessary or expedient in relation to fractional entitlements or legal or practical problems arising in respect of overseas shareholders or under the laws of, or the requirements of a regulatory body or stock exchange or other authority in, any territory;

- (b) "**Section 80 Period**" means initially, either the 15 month period from the date of adoption of these **Articles** or the period from the date of adoption of these **Articles** until the next annual general meeting, whichever ends first, and after that means any period (not exceeding five years) for which the authorities conferred by article 10.2 are stated to apply or for which they have been renewed by an ordinary or special resolution of the **Company** which specifies the **Section 80 Amount**;
  - (c) "**Section 89 Period**" means initially, either the 15 month period from the date of adoption of these **Articles** or the period from the date of adoption of these **Articles** until the next annual general meeting, whichever ends first, and after that means any period (not exceeding five years) for which the powers conferred by article 10.3 are stated to apply by a special resolution of the **Company** stating the **Section 89 Amount**;
  - (d) "**Section 80 Amount**" for the first **Section 80 Period** (as specified in article 10.1(b)) is the lower of an aggregate nominal value of £11,000,000 and one third of the issued and unconditionally allotted share capital of the **Company** and for any other **Section 80 Period** is the amount specified as such in the relevant ordinary or special resolution of the **Company**;
  - (e) "**Section 89 Amount**" for the first **Section 89 Period** (as specified in article 10.1(c)) is the lower of an aggregate nominal value of £1,650,000 and five per cent. of the issued and unconditionally allotted share capital of the **Company** and for any other **Section 89 Period** is the amount specified as such in the relevant special resolution of the **Company** or such greater amount as the **Company** by special resolution may from time to time decide; and
  - (f) the nominal amount of any securities is, in the case of rights to subscribe or exchange securities for or to convert any securities into shares of the **Company**, the nominal amount of those shares which may be allotted pursuant to those rights.
- 10.2 Pursuant to and in accordance with section 80 of the **1985 Act**, the **Board** is generally and unconditionally authorised to exercise during each **Section 80 Period** all the **Company's** powers to allot, and to make offers or agreements to allot, relevant securities up to a nominal amount equal to the **Section 80 Amount**.

10.3 The **Board** is authorised to:

- (a) allot equity securities wholly for cash pursuant to and within the terms of the authority conferred by article 10.2; and
- (b) sell equity securities wholly for cash which before the sale were held by the **Company** as treasury shares,

as if section 89(1) of the **1985 Act** did not apply to that allotment or sale:

- (c) in connection with a **Rights Issue**, up to a total nominal amount equal to the sum of:
  - (i) the **Section 80 Amount**; and
  - (ii) the nominal value of the equity securities referred to in article 10.3(b); and

- (d) other than in connection with a **Rights Issue** and during the **Section 89 Period**, up to a total nominal amount equal to the **Section 89 Amount**.
- 10.4 The **Board** may during the **Section 80 Period** or the **Section 89 Period** make offers or agreements which would or might require the allotment or sale of relevant securities or equity securities after the expiry of the relevant period and may allot or sell those securities pursuant to those offers or agreements.
- 10.5 The authorities granted in respect of the first **Section 80 Period** and the first **Section 89 Period** are in addition to any existing authority (whether contained in articles of association or granted by any resolution of the **Company**) and no allotment, offer or agreement to allot or sell made pursuant to such an authority is revoked by the adoption of these **Articles**.
- 10.6 The **Board** may at any time after the allotment of any share but before any **Person** has been entered in the **Register** in respect of shares in **Certificated Form** as the holder:
- (a) 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 renunciations; and/or
- (b) allow the rights represented thereby to be one or more **Participating Securities**
- in each case upon and subject to such terms and conditions as the **Board** may think fit to impose.
11. **POWER TO PAY COMMISSION AND BROKERAGE**
- 11.1 In addition to all other powers of paying commissions, the **Company** (or the **Board** on the **Company's** behalf) may exercise the powers conferred by section 97 of the **1985 Act** of paying commissions to **Persons** subscribing or procuring subscriptions for shares (including the sale of treasury shares) of the **Company** (including the sale of treasury shares for cash), or agreeing to do so whether, in any case, absolutely or conditionally.
- 11.2 The **Company** (or the **Board** on the **Company's** behalf) may on any issue of shares for cash pay lawful brokerage.
- 11.3 Subject to the **Statutes**, commissions or brokerage may be satisfied (wholly or partly) in cash or by the allotment and issue of fully or partly **Paid up** shares.
12. **TRUSTS IN RELATION TO SHARES NOT TO BE RECOGNISED**
- 12.1 Except as required by law, the **Company** may not recognise a **Person** as holding a share on trust.
- 12.2 Except as required by these **Articles** or by law, the **Company** is not bound by or required to recognise (even if it has notice of it) an equitable, contingent, future or partial interest in a share (or a fractional part of a share) or any other right in respect of a share other than an absolute right in the registered **Holder** to the whole of the share.
13. **ISSUE OF SHARE WARRANTS TO BEARER**
- 13.1 The **Company** may, with respect to any fully **Paid up** shares (excluding any shares held as treasury shares) which are in **Certificated Form**, issue under the **Seal** or **Securities Seal** a warrant stating that the bearer of the warrant is entitled to the shares specified in it. The **Company** may provide (by coupons or otherwise) for the payment of future dividends on the shares included in the warrant.

- 13.2 Notwithstanding article 140, a warrant is not required to be signed or countersigned and the method or system of sealing (if required) and signature (if any) of warrants is the same as that for shares certificates under article 15.
- 13.3 The bearer of a warrant will be subject to the conditions for the time being in force in relation to the warrant, whether made before or after the issue of the warrant.
- 13.4 A warrant or coupon which is damaged, defaced, worn out or alleged to have been lost, stolen or destroyed, may be replaced on such terms (if any) as to evidence and indemnity and payment of any exceptional out-of-pocket expenses incurred by the **Company** in investigating the evidence and preparing the indemnity as the **Board** may decide but otherwise free of charge. A warrant or coupon which is damaged, defaced or worn-out, will only be replaced on delivery up of the old warrant or coupon. A warrant or coupon which is alleged to have been lost, stolen or destroyed, will only be replaced if the **Board** is satisfied beyond reasonable doubt that the original has been lost, stolen or destroyed, as the case may be.
- 13.5 The **Company** may destroy a warrant or coupon surrendered to it after the expiration of one year from the date of surrender.

C. **EVIDENCE OF TITLE**

14. **UNCERTIFICATED SHARES**

- 14.1 Subject to the **Regulations**, the **Board** (without consulting the **Holders** of any class of shares) may resolve that:
- (a) a class of shares is to become a **Participating Security**;
  - (b) shares in a class of shares referred to in article 14.1(a) may only be held in **Uncertificated Form** and title to them may only be transferred by means of a **Relevant System** until the **Board** decides otherwise; and
  - (c) a class of shares is to cease to be a **Participating Security**.
- 14.2 Subject to the **Regulations** and the facilities and requirements of the **Relevant System**, the **Board** may implement any arrangements in relation to the holding of shares of a class which is a **Participating Security** in **Uncertificated Form** and the transfer of title to shares of that class by means of a **Relevant System**.
- 14.3 Subject to the **Regulations** and the facilities and requirements of the **Relevant System**, a **Member** may change a share of a class which is a **Participating Security** from a **Certificated** share to an **Uncertificated** share and vice versa.
- 14.4 While a class of shares is a **Participating Security**, these **Articles** only apply to an **Uncertificated** share of that class to the extent that they are consistent with the holding of shares of that class in **Uncertificated Form**, the transfer of title to shares of that class by means of a **Relevant System** and the **Regulations**.
- 14.5 While a class of shares is a **Participating Security**, the **Company** must maintain the **Register** and the **Record of Uncertificated Shares** in accordance with the **Regulations** and the **Relevant System**.
- 14.6 Notwithstanding any provision of these **Articles**, a class of shares is not to be treated as two classes by virtue only of that class comprising both shares in **Certificated Form** and **Uncertificated Form** or as a result of any provision of these **Articles** or the **Regulations** applying only in respect of shares in **Certificated Form** or **Uncertificated Form**.

15. **FORM OF SHARE CERTIFICATE AND METHOD OF SEALING**

- 15.1 A share certificate must be issued under the **Seal** or the **Securities Seal** or signed (whether personally or otherwise and including, without limitation, by facsimile signature, howsoever applied) by a **Director** and the **Secretary** or by two **Directors**. Notwithstanding article 151, a certificate is not required to be signed or countersigned.
- 15.2 A certificate must specify the number and class of shares to which it relates and the amount **Paid up** on those shares. A certificate may not be issued representing shares of more than one class.
- 15.3 While all the issued shares (excluding any shares held as treasury shares), or all the issued shares of a particular class (excluding any shares held as treasury shares), are fully **Paid up** and rank pari passu for all purposes, none of those shares may bear a distinguishing number.
- 15.4 The method or system of affixing the **Seal** or the **Securities Seal** to share certificates may, if the **Board** decides, be controlled by, or the certificates be approved for sealing by, the **Company's** auditors, bankers or registrars.
- 15.5 If permitted by the **Statutes** and (while any of the **Company's** shares are admitted to the Official List) the rules of the **FSA**, any signature, any representation of a signature, the **Seal**, the **Securities Seal** or any representation of the **Seal** or the **Securities Seal** may be made, produced or affixed to a certificate by any mechanical, electronic, laser or other means approved by the **Board**.

16. **MAXIMUM NUMBER OF JOINT HOLDERS**

The **Company** is not bound to register more than four **Persons** as the joint **Holders** of any share and in the case of a share held jointly by several **Persons** the **Company** is not bound to issue more than one certificate for the share and delivery of a certificate to one of the joint **Holders** is sufficient delivery to all.

17. **PERIOD FOR THE ISSUE OF SHARE CERTIFICATES**

- 17.1 Each **Person** whose name is entered as a **Member** in the **Register** (except a **Financial Institution** and any other **Person** in respect of whom the **Company** is not by law required to complete and have ready for delivery a certificate) is entitled to one certificate for all the **Certificated** shares of any one class registered in his name on the payment of such reasonable sum as the **Board** may decide.
- 17.2 A certificate to which a **Person** is entitled by article 17.1 must be delivered:
- (a) in the case of issue, within one month after allotment (or such longer period as the terms of issue provide);
  - (b) in the case of a transfer of fully paid shares, within 14 days after lodgement of the relevant instrument of transfer; or
  - (c) in the case of a transfer of partly-paid shares, within two months after lodgement of the relevant instrument of transfer.

18. **BALANCE CERTIFICATES**

If part of the shares comprised in a share certificate are transferred, the old certificate must be cancelled and a new certificate for the balance of those shares in **Certificated Form** issued without charge.

19. **ISSUE OF REPLACEMENT CERTIFICATES**

- 19.1 If a **Member** holds two or more certificates for shares of one class, the **Board** may at the request of the **Member** given in accordance with article 166, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for those shares.
- 19.2 At the request of a **Member** given in accordance with article 166, the **Board** may cancel a certificate for shares and issue two or more replacement certificates for those shares in such proportion as the **Member** specifies, on surrender of the original certificate and on payment of such reasonable out-of-pocket expenses as the **Board** may decide.
- 19.3 A share certificate which is damaged, defaced, worn out or alleged to have been lost, stolen or destroyed, may be replaced on such terms (if any) as to evidence and indemnity and payment of exceptional out-of-pocket expenses incurred by the **Company** in investigating the evidence and preparing the indemnity as the **Board** may decide but otherwise free of charge. A certificate which is damaged, defaced or worn-out may only be replaced on delivery up of the old certificate.
- 19.4 Any of the joint **Holders** of a share may make a request under article 19.1 or 19.2.

20. **CERTIFICATES FOR DEBENTURES AND OTHER SECURITIES**

The provisions of these **Articles** relating to certificates apply, with all necessary modifications and adaptations, to certificates for debentures, debenture stock and any other securities comprising the **Company's** share or loan capital as they apply to certificates for shares, except that article 18 does not apply to warrants to bearer or bearer certificates.

D. **LIEN**

21. **LIEN ON PARTLY-PAID SHARES**

- 21.1 The **Company** has a first and paramount lien on each share (other than a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of the share. The lien extends to all dividends or other amounts payable in respect of the share.
- 21.2 The **Company's** lien on a share applies:
- (a) whether before or after notice to the **Company** of any equitable or other interest of any **Person** other than the registered **Holder** or **Holders** of the share; and
  - (b) notwithstanding that the amount is a joint debt or liability of the **Holder** or his estate and another **Person** whether a **Member** or not.
- 21.3 The **Board** may at any time (generally or in a particular case) waive any lien or declare a share to be wholly or partly exempt from the provisions of this article.

22. **ENFORCEMENT OF LIEN BY A SALE OF SHARES**

- 22.1 The **Company** may sell, in such manner as the **Board** decides, a share on which the **Company** has a lien if an amount in respect of which the lien exists is presently payable and is not paid within 14 **Clear Days** after notice has been given to the registered **Holder** of the share or the **Person Entitled by Transmission** to it, demanding payment and stating that if the notice is not complied with the share may be sold.

22.2 To give effect to such a sale the Board may authorise any **Person** to execute an instrument of transfer of the shares sold to or in accordance with the direction of the buyer. If the share is an **Uncertificated** shares, the **Board** may exercise any of the **Company's** powers to effect the sale of the share, to or in accordance with the direction of the buyer.

22.3 The buyer is not bound to see to the application of the purchase money and his title to the shares is not affected by any irregularity in or invalidity of the procedure or manner of the sale.

### 23. **APPLICATION OF PROCEEDS**

The net proceeds of the sale, after payment of the costs of sale, must be applied in or towards payment or satisfaction of so much of the amount in respect of which the lien exists as is presently payable. Any residue must (subject to a like lien for any amount not presently payable as existed on the shares before the sale and, if the share sold is a **Certificated** share, on surrender to the **Company** for cancellation of the certificate for the shares sold) be paid to the **Person** entitled to the shares at the time of the sale.

## E. **CALLS ON SHARES**

### 24. **BOARD MAY MAKE CALLS**

24.1 Subject to the terms of allotment, the **Board** may from time to time make calls on the **Members** in respect of any amount unpaid on their shares, whether in respect of nominal value or premium. Each **member** must (subject to receiving at least 14 **Clear Days'** notice specifying the amount called and 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.

24.2 A call may be required to be paid by instalments.

24.3 A call may, at any time before receipt by the **Company** of an amount due under the call, be revoked (wholly or partly) and payment of a call may be postponed (wholly or partly) as the **Board** may decide.

24.4 A **Person** on whom a call is made remains liable for calls made on him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

### 25. **WHEN A CALL IS DEEMED TO BE MADE**

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

### 26. **LIABILITIES OF JOINT HOLDERS**

The joint **Holders** of a share are jointly and severally liable to pay all calls in respect of it.

### 27. **INTEREST ON UNPAID CALLS**

If an amount called in respect of a share or an amount payable on a share under the terms of allotment is not paid before or on the day appointed for payment of the amount, the **Person** from whom the amount is due must pay:

- (a) interest on the amount from the day appointed for payment of the amount to the time of actual payment at the rate per annum of 3% above the **Base Rate** or at such lesser rate as the **Board** may decide; and

- (b) all expenses which the **Company** incurs or becomes liable for in order to ensure payment of, or in consequence of the non-payment of, the amount but the **Board** may waive (wholly or partly) payment of that interest or those expenses.

28. **AMOUNTS PAYABLE ON ALLOTMENT OR AT ANY FIXED TIME DEEMED TO BE A CALL**

An amount or any non-cash consideration which by the terms of allotment of a share or pursuant to the **Statutes** is or becomes payable on allotment or at a fixed date after allotment, whether in respect of nominal value or premium, is for the purposes of these **Articles** deemed to be a call properly made and payable on the date on which, by the terms of allotment or pursuant to the **Statutes**, it becomes payable. In the case of non-payment of such an amount all relevant provisions of these **Articles** as to payment of interest, expenses, forfeiture or otherwise apply as if the amount had become payable by virtue of a call properly made and notified.

29. **BOARD'S POWER TO DIFFERENTIATE REGARDING CALLS**

The **Board** may make arrangements on the issue of shares which differentiate between the  **Holders** in the amount called to be paid and in the times of payment.

30. **PAYMENT UP OF SHARES IN ADVANCE OF CALLS**

The **Board** may receive from a **Member** all or part of the amount unpaid on a share held by him beyond the amounts actually called up on the share as a payment in advance of calls. A payment in advance of calls extinguishes, so far as it extends, the liability on the share in respect of which it is advanced. The **Company** may pay interest on the amount so received, or so much of it as from time to time exceeds the amount of the calls then made and payable on the share in respect of which it has been received, at such rate not exceeding the **Base Rate** (unless the **Company** by ordinary resolution decides otherwise) as the **Member** and the **Board** agree.

F. **TRANSFERS OF SHARES**

31. **TRANSFER OF CERTIFICATED SHARES**

31.1 A transfer of a share in **Certificated Form** must be effected by transfer in writing in any usual or common form or in any other form which the **Board** may approve.

31.2 The instrument of transfer of a share in **Certificated Form** must be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

31.3 A transfer need not be under seal. However, a transfer by a corporation must be under seal unless the **Board** decides to recognise a transfer under hand by a person properly authorised to sign on the corporation's behalf.

32. **TRANSFER OF UNCERTIFICATED SHARES**

A transfer of a share in **Uncertificated Form** must be made in accordance with and subject to the **Regulations** and the facilities and requirements of the **Relevant System** and in accordance with any arrangements made by the **Board** pursuant to article 14.

33. **NO REGISTRATION FEES PAYABLE**

The **Company** may not charge a fee on the registration of a transfer of a share, or of any probate, letters of administration, certificate of death or marriage, power of attorney, stop notice or other instrument relating to or affecting the title to a share or otherwise for

making any entry in the **Register** or **Record of Uncertificated Shares** affecting the title to a share.

34. **WHEN TRANSFEREE BECOMES HOLDER**

The transferor of a share is deemed to remain the **Holder** of the share until the transferee's name is entered in the **Register** or **Operator Register** in respect of the share.

35. **GENERAL CONDITIONS AS TO REGISTRATION OF TRANSFERS OF CERTIFICATED SHARES**

35.1 The **Board** may refuse to register a transfer of a **Certificated** share, unless the instrument of transfer:

- (a) is duly stamped (if stampable) and is lodged at the **Office** or such other place as the **Board** may prescribe and is accompanied by the certificate for the share to which it relates and such other evidence as the **Board** may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by a **Person** on the transferor's behalf, the authority of that **Person** to do so);
- (b) is in respect of only one class of share; and
- (c) is in favour of not more than four transferees jointly.

35.2 In the case of a transfer of a **Certificated** share executed by a **Financial Institution**, the lodgement of a certificate for the share or other evidence as required by article 35.1 is only required if a certificate has been issued in respect of the share.

36. **BOARD'S POWER TO REFUSE TO REGISTER CERTAIN TRANSFERS OF CERTIFICATED SHARES**

36.1 In addition to its powers under article 9, the **Board** may, in its absolute discretion and without giving a reason, refuse to register the transfer of a **Certificated** share which is not fully paid or the transfer of a **Certificated** share on which the **Company** has a lien. If that share has been admitted to the Official List, the **Board** may not refuse to register the transfer if this would prevent dealings in the **Company's** shares from taking place on an open and proper basis.

36.2 If the **Board** refuses to register a transfer of a **Certificated** share, it must send to the transferee notice of the refusal and (except in the case of fraud or suspected fraud) return the instrument of transfer and any accompanying certificate to the **Person** presenting those documents within two months after the date on which the transfer was lodged with the **Company**.

36.3 Subject to the **Statutes** and in exceptional circumstances approved by the **FSA**, the **Board** may refuse to register a transfer of a share (including, without limitation, a fully paid share) if the refusal does not disturb the market in the **Company's** shares.

37. **TEMPORARY SUSPENSION OF THE REGISTRATION OF TRANSFERS**

Subject to the **Statutes**, and, if necessary, the **Operator's** consent, the registration of transfers of shares or of a class of shares or of any other class of security in the **Company's** share or loan capital may be suspended at such times and for such periods (not exceeding 30 days in any year) as the **Board** may decide.

38. **RETENTION OF TRANSFERS AND DESTRUCTION OF DOCUMENTS**

38.1 Subject to articles 36.2 and 38.2, the **Company** may retain each instrument of transfer which is registered.

38.2 Subject to article 38.4, the **Company** may destroy:

- (a) each instrument of transfer which has been registered, at any time after the expiration of six years from the date of its registration;
- (b) each share certificate which has been cancelled or ceased to have effect, at any time after the expiration of one year from the date of its cancellation or cessation;
- (c) each notification of change of name or address and each dividend mandate, at any time after the expiration of two years from the date of recording of the information in the notification or mandate;
- (d) each other document in respect of which an entry on the **Register** or **Record of Uncertificated Shares** is made, at any time after the expiration of six years from the date on which the entry was first made; or
- (e) each paid dividend warrant or cheque at any time after the expiration of one year from the date of actual payment of the warrant or cheque.

38.3 It is conclusively presumed in the **Company's** favour that:

- (a) each entry in the **Register** or **Record of Uncertificated Shares** purporting to have been made in respect of an instrument of transfer or other document destroyed in accordance with article 38.2, was properly made and that such an instrument was valid and effective and properly registered;
- (b) each certificate destroyed in accordance with article 38.2 was valid and effective and properly cancelled; and
- (c) each entry in the **Company's** books or records purporting to have been made in respect of any other document destroyed in accordance with article 38.2, was properly made and that document was valid and effective.

38.4 Article 38.2 and 38.3 only apply to the destruction of a document in good faith and without express notice to the **Company** that the preservation of the document is relevant to a claim (regardless of the parties to the claim).

38.5 Nothing in this article is to be construed as imposing on the **Company** a liability in respect of the destruction of a document earlier than as specified in article 38.2 or if article 38.4 has not been complied with.

38.6 If the **Company** destroys a document in accordance with this article, it may delete any information stored electronically which relates to information which is contained in that document.

38.7 In this article, a reference to the destruction of a document includes a reference to the disposal of the document in any manner.

38.8 This article applies, with all necessary modifications and adaptations, to each instrument of transfer, notification of change of name or address and mandate relating to, and each certificate representing, debentures and any other securities in the **Company's** share or loan capital as it applies to instruments of transfer of, and certificates for, and other documents relating to, shares.

### 39. **RENUNCIATION OF ALLOTMENT PERMITTED**

Nothing in these **Articles** precludes the **Board** from recognising a renunciation of the allotment of a share by the **Allottee** in favour of some other **Person** (or **Persons** jointly not exceeding four in number) before any **Person** has been entered in the **Register** or

**Operator Register** in respect of the share and subject to such terms and conditions as the Board may impose. In this article, "**Allottee**" includes provisional allottee and any **Person** in whose favour an allotment has been previously renounced.

G. **TRANSMISSION OF SHARES**

40. **DEATH OF A MEMBER**

If a **Member** dies, the survivor or survivors where the deceased was a joint **Holder**, or the legal personal representatives of the deceased where he was a sole or the only surviving **Holder**, are the only **Persons** recognised by the **Company** as having any title to his interest. Nothing in this article releases the estate of a deceased **Member** from any liability in respect of a share jointly or solely held by him.

41. **PERSON BECOMING ENTITLED BY TRANSMISSION MAY BE REGISTERED**

Subject to these **Articles** and the **Statutes** and, in the case of an **Uncertificated** share, to the facilities and requirements of the **Relevant System**, a **Person** becoming **Entitled by Transmission** to a share, may on production of such evidence as to his title as the **Board** may properly require, elect either to be registered himself as the **Holder** of the share or to have another **Person** nominated by him registered as the transferee of the share. If he elects to be registered himself he must notify the **Company** in writing of that election. If he elects to have another **Person** registered and the share is in **Certificated Form**, he must execute an instrument of transfer of the share to that **Person**. If he elects to have himself or another **Person** registered and the share is in **Uncertificated Form**, he must take such action as the **Board** requires to enable himself or that **Person** to be registered as the **Holder** of the share. All of the provisions of these **Articles** relating to the transfer of shares apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the **Member** and the death or bankruptcy of the **Member** or other event giving rise to the transmission had not occurred.

42. **ELECTION REQUIRED**

The Board may at any time give notice to a **Person Entitled by Transmission** to a share requiring that **Person** to elect either to be registered himself or to transfer the share. If that **Person** does not comply with the notice within 60 days, the **Board** may after the expiration of that period:

- (a) withhold payment of any dividend or other amount payable in respect of the share (but that action does not constitute the **Company** a trustee in respect of such a dividend or other amount) and suspend any other advantages to which the **Person** would otherwise be entitled in respect of the share until the requirements of the notice have been complied with; and
- (b) sell the share at the best price reasonably obtainable in such manner as the **Board** decides in accordance with article 52.

43. **RIGHTS OF PERSONS ENTITLED BY TRANSMISSION TO A SHARE**

Except as otherwise provided by these **Articles**, a **Person** becoming **Entitled by Transmission** to a share is (on production of such evidence as to his title as the **Board** may properly require) entitled to:

- (a) the same dividends and other amounts payable in respect of the share and may give a good discharge for those dividends or other amounts; and
- (b) all other advantages to which he would be entitled if he were the registered **Holder** of the share but he is not, before being registered as a **Member** in respect

of the share, entitled in respect of it to receive notice of, or to attend or vote at, meetings of the **Company** or to exercise any rights conferred by membership in relation to meetings of the **Company**.

H. **FORFEITURE OF SHARES**

44. **SERVICE OF NOTICE REQUIRING PAYMENT OF UNPAID CALLS**

If a **Member** (or a **Person Entitled by Transmission** to a share) fails to pay the whole or any part of a call or instalment of a call before or on the day appointed for its payment, the **Board** may at any time after that, while any part of the call or instalment remains unpaid, give the **Member** or **Person** notice requiring payment of so much of the call or instalment as is unpaid and any interest which may have accrued and any expenses incurred by the **Company** by reason of the non-payment.

45. **CONTENTS OF NOTICE REQUIRING PAYMENT OF UNPAID CALLS**

The notice must:

- (a) specify a day (not earlier than 14 days from the date of delivery of the notice) on or before which and the place where the payment required by the notice is to be made; and
- (b) state that if the notice is not complied with, the shares on which the call has been made or instalment is payable are liable to be forfeited.

46. **FORFEITURE OF SHARES**

If the notice is not complied with, any share in respect of which the notice has been given may, at any time before the payment of all amounts required by the notice, be forfeited by a resolution of the **Board**. The forfeiture includes any dividends which have been declared on the forfeited share and not paid before the forfeiture and any dividends on that share which have been declared and paid but which have not been claimed by the payee before the forfeiture. The **Board** may accept the surrender of a share liable to be forfeited and, in such a case, a reference in these **Articles** to forfeiture includes surrender.

47. **SERVICE OF NOTICE OF FORFEITURE AND REGISTRATION**

If a share is forfeited, the **Board** must give notice of the forfeiture to the **Person** who was before the forfeiture the registered **Holder** of the share (or the **Person Entitled by Transmission** to the share). An entry must be made forthwith in the **Register** opposite the entry in respect of the share showing that notice has been given, that the share has been forfeited and the date of the forfeiture. A forfeiture is not invalidated by an omission or neglect to give that notice or make those entries.

48. **SALE OF FORFEITED SHARES**

48.1 A forfeited share becomes the **Company's** property.

48.2 During the period of three years starting on the day before the date of forfeiture of the share, the **Company** may sell, re-allot (subject to these **Articles**) or otherwise dispose of the share on such terms and in such manner as the **Board** decides either to the **Person** who was before the forfeiture the **Holder** of the share or the **Person Entitled by Transmission** to the share or to any other **Person**. At any time before such a sale, re-allotment or disposal, the forfeiture may be cancelled on such terms as the **Board** decides.

- 48.3 The **Board** may, if necessary, authorise a **Person** to transfer a forfeited share to any other **Person**.
- 48.4 If during the period of three years starting on the day before the date of forfeiture of a share it has not been sold, re-allotted or otherwise disposed, the **Board** must:
- (a) before the expiration of that period cancel the share;
  - (b) diminish the amount of the authorised and issued share capital by the nominal amount of the share; and
  - (c) comply with sections 146 to 148 of the **1985 Act**.

49. **FORMER HOLDER OF FORFEITED SHARES REMAINS LIABLE FOR UNPAID CALLS**

A **Person** ceases to be a **Member** in respect of a share which has been forfeited. If this is a **Certificated** share, the **Person** must surrender to the **Company** the certificate for the forfeited share. That **Person** remains liable to the **Company** for all amounts which at the date of forfeiture were presently payable by him to the **Company** in respect of the share and interest on that amount at the rate per annum of 3% above the **Base Rate** or at such lower rate as the **Board** may decide from the date of forfeiture until payment. The **Board** may waive payment (wholly or partly) or enforce payment without any allowance for the value of the share at the time of forfeiture.

50. **EXTINCTION OF CERTAIN CLAIMS ON FORFEITURE**

The forfeiture of a share involves the extinction at the time of forfeiture of all interest in and all claims and demands against the **Company** in respect of the share and all other rights and liabilities incidental to the share as between the **Person** whose share is forfeited and the **Company**, except only those rights and liabilities expressly saved by these **Articles**, or given or imposed in the case of past **Members** by the **Statutes**.

51. **STATUTORY DECLARATION AS EVIDENCE OF FORFEITURE**

A statutory declaration by a **Director** or the **Secretary** that a share has been properly forfeited on a specified date is conclusive evidence of the facts stated in it as against all **Persons** claiming to be entitled to the share. The declaration and receipt of the **Company** of the consideration (if any) given in connection with the sale, re-allotment or disposal of the share (subject, if necessary, to the transfer of the share) constitutes a good title to the share. The **Person** to whom the share is sold, re-allotted or disposed of must be registered as the **Holder** of the share and is not bound to see to the application of the consideration (if any) and his title to the share is not affected by any irregularity or invalidity in the proceedings in relation to the forfeiture, sale, re-allotment or disposal of the share.

I. **UNTRACED SHAREHOLDERS**

52. **COMPANY'S POWER TO SELL SHARES**

- 52.1 The **Company** may sell in such manner as the **Board** decides at the best price reasonably obtainable a share of a **Member** or a share to which a **Person** is **Entitled by Transmission** if:
- (a) during a period of 12 years the **Company** has paid at least three dividends (whether interim or final) in respect of the share and during that period no dividend cheque or warrant sent by the **Company** through the post in a pre-paid letter addressed to the **Member** or the **Person** at his address on the **Register** or the

last known address given by the **Member** or the **Person** to which cheques and warrants are to be sent has been cashed;

- (b) on or after the expiry of the period referred to in article 52.1(a), the **Company** has given notice of its intention to sell the share by advertisement in a national newspaper circulating in the **United Kingdom** and in a newspaper circulating in the area in which the address referred to in article 52.1(a) is located; and
- (c) during the period starting at the start of period referred to in article 52.1(a) and ending on the date three months after the date of publication of the advertisement specified in article 52.1(b) the **Company** has not received any communication from the **Member** or the **Person**.

52.2 If during the period starting at the start of the period referred to in article 52.1(a) and ending on the date when all the requirements in article 52.1(a) to (c) have been satisfied a further share has been issued in respect of a right attaching to a share held at the start of that period or of any previously so issued during that period and all the requirements in article 52.1(a) to (c) have been satisfied in respect of the further share, the **Company** may also sell the further share.

52.3 To give effect to a sale pursuant to articles 42 or 52.1 or 52.2, the **Board** may:

- (a) authorise the conversion of shares to be sold which are in **Certificated Form** into **Uncertificated Form**, and vice versa (so far as is consistent with the **Regulations** and the facilities and requirements of the **Relevant System**);
- (b) in respect of shares in **Certificated Form**, authorise a **Person** to execute an instrument of transfer of the shares sold; and
- (c) in respect of shares in **Uncertificated Form**, make other arrangements consistent with the **Regulations** and the facilities and requirements of the **Relevant System** for their transfer to, or in accordance with the directions of, the buyer.

52.4 The buyer is not bound to see the application of the purchase money and his title to the shares is not affected by any irregularity in or invalidity of the procedure or manner of the sale.

52.5 The **Company** must account to the **Member** or other **Person** for the net proceeds of the sale by carrying an amount in respect of the net proceeds to a separate account which is a permanent debt of the **Company**. The **Company** is deemed to be a debtor and not a trustee for the **Member** or other **Person** in respect of that amount. The **Board** may invest or otherwise use for the **Company's** benefit an amount carried to a separate account until it is claimed. Any money earned on an amount so invested or used belongs to the **Company** and it is not obliged to account for it to the **Member** or other **Person**.

## J. INCREASE OF CAPITAL

### 53. POWER TO INCREASE CAPITAL

The **Company** may by ordinary resolution increase its capital by such sum, to be divided into shares of such amounts, as the resolution prescribes and in accordance with the **Statutes**.

### 54. NEW SHARES SUBJECT TO THESE ARTICLES

All new shares allotted are subject to the provisions of these **Articles** (including, without limitation, provisions relating to payment of calls, lien, transfer, transmission and

forfeiture) and, unless otherwise provided in accordance with these **Articles** or the terms of issue, the new shares are ordinary shares.

K. **ALTERATIONS OF CAPITAL**

55. **CONSOLIDATION, SUB-DIVISION, CANCELLATION AND REDUCTION**

55.1 The **Company** may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the **Company's** memorandum of association and the resolution by which any share is sub-divided may provide that, as between the  **Holders** of the shares resulting from the sub-division, one or more of the shares may have such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the **Company** has power to attach to shares on their allotment; and
- (c) cancel any shares which, at the date of the passing of the resolution, have not been subscribed, or agreed to be subscribed, by any **Person** and diminish the amount of its share capital by the amount of the shares cancelled.

55.2 The **Company** may by special resolution reduce its share capital and any capital redemption reserve and any share premium account in any manner authorised by the **Statutes**.

56. **FRACTIONAL ENTITLEMENTS ARISING ON CONSOLIDATION OR SUB-DIVISION**

56.1 Whenever on a consolidation or sub-division of shares, **Members** and/or the **Company** as a holder of treasury shares, are entitled to any fractions of shares, the **Board** may, on behalf of the **Members** and/or the **Company**, deal with the fractions as it seems fit, in particular, without limitation the **Board** may sell the shares representing fractions for the best price reasonably obtainable and must distribute the net proceeds of sale amongst the **Members** entitled to those fractions, and the **Company** as a holder of treasury shares, in due proportions. However, if the value of a fractional entitlement to a share is less than the **Minimum Amount** in respect of one or more **Members** and the **Company** has by ordinary resolution given its consent, the net proceeds of sale of such a fractional entitlement belong to the **Company**.

56.2 To give effect to a sale pursuant to article 56.1, the **Board** may:

- (a) authorise the conversion of shares to be sold which are in **Certificated Form** into **Uncertificated Form**, and vice versa (so far as is consistent with the **Regulations** and the facilities and requirements of the **Relevant System**);
- (b) in respect of shares in **Certificated Form**, authorise a **Person** to execute an instrument of transfer of the shares sold; and
- (c) in respect of shares in **Uncertificated Form**, make other arrangements consistent with the **Regulations** and the facilities and requirements of the **Relevant System** for their transfer to, or in accordance with the directions of, the buyer.

56.3 The buyer is not bound to see the application of the purchase money and his title to the shares is not affected by any irregularity in or invalidity of the procedure or manner of the sale.

- 56.4 The **Board** may settle any difficulty which may arise in connection with a consolidation or sub-division of shares, as it sees fit. In particular, the **Board** may:
- (a) as between the **Holders** of shares so consolidated decide which shares are consolidated into each consolidated share; and
  - (b) in the case of shares registered in the name of one **Holder** (or joint **Holders**) being consolidated with shares registered in the name of another **Holder** (or other joint **Holders**) make such arrangements for the allocation, acceptance or sale of the consolidated share or any fractions of it and for the distribution to the **Member** entitled to it of any amount received in respect of it as appropriate.

For the purpose of giving effect to those arrangements, the **Board** may appoint a **Person** to transfer the consolidated share or any fractions of it and to receive the purchase money for it. A transfer executed by such a **Person** is effective and after the transfer has been registered, no **Person** may question its validity.

### III. **GENERAL MEETINGS**

#### A. **MEETINGS AND NOTICES**

##### 57. **ANNUAL GENERAL MEETINGS**

The **Company** must in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. Not more than 15 months may elapse between the date of one annual general meeting and that of the next. The **Board** must decide the time and place for each annual general meeting. All general meetings, other than annual general meetings, are called extraordinary general meetings.

##### 58. **EXTRAORDINARY GENERAL MEETINGS**

The **Board** may call an extraordinary general meeting whenever and at such time and place as it decides. On receipt of a requisition from **Members** in accordance with the **Statutes**, the **Board** must forthwith convene an extraordinary general meeting.

##### 59. **NOTICE OF MEETING**

59.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution must be called by at least 21 **Clear Days'** notice. Each other extraordinary general meeting must be called by at least 14 **Clear Days'** notice.

59.2 The notice of meeting must be given to all **Members** (other than those who under these **Articles** or the conditions attaching to the shares held by them are not entitled to receive the notice), to each **Director** and the **Company's** auditors.

59.3 The notice of general meeting must specify:

- (a) whether the meeting is an annual general meeting or an extraordinary general meeting;
- (b) the place, date and time of the meeting;
- (c) the general nature of the business to be transacted;
- (d) if the meeting is convened to consider a special resolution or an extraordinary resolution, the intention to propose the resolution as a special or an extraordinary resolution; and

- (e) with reasonable prominence that a **Member** entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him (but not speak, except with the permission of the Chairman) and that a proxy need not also be a **Member**.

59.4 The **Board** may decide that the **Persons** entitled to receive a notice of meeting or copies of the documents that are required to be sent by section 238 of the **1985 Act** are those **Persons** entered on the **Register** or **Operator Register** at the close of business on a specified day. If the **Company** is a **Participating Issuer**, the specified day may not be more than 21 days before the day that the notices of the meeting or the copies of the documents are sent.

59.5 A notice of meeting may specify a time by which a **Person** must be entered on the **Register** or **Operator Register** to have the right to attend or vote at the meeting. If the **Company** is a **Participating Issuer**, that time may not be more than 48 hours before the time fixed for the meeting. Changes to entries on the **Register** or **Operator Register** after the time specified in the notice are to be disregarded in deciding the rights of any **Person** to attend or vote at the meeting.

#### 60. **SPECIAL NOTICE**

If the **Statutes** require special notice to be given of a resolution, the resolution is only effective if notice of the intention to move it has been given to the **Company** at least 28 days (or such shorter period as the **Statutes** permit) before the meeting at which it is to be moved. The **Company** must give the **Members** notice of such a resolution in accordance with the **Statutes**.

#### 61. **SHORT NOTICE**

A general meeting is, notwithstanding that it is called by shorter notice than that specified in article 59.1, deemed to have been duly called if it is so agreed:

- (a) in the case of an annual general meeting, by all the **Members** entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting, by a majority in number of the **Members** having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right (excluding any shares in the **Company** held as treasury shares).

#### 62. **NOTICE TO BE GIVEN OF MEMBERS' RESOLUTIONS ON REQUISITION**

Subject to the **Statutes**, the **Company** must on the written requisition of such number of **Members** as is specified in the **Statutes** and (unless the **Company** or the **Board** otherwise resolves) at the requisitionists' expense:

- (a) give to **Members** entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- (b) circulate to **Members** entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

#### 63. **ACCIDENTAL OMISSION OR NON-RECEIPT OF NOTICE**

The accidental omission to give notice to, or the non-receipt of notice by, a **Person** entitled to receive notice does not invalidate the proceedings at any meeting.

64. **CHANGE IN PLACE OR TIME OF MEETING**

If, after the giving of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the **Board** decides that it is impracticable or unreasonable for a reason beyond its control to hold the meeting at the declared place or time or both, it may change the place or postpone the time at which the meeting is to be held. If such a decision is made, the **Board** may change the place or postpone the time again if it decides that it is reasonable to do so. In either case:

- (a) a new notice of the meeting need not be given, but the **Board** must, if practicable, advertise the date, time and place of the meeting in at least two newspapers having a national circulation and must arrange for notices of the change of place or postponement to appear at the original place or at the original time or both; and
- (b) notwithstanding article 88, an appointment of a proxy in relation to the meeting may be deposited at any time not less than 48 hours before any new time appointed for holding the meeting.

B. **PROCEEDINGS AT GENERAL MEETINGS**

65. **OVERFLOW MEETINGS**

65.1 The **Board** or the chairman of the meeting may, notwithstanding the specification in the notice of the place of a general meeting (the "**Principal Place**"), arrange for simultaneous attendance and participation (including, without limitation, by way of video-link) at other places by **Members** and proxies entitled to attend the general meeting but excluded from the **Principal Place**.

65.2 Those arrangements may include arrangements regarding the level of attendance at the other places so long as those arrangements operate so that those **Members** and proxies excluded from attendance at the **Principal Place** are able to attend at one of the other places.

65.3 The **Board** or the chairman of the meeting may, for the purpose of facilitating the organisation and administration of a general meeting to which these arrangements apply, from time to time make arrangements, whether involving the issue of tickets (on a basis intended to afford to all **Members** and proxies entitled to attend the meeting an equal opportunity of being admitted to the **Principal Place**) or the imposition of some random means of selection or otherwise as it or he considers appropriate. The **Board** or the chairman of the meeting may from time to time vary those arrangements or make new arrangements in their place for the exclusion of **Members** and proxies entitled to attend the general meeting from the **Principal Place**. The entitlement of a **Member** or proxy to attend a general meeting at the **Principal Place** is subject to those arrangements as may be for the time being in force whether stated in the notice of meeting or notified after the notice of meeting has been given. For the purposes of these **Articles**, such a meeting is to be treated as being held and taking place at the **Principal Place**.

66. **SECURITY**

The Board or the chairman of the meeting may make any arrangement or impose any restriction or take any action it or he considers appropriate for the safety or proper and orderly conduct of the general meeting and for the promotion of the business of that meeting and including, without limitation, searching a **Person** and his property and restricting the items to be taken into the meeting place. If a **Person** refuses to comply (wholly or partly) with such an arrangement, restriction or action, the **Board** or the

chairman of the meeting may refuse entry of that **Person** to a meeting or arrange for that **Person** to be removed from a meeting.

67. **CHAIRMAN**

The chairman (if any) of the **Board** or, in his absence, the deputy chairman (if any) or the vice chairman (if any) may preside as chairman at a general meeting. If there is no chairman, deputy chairman or vice chairman, or if at a meeting none of them is present within five minutes after the time appointed for holding the meeting, or if none of them is willing to act as chairman, the **Directors** present must choose one of their number to act. If only one **Director** is present and he is willing to act, he may preside as chairman. If no **Director** is present, or if none of the **Directors** present is willing to act as chairman, the **Members** present and entitled to vote must choose one of themselves to be chairman. The appointment of a chairman is not to be treated as part of the business of a meeting.

68. **QUORUM**

No business may be transacted at a general meeting unless a quorum of **Members** is present when the meeting proceeds to business. Except as otherwise provided in these **Articles**, two persons present, each of whom is a **Member** or a proxy for a **Member** or a representative, appointed in accordance with the **Statutes** or article 92, of a corporation which is a **member**, is a quorum for all purposes.

69. **ADJOURNMENT OR DISSOLUTION FOR LACK OF QUORUM**

If within five minutes (or such longer time not exceeding 30 minutes as the **Chairman** of the meeting may decide) from the time appointed for a general meeting a quorum is not present or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of or by **Members**, is dissolved. In any other case, it stands adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the **Board** may decide. If at an adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting is dissolved.

70. **ADJOURNMENT FOR OTHER REASONS**

70.1 The chairman of the meeting may with the consent of a meeting at which a quorum is present (and must, if so directed by the meeting) adjourn the meeting from time to time or for an indefinite period and from place to place.

70.2 In addition to his inherent power to adjourn a meeting for such reason as he thinks fit, the chairman of the meeting may, without the consent of the meeting, adjourn the meeting from time to time or for an indefinite period and from place to place if:

(a) he considers there to be insufficient space for those present or entitled to be present to be accommodated or there is some other reason why they cannot adequately hear or participate in the meeting; or

(b) in his reasonable opinion it has become, or is likely to become, impracticable to conduct, or to continue to conduct, the business of the meeting in an orderly manner because of the conduct of those attending the meeting.

70.3 No business may be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting from which the adjournment took place.

70.4 If under these **Articles** a meeting is adjourned for 30 days or more or for an indefinite period, at least seven **Clear Days'** notice specifying the place, the date and the time of the adjourned meeting and the general nature of the business to be transacted must be given as in the case of the original meeting. Except in these circumstances, it is

unnecessary to give notice of an adjournment or notice of the business to be transacted at an adjourned meeting.

70.5 The **Board** must fix the place, the date and the time of an adjourned meeting if the original meeting has been adjourned indefinitely.

71. **AMENDMENTS TO RESOLUTIONS AND OTHER MATTERS**

71.1 If the chairman of the meeting in good faith rules an amendment proposed to a resolution under consideration out of order, the proceedings on the substantive resolution are not invalidated by an error in that ruling.

71.2 No amendment to a resolution proposed as a special or extraordinary resolution (other than a clerical amendment to correct a manifest error) may be considered or voted on.

71.3 No amendment to a resolution proposed as an ordinary resolution (other than a clerical amendment to correct a manifest error) may be considered or voted on unless:

(a) notice of that amendment is given to the **Company** at least 48 hours before the meeting; or

(b) in the absence of such a notice, the chairman of the meeting in his absolute discretion decides that the amendment may be considered and voted on.

71.4 The decision of the **Board** or the chairman of the meeting made in good faith on matters of procedures or arising incidentally from the business of the meeting, and as to whether a matter is of such a nature, is final.

72. **METHOD OF VOTING**

A resolution put to the vote of a general meeting must be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by:

(a) the chairman of the meeting;

(b) at least five **Members** present in person or by proxy and entitled to vote at the meeting;

(c) a **Member** or **Members** present in person or by proxy and representing not less than one-tenth of the total voting rights of all the **Members** having the right to vote at the meeting (excluding any voting rights attached to any shares in the **Company** held as treasury shares); or

(d) a **Member** or **Members** present in person or by proxy holding shares 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 (excluding any shares in the **Company** conferring a right to vote at the meeting which are held as treasury shares).

73. **CHAIRMAN'S DECLARATION ON A RESULT OF A SHOW OF HANDS**

Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the **Company** is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

74. **PROXY MAY DEMAND A POLL**

The appointment of a proxy to vote at a meeting is deemed to confer authority to demand or join in demanding a poll, (and for the purposes of article 72, a demand by a person as proxy for a **Member** or as duly authorised corporate representative of a **Member** is the same as a demand by that **Member**) and to vote on a poll or on the election of a chairman of the meeting.

75. **ERRORS IN COUNTING VOTES**

If at a meeting a vote is counted which ought not to have been counted, or might have been rejected, or if at a meeting a vote has not been counted which ought to have been counted, the error does not vitiate the result of the voting unless:

- (a) it is pointed out at that meeting (but not at an adjournment of that meeting); and
- (b) in the opinion of the chairman of the meeting it is of sufficient magnitude or significance to vitiate the result of the voting.

76. **WHEN A POLL HAS TO BE TAKEN AND NOTICE OF A POLL**

A validly demanded poll on the election of a chairman of the meeting or on a question of adjournment must be taken forthwith. A validly demanded poll on any other question must be taken forthwith or at such later time and place as the chairman of the meeting decides not being more than 30 days from the date of the meeting or adjourned meeting at which the poll is demanded. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting in respect of which it is demanded. In any other case, at least seven **Clear Days'** notice must be given specifying the time and place at which the poll is to be taken.

77. **MANNER OF TAKING A POLL**

The chairman of the meeting must decide the manner in which a poll is to be taken (including, without limitation, the use of ballot or voting papers). The chairman of the meeting may, in the event of a poll, appoint scrutineers (who need not be **Members**) and may adjourn the meeting to a place and time fixed by him for the purpose of declaring the result of the poll. The result of a poll is deemed to be the resolution of the meeting at which the poll is demanded.

78. **CONTINUANCE OF OTHER BUSINESS**

The demand for a poll does not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

79. **DEMAND FOR A POLL MAY BE WITHDRAWN**

A demand for a poll may be withdrawn before the poll is taken but only with the consent of the chairman of the meeting. A demand so withdrawn does not invalidate the result of a show of hands declared before the demand was made. If a demand for a poll is so withdrawn:

- (a) before the result of a show of hands is declared, the meeting may continue as if the demand had not been made; or
- (b) after a result of a show of hands is declared, the chairman of the meeting or other **Member** or **Members** so entitled may demand a poll.

80. **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 is entitled to a casting vote in addition to the votes to which he may be entitled as a **Member** or on behalf of any other **Member**.

C. **VOTES**

81. **VOTING RIGHTS**

81.1 Subject to any rights or restrictions as to voting attached to any shares, on a show of hands each **Member** who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative at a meeting and entitled to vote has one vote and on a poll each **Member** present either personally or (being a corporation) by duly authorised representative or by proxy and entitled to vote has one vote for each share held by him.

81.2 The **Company** must not exercise any voting rights in respect of shares held as treasury shares.

82. **VOTING BY 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, must be accepted to the exclusion of the votes of the other joint **Holders**. For this purpose, seniority is decided by the order in which the names stand in the **Register** in respect of the share.

83. **MEMBER OF UNSOUND MIND**

A **Member** who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person appointed by that court. That committee, receiver, curator bonis or other person may on a poll vote by proxy. The right to vote is exercisable only if evidence satisfactory to the **Board** of the authority of the person claiming to vote has been deposited at the **Office** or at such other place within the **United Kingdom** as is specified in the notice of meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which that person claims to vote.

84. **OBJECTIONS TO THE QUALIFICATION OF A VOTER**

An objection to the qualification of a voter may only be raised at the meeting or adjourned meeting at which the vote objected to is given or tendered. An objection must be referred to the chairman of the meeting, whose decision is final and conclusive. Each vote not disallowed at that meeting is valid for all purposes.

85. **VOTING ON A POLL**

On a poll, votes may be given personally, by corporate representative or by proxy. On a poll, a **Member** entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

86. **APPOINTMENT OF A PROXY**

The appointment of a proxy must either be:

- (a) in writing (a "**Written Proxy Appointment**"), in which case:
  - (i) it must be in any usual form or in another form as the **Board** may approve;
  - (ii) it must be signed by the appointor or his agent duly authorised in writing, or, if the appointor is a corporation, under its common seal or by a duly authorised agent or officer;
  - (iii) it need not be witnessed; and
  - (iv) the **Board** may require evidence of the authority of any agent or officer that signs a **Written Proxy Appointment** on behalf of the appointor; or
- (b) contained in any form of **Electronic Communication** that the **Board** decides may be used in relation to the relevant meeting (an "**Electronic Proxy Appointment**"), in which case, it must comply with each requirement (including, without limitation, those as to authentication) that the **Board** has specified for that form of **Electronic Communication** in relation to that meeting.

## 87. IDENTITY AND NUMBER OF PROXIES

87.1 A proxy need not be a **Member**.

87.2 A **Member** holding more than one share may appoint more than one proxy to attend and, on a poll, vote on the same occasion. If more than one proxy is appointed, the appointment of each proxy must specify the shares held by the **Member** in respect of which each proxy is to vote.

87.3 A **Member** may not appoint more than one proxy to vote in respect of any one share held by him.

87.4 If the **Company** receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the **Company's** decision as to which appointment was received last is final.

## 88. VALIDITY OF PROXY APPOINTMENT

88.1 A **Written Proxy Appointment** is only valid if it and any power of attorney or other written authority under which it is signed, or a notarially certified or office copy of that power or authority is received at the **Office** or at such other place within the **United Kingdom** as is specified in the notice of meeting or in the **Written Proxy Appointment** issued by the **Company** in relation to the meeting:

- (a) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the **Written Proxy Appointment** proposes to vote; or
- (b) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll.

88.2 An **Electronic Proxy Appointment** is only valid if it complies with each requirement specified pursuant to article 86(b) and it is received at the address or number specified by the **Board** for the purpose of receiving that type of **Electronic Proxy Appointment**:

- (a) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the **Electronic Proxy Appointment** proposes to vote; or

- (b) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than 24 hours before the time appointed for taking of the poll.

88.3 An appointment of a proxy is invalid after the expiration of 12 months from the date of appointment of the proxy, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting which was originally held within 12 months from that date.

#### 89. **SCOPE OF PROXY APPOINTMENT**

An appointment of a proxy:

- (a) is deemed to include the power to vote on any amendment of a resolution put to the meeting for which it is given as the proxy decides but shall not confer any right to speak at the meeting except with the permission of the **Chairman**;
- (b) which relates to more than one meeting (including, without limitation, an adjournment of a meeting) and has been received in accordance with these **Articles** for the purpose of any meeting, is not required to be received again for the purposes of any subsequent meeting to which it relates;
- (c) is, unless it provides otherwise, valid for any adjournment of the meeting to which it relates; and
- (d) must provide for two-way voting on all resolutions (and may provide for an indication of abstention) to be proposed at a meeting other than resolutions relating to the procedure of the meeting and may either be in blank or nominate in the alternative any one or more of the **Directors** or another person.

#### 90. **BOARD TO SEND OUT PROXY FORMS TO ALL MEMBERS**

90.1 The **Board** must (while any of the **Company's** shares are admitted to the Official List), and otherwise may, at the **Company's** expense, send to each **Member** entitled to be sent notice of a meeting and to vote at it, a form to appoint a proxy for use at a general meeting.

90.2 A form to appoint a proxy sent by post may be sent with provision for its return pre-paid.

90.3 If for the purpose of a general meeting, invitations to appoint a proxy are issued at the **Company's** expense, those invitations must be issued to all (and not to some only) of the **Members** entitled to be sent a notice of the meeting and to vote at it by proxy. The accidental omission to give such an invitation to, or the non-receipt of that invitation by, a **Member** entitled to attend and vote at a meeting does not invalidate the proceedings of that meeting.

#### 91. **WHEN VOTES BY PROXY VALID THOUGH AUTHORITY REVOKED**

A vote given in accordance with the terms of an appointment of a proxy is valid notwithstanding the appointor's death or insanity or the revocation of the appointment, or of the authority under which the appointment was made, unless the **Company** is notified of the death, insanity or revocation at least 24 hours before the start of the meeting or adjourned meeting to which the appointment relates. That notice must either:

- (a) be in writing and received at the **Office** or at such other place within the **United Kingdom** as is specified in the notice of the meeting or adjourned meeting to which the appointment relates; or
- (b) be:

- (i) contained in any form of **Electronic Communication** that the **Board** had decided may be used for an **Electronic Proxy Appointment** for that meeting or adjourned meeting but only if it is possible for the **Company** to receive the notice by that form of **Electronic Communication**; and
- (ii) received at the address or number specified for the purpose of receiving an **Electronic Proxy Appointment** for that meeting or adjourned meeting by that form of **Electronic Communication**.

92. **A CORPORATE MEMBER MAY APPOINT A REPRESENTATIVE**

A corporation which is a **Member** may, under its seal or under the hand of a duly authorised officer, authorise a person to act as its representative at a meeting of the **Company**. That person may exercise the same powers on the corporation's behalf which he represents as that corporation could exercise if it were an individual **Member** personally present at the meeting. The **Secretary**, a **Director** or the **Board** may require further evidence of the authority of the representative to act.

93. **DIRECTORS ENTITLED TO ATTEND AND SPEAK AT GENERAL MEETINGS**

- 93.1 Each **Director** (or failing him, any alternate) may attend and speak at any general meeting.
- 93.2 The Chairman may invite any person to attend and speak at a general meeting whom the Chairman considers has knowledge or experience of the **Company's** business to assist in the deliberations of the meeting.

IV. **DIRECTORS**

A. **NUMBER, APPOINTMENT AND REMUNERATION**

94. **NUMBER OF DIRECTORS**

Unless and until otherwise decided by the **Company** by ordinary resolution and subject to the **Statutes**, the number of **Directors** may not be less than two but is not subject to any maximum.

95. **INCREASE OR REDUCTION IN PERMITTED NUMBER OF DIRECTORS**

Without prejudice to article 97, the **Company** may from time to time by ordinary resolution:

- (a) increase or reduce the number of **Directors**; and
- (b) appoint a person to be a **Director** to fill a casual vacancy or as an additional **Director**.

96. **SHARE QUALIFICATION OF DIRECTORS**

Neither a **Director** nor an alternate **Director** is required to hold any shares as a qualification to being a **Director** or alternate **Director**.

97. **APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY**

The **Board** may from time to time appoint a person to be a **Director** to fill a casual vacancy or as an additional **Director**. Subject to these **Articles**, a **Director** so appointed holds office from the end of the meeting at which he is appointed until the next annual general meeting and then is eligible for re-appointment.

98. **APPOINTMENT OF DIRECTORS TO EXECUTIVE OFFICE**

Subject to the provisions of the **Statutes**, the **Board** may from time to time appoint any one or more of its body to any executive office for such period and on such terms (including, without limitation, remuneration) as it decides and, subject to the provisions of any contract between the **Director** so appointed and the **Company**, may revoke that appointment or vary the terms of it.

99. **REMUNERATION OF DIRECTORS**

The **Directors** (other than a **Director** holding an executive office pursuant to article 98) are entitled to remuneration by way of fees for their services as **Directors**. The total amount of that remuneration may not exceed £[500,000] in each year or such higher amount (if any) decided by the **Company** by ordinary resolution. The remuneration is to be divided amongst the **Directors** in such proportions as the **Directors**, by resolution, agree and in default of agreement, equally. The remuneration is deemed to accrue daily. The **Board** and a **Director** may agree that any remuneration payable to the **Director** pursuant to this article may consist (wholly or partly) of payments by way of pension contributions or premiums to secure pension benefits, whether pursuant to a pension scheme or otherwise.

100. **REMUNERATION FOR SPECIAL OR ADDITIONAL SERVICES**

A **Director** appointed to an executive office or who serves on a committee or who devotes special attention to the **Company's** business or who otherwise performs services which the **Board** decides are outside the scope of the ordinary duties of a director or who goes or resides abroad in connection with the **Company's** business may be paid such extra remuneration (whether by way of salary, commission or percentage of profits or otherwise) in addition to that payable to him under article 98 or 99 as the **Board** may decide.

101. **EXPENSES**

In addition to any remuneration payable under articles 98 to 100, a **Director** may be paid such reasonable travelling, hotel and other expenses as he properly incurs in connection with the discharge of his duties including, without limitation, attending or returning from meetings of the **Board**, committees of the **Board** or general meetings.

B. **RETIREMENT**

102. **DIRECTORS TO RETIRE**

102.1 Each **Director** must retire from office at the first annual general meeting after their appointment and on the date which is three years from the date of the **Director's** appointment or last re-appointment unless the **Director** has been re-appointed on or before that date. A retiring **Director** is eligible for re-appointment.

102.2 A **Director**, other than a **Director** holding an executive office, who has been in office for nine years or more, shall retire from office at every annual general meeting, and shall be taken into account in determining the number of **Directors** who are to retire by rotation at such meeting.

103. **RETIRING DIRECTOR TO HOLD OFFICE UNTIL DISSOLUTION OF MEETING**

A **Director** retiring at a general meeting retains office until the dissolution of that meeting except if a resolution is passed to elect another person instead of the retiring **Director** or a resolution for his re-election is put to the meeting and lost. A retiring **Director** who is re-elected or deemed to have been re-elected continues in office without break.

C. **VACATION OF, AND REMOVAL FROM, OFFICE**

104. **RE-APPOINTMENT OF A RETIRING DIRECTOR**

The **Company** at a general meeting may by ordinary resolution fill the vacancy caused by a **Director** retiring in accordance with these **Articles** by appointing the retiring **Director** or (subject to the **Statutes** and these **Articles**) another person.

105. **EACH RE-APPOINTMENT TO BE VOTED ON SEPARATELY**

At a general meeting a motion for the appointment of two or more persons as **Directors** by a single resolution may only be made if a resolution that it is to be made has first been agreed by the meeting without any vote being given against it.

106. **NOTICE REQUIRED OF AN INTENTION TO PROPOSE A NEW DIRECTOR**

A person (other than a **Director** retiring in accordance with article 102 or a person recommended by the **Board** for appointment as a **Director**) is only eligible for appointment as a **Director** at a general meeting if:

- (a) a **Member** (not being the person) who is qualified to be present and vote at the meeting has not less than 14 nor more than 42 days before the day appointed for the meeting given the **Company** at the **Office** written notice of his intention to propose the person for appointment and written notice signed by the person and stating his willingness to be appointed; and
- (b) the notice signed by the person has not been withdrawn.

107. **AGE LIMIT**

Until otherwise decided by the **Company** by ordinary resolution, generally or in a particular case:

- (a) a **Director** is not required to vacate his office as a **Director** because he has attained the age of 70 or another age;
- (b) a **Director** required to retire under these **Articles** and a person proposed to be appointed as a **Director** may be re-appointed or appointed as a **Director** notwithstanding that at the time of the re-appointment or appointment he has attained the age of 70 or another age; and
- (c) special notice is not required of a resolution for the re-appointment or appointment, or approving the appointment, of a person as a **Director** who has attained the age of 70 or another age.

108. **VACATION OF OFFICE**

The office of a **Director** is vacated if:

- (a) he becomes prohibited by law from acting as a director or he ceases to be a **Director** by virtue of these **Articles**;
- (b) not being an executive **Director** holding that office for a fixed term, he resigns by notice and that notice is given to the **Board** or if he tenders his resignation (orally or by notice) and the **Board** resolves to accept it;
- (c) he becomes bankrupt, an interim order is made in respect of him, he enters into an arrangement or composition with his creditors generally or he is unable to pay

his debts within the meaning of [section 268](#) of the Insolvency Act 1986 or pursuant to any similar legislation in any other jurisdiction;

- (d) he is admitted to hospital pursuant to an application for admission for treatment under the [Mental Health Act 1983](#) or the [Mental Health \(Scotland\) Act 1984](#) or pursuant to any similar legislation in any other jurisdiction;
- (e) an order is made by a court of competent jurisdiction on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian, receiver or other person to exercise powers with respect to his property or affairs; or
- (f) he and his alternate **Director** (if any) are absent without permission from the **Board** from meetings of the **Board** for six consecutive months and the **Board** resolves that his office be vacated.

#### 109. REMOVAL FROM OFFICE BY NOTICE FROM CO-DIRECTORS

109.1 The office of a **Director** (the "**Specified Director**") is also vacated if he is removed from office by him being given written notice signed by all his **co-Directors** (other than any alternate **Director** for the **Specified Director** acting in his capacity as such). The notice may be signed by an alternate **Director** instead of the **Director** who appointed the alternate **Director**.

109.2 This article does not deprive a person removed under it of any right to claim compensation or damages in respect of the termination of his appointment as a **Director** or of any appointment with the **Company** which terminates on his ceasing to be a **Director**.

110. The **Company** may, without prejudice to the provisions of the **Statutes**, by ordinary resolution, remove any **Director** from office (notwithstanding any provision of these **Articles** 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). No special notice need be given of any resolution to remove a **Director** in accordance with this article and no **Director** proposed to be removed in accordance with this article has any special right to protest against his removal. The **Company** may, by ordinary resolution, appoint another person in place of a **Director** removed from office in accordance with this article. Any person so appointed shall, for the purpose of determining the time at which he or any other **Director** is to retire, be treated as if he becomes a **Director** on the day on which the **Director** in whose place he is appointed was last elected a **Director**. In default of such appointment the vacancy arising on the removal of a **Director** from office may be filled as a casual vacancy.

#### D. ALTERNATE DIRECTORS

##### 111. APPOINTMENT, REMOVAL AND POWERS

111.1 A **Director** (other than an alternate **Director**) may at any time by written notice signed by him appoint as his alternate **Director** another **Director** or another person (whether or not a **Member**). The appointment of an alternate **Director** who is not already a **Director** is not operative until his appointment has been approved by a majority consisting of two-thirds of the **Directors**.

111.2 The **Directors** may at any time, by a unanimous vote of all the **Directors** (except the alternate **Director** who is the subject of the vote and the **Director** who appointed him), revoke the appointment of an alternate **Director**. A **Director** may at any time by written notice signed by him revoke the appointment of his alternate **Director** and may appoint another person in his place in accordance with article 111.1. A notice of revocation sent

to or left at the **Office** is sufficient evidence of that revocation. If a **Director** dies or ceases to hold the office of **Director**, the appointment of his alternate **Director** ceases automatically. However, if a **Director** retires but is re-appointed, a valid appointment of an alternate **Director** which was in force immediately before his retirement continues to operate after his re-appointment as if he had not retired.

111.3 An alternate **Director**, who has given the **Company** an address (in or outside the **United Kingdom**) at which notices may be given to him, is entitled:

- (a) to receive notices of all meetings of the **Board** and all committees of the **Board** of which the **Director** appointing him is a member; and
- (b) if the **Director** appointing the alternate **Director** is not present at a meeting referred to in article 111.3(a), to attend and vote as a **Director** at that meeting and to have and exercise all the powers, rights, duties and authorities of that **Director**.

111.4 An alternate **Director** is an officer of the **Company** and is alone responsible to the **Company** for his acts and defaults and is not deemed to be the agent of the **Director** appointing him.

111.5 Unless the **Company** or the **Board** otherwise resolves, the remuneration of an alternate **Director** is payable out of the remuneration payable to the **Director** appointing the alternate. The **Director** and alternate **Director** must agree the amount of that remuneration. The **Company** is not obliged to pay any fees directly to an alternate **Director**.

## E. INTERESTS OF DIRECTORS

### 112. OTHER OFFICE OR PLACE OF PROFIT UNDER THE COMPANY

A **Director** may hold any other office or place of profit under the **Company** in conjunction with his office of **Director** on such terms as to tenure of office, remuneration or otherwise as the **Board** decides. A **Director**, or a company or firm in which he is interested, may act in a professional capacity for the **Company** (other than as auditor to the **Company** or a company controlled by the **Company**). That **Director**, company or firm is entitled to remuneration (by way of salary, commission, fee, participation in profits, pension, superannuation or otherwise) for services provided as if he were not a **Director**. That remuneration is to be charged as part of the **Company's** ordinary working expenses.

### 113. CONTRACTS WITH THE COMPANY - DISCLOSURE OF INTEREST

113.1 Subject to the **Statutes**, no **Director** or intending **Director** is disqualified by his office from contracting with the **Company**, or any other company in which the **Company** may be interested either with regard to his tenure of any such other office or place of profit as is referred to in article 114 or as vendor, purchaser or otherwise.

113.2 Except as provided in sections 330 and 341 of the **1985 Act**, no contract of the type referred to in article 113.1 nor any other contract, transaction or arrangement (whether or not constituting a contract) entered into by or on behalf of the **Company**, or any other company in which the **Company** may be interested, in which a **Director** is in any way directly or indirectly interested (whether through **Persons Connected** with him or otherwise) is liable to be avoided, nor is a **Director** so contracting or being so interested liable to account to the **Company** for any profit realised by such a contract, transaction or arrangement by reason of the **Director** holding that office or of the fiduciary relationship established by that office if:

- (a) the nature of his interest (if not declared in accordance with article 115.3) has been or is declared by him:
  - (i) at the meeting of the **Board** at which the question of entering into that contract, transaction or arrangement is first taken into consideration;
  - (ii) if the **Director** was not at the date of that meeting interested in the proposed contract, transaction or arrangement, at the next meeting of the **Board** after he became so interested; or
  - (iii) if that contract, transaction or arrangement or proposed contract, transaction or arrangement is entered into or to be entered into not by the **Company** but by a company in which the **Company** is interested as to 1% or more of the equity share capital of that company (excluding any shares held as treasury shares), at the next meeting of the **Board** after the **Director** became aware of his interest or the **Company's** interest in that contract, transaction or arrangement; and
- (b) the approval of the **Company** in general meeting has been obtained (if required by section 320 of the **1985 Act**).

#### 114. RESTRICTION ON VOTING

114.1 Except as provided in article 114.2 and 114.3, a **Director** may not vote at a meeting of the **Board** in respect of a contract, transaction, arrangement or a proposal in which the **Director** has a material interest (whether direct or indirect or whether through **Persons Connected** with him) otherwise than by virtue of his interest in shares, debentures or other securities of or otherwise in or through the **Company**. The **Director** may not be counted in the quorum present on a motion in respect of such a contract, transaction, arrangement or proposal. If the **Director** votes in contravention of this article, his vote may not be counted.

114.2 If a **Director** complies with the requirements of these **Articles** with respect to disclosure of any interest, the prohibitions in article 114.1 do not apply to:

- (a) a contract, transaction, arrangement or proposal concerning an offer of shares, debentures or other securities of the **Company** or any of its subsidiary undertakings in which offer the **Director** is or may be entitled to participate as holder of securities or in the underwriting or sub-underwriting of which the **Director** is to participate;
- (b) a contract, transaction, arrangement or proposal for giving the **Director** a security, guarantee or indemnity in respect of:
  - (i) money lent or obligations incurred, by him or by another **Person** at the request of, or for the benefit of, the **Company** or any of its subsidiary undertakings; or
  - (ii) a debt or obligation of the **Company** or any of its subsidiary undertakings for which the **Director** has assumed responsibility (wholly or partly) under a guarantee or indemnity or by the giving of security;
- (c) a contract, transaction, arrangement or proposal concerning any other company in which the **Director** is interested directly or indirectly (whether through a **Person Connected** with the **Director** or otherwise and whether as an officer, creditor, shareholder or otherwise) if he and any **Person Connected** with him do not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the **1985 Act**) representing 1% or more of the issued equity share capital (excluding any shares held as treasury shares) of that company or of another

company through which his interest is derived or of the voting rights available to members of either company (excluding any voting rights attached to any shares held as treasury shares) (such an interest is deemed for this purpose to be a material interest);

- (d) a contract, transaction, arrangement or proposal concerning insurance which the **Company** proposes to maintain or purchase for the benefit of **Directors** or for the benefit of persons including the **Directors**; or
- (e) a contract, transaction, arrangement or proposal for the benefit of employees of the **Company** or any of its subsidiary undertakings (including, without limitation, an **Employees' Share Scheme**) which does not award to the **Director** any privilege or benefit not generally awarded to the employees to whom the arrangement relates.

114.3 Subject to the **Statutes** and the requirements of the FSA, the **Company** may by ordinary resolution:

- (a) suspend or relax the provisions of this Article to any extent, either generally or in respect of a particular matter; or
- (b) ratify any contract, transaction, arrangement or proposal not properly authorised because of a contravention of this article.

114.4 For the purposes of article 114:

- (a) an interest of a **Director** includes an interest of a **Person** who is **Connected** with the **Director**; and
- (b) an interest of an alternate **Director** includes an interest of the **Director** who appointed him.

#### 115. OFFICES AND EMPLOYMENT, RULING ON MATERIALITY AND DIRECTOR'S INTEREST

115.1 If a proposal is under consideration concerning the appointment (including, without limitation, fixing or varying the terms of appointment) of two or more **Directors** to offices with, or as employees of, the **Company** or a company in which the **Company** is interested, the proposal may be divided and considered in relation to each **Director** separately. In such a case, each of the **Directors** concerned (if not debarred from voting by reason of being the holder of or beneficially interested in 1% or more (excluding any voting rights attached to any shares held as treasury shares) of any class of the equity share capital of a company in which the **Company** is interested or of any other company through which his interest is derived or of the voting rights available to members of either company (excluding any voting rights attached to any shares held as treasury shares) may vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

115.2 If a question arises at a meeting as to the materiality of a **Director's** interest or as to the entitlement of a **Director** to vote and the question is not resolved by his voluntarily agreeing to abstain from voting, the question must be referred to, in the case of a **Director** other than the chairman of the meeting, the chairman and, in the case of the chairman, the remainder of the **Board**. The chairman's ruling (or the **Board's** ruling in the case of the chairman) in relation to the **Director** is final and conclusive except if the nature or extent of the **Director's** interest has not been fairly disclosed.

115.3 If:

- (a) a **Director** gives the **Board** a general notice in writing to the effect that:

- (i) he is a member of a specified company or firm and is to be regarded as interested in a contract, transaction, arrangement or proposal which may, after the date of the notice, be made with that company or firm;
  - (ii) he is to be regarded as interested in a contract, transaction, arrangement or proposal which may, after the date of the notice, be made with a specified **Person** who is **Connected** with him; or
  - (iii) he is to be regarded as having an interest of a nature and to the extent specified in the notice in a contract, transaction, arrangement or proposal in which a specified **Person** or class of **Persons** is interested; and
- (b) the **Director** gives the notice at a meeting of the **Board** or he takes reasonable steps to ensure that the notice is raised and read at the next meeting of the **Board** after it is given,

the notice is deemed to be a sufficient declaration of interest in relation to such a contract, transaction, arrangement or proposal.

115.4 For the purposes of these **Articles**, an interest of which a **Director** has no knowledge and of which it is unreasonable to expect him to have knowledge is not to be treated as an interest of his.

## F. **POWERS, DUTIES AND PROCEEDINGS OF DIRECTORS**

### 116. **BOARD TO MANAGE THE COMPANY'S BUSINESS**

The **Board** must manage the **Company's** business. The **Board** may exercise all the **Company's** powers that are not required by the **Statutes** or these **Articles** to be exercised in general meeting. The **Board** must exercise those powers in accordance with the **Statutes**, these **Articles** and any direction (whether or not inconsistent with these **Articles**) given by the **Company** by special resolution. Such a direction and any amendment of these **Articles** does not invalidate a prior act of the **Board** which would have been valid if the direction or amendment had not been given or made. The general powers given by this article are not limited or restricted by any special authority or power given to the **Board** by another article.

### 117. **DELEGATION OF POWERS TO A DIRECTOR**

The **Board** may confer on a **Director** (including, without limitation, a **Director** appointed to the office of executive **Director** or other executive office) any of its powers (other than the power to make calls or forfeit shares) on such terms and conditions and with such restrictions as it decides, and either collaterally with, or to the exclusion of, its own powers. The **Board** may from time to time revoke or vary all or any of those powers.

### 118. **EXERCISE BY COMPANY OF VOTING RIGHTS**

The **Board** may exercise the voting power conferred by the shares in any body corporate held or owned by the **Company** in such manner and in all respects as it thinks fit (including without limitation the exercise of that power in favour of any resolution appointing its **Members** or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

### 119. **COMMITTEES AND LOCAL BOARDS**

The **Board** may make any arrangement for the management of the **Company's** business, in the **United Kingdom** or elsewhere, including, without limitation, the establishing of a committee or local board for that purpose. The **Board** may appoint any person to be a member of a committee or local board and may fix his remuneration. The **Board** may

delegate, with power to sub-delegate, to a committee or local board, any of its powers, authorities and discretions except the power to make calls, forfeit shares or borrow money. The **Board** may authorise the members of a committee or local board to fill any vacancy in the committee or local board and to act notwithstanding vacancies. An appointment or delegation may be made on such terms and conditions as the **Board** decides. The **Board** may remove a person appointed to a committee or local board and may revoke or vary any delegation.

120. **APPOINTMENT OF ATTORNEYS, AGENTS AND REGISTRAR**

120.1 The **Board** may from time to time (by power of attorney or otherwise) appoint, whether in the **United Kingdom** or elsewhere, a person or a fluctuating body of persons, whether nominated directly or indirectly by the **Board**, to be the attorney or agent of the **Board** or the **Company**. The **Board** may delegate to that attorney or agent any of its powers, authorities and discretions for such purposes, for such period and on such terms and conditions as it decides. The **Board's** power to delegate is effective in relation to its powers, authorities and discretions generally and is not limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the **Board** or by a committee of the **Board**. The power of attorney or other appointment may contain such provisions for the protection and convenience of **Persons** dealing with the attorney or agent as the **Board** decides and may authorise the attorney or agent to sub-delegate all or any of his powers, authorities or discretions.

120.2 The **Board** may appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the **Company** such a designation or title and may terminate any such appointment or the use of any such designated title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that the holder is a director of the **Company**, and the holder shall not thereby be empowered in any respect to act as, or be deemed to be, a director of the **Company** for any of the purposes of these **Articles**.

120.3 The **Board** may remove a person appointed under article 118.1 and may revoke or vary the delegation.

120.4 The **Board** must appoint a **Person** to act as registrar of the **Company's** shares or debentures on such terms as its decides and, if relevant, on such terms that are consistent with the **Regulations**.

121. **OVERSEAS BRANCH REGISTER**

The **Company** may exercise those powers conferred by the **Statutes** with regard to the keeping of a branch register of members (within the meaning of section 362 of the **1985 Act**) in any territory permitted by the **Statutes**. Subject to the **Statutes**, the **Board** may make and vary regulations in connection with the keeping of that register.

122. **BORROWING POWERS**

122.1 Subject as provided in this article and to the provisions of the **Statutes**, the **Board** may exercise all the **Company's** powers:

- (a) to borrow money on such terms as the **Board** decides; and
- (b) for any purpose (including, without limitation, for the purpose of securing a sum of money borrowed or interest payable on that sum), to issue perpetual or redeemable debentures or other securities and to mortgage, guarantee or charge all or part of the undertaking or property (present or future) or uncalled capital of the **Company**.

122.2 The **Directors** must restrict the borrowings of the **Company** and exercise all voting and other rights and powers of control exercisable by the **Company** in relation to its subsidiary undertakings (if any) so as to secure (but, as regards subsidiary undertakings, only so far as the rights and powers enable the **Directors** to do so) that the total outstanding principal amount of all **Money Borrowed** by the **Group** (exclusive of borrowings owing by one member of the **Group** to another member of the **Group**) less the total amount of **Current Asset Investments** does not at any time, without the previous sanction of an ordinary resolution of the **Company**, exceed an amount equal to two times the **Adjusted Capital and Reserves**.

122.3 In this article:

- (a) "Adjusted **Capital and Reserves**" means a sum equal to the total, as shown by the **Relevant Balance Sheet**, of the called up share capital of the **Company**, the amount of minority interests in the **Company's** subsidiary undertakings and the amounts standing to the credit of reserves (including the profit and loss account, the share premium account and the capital redemption reserve) of the **Group** included in the **Relevant Balance Sheet** but after:
- (i) deducting from this sum any debit balance on the profit and loss account or on any other reserve;
  - (ii) making appropriate adjustments in respect of any variation in the amount of called up share capital or reserves (other than the profit and loss account) after the date of the **Relevant Balance Sheet**. For this purpose, if an issue or proposed issue of shares by the **Company** for cash has been underwritten, then those shares are deemed to have been issued and the amount (including any premium) of the subscription money payable in respect of those shares (not being money payable later than six months after the date of issue) is, to the extent so underwritten, deemed to have been paid up on the date when the issue of those shares were underwritten (or, if that underwriting is conditional, on the date when it becomes unconditional);
  - (iii) making appropriate adjustments in respect of any distribution declared, recommended or made by a **Group Undertaking** (otherwise than to the **Company** or another **Group Undertaking**) out of profits accrued on or before the date of the **Relevant Balance Sheet** to the extent that the distribution is not provided for in that balance sheet;
  - (iv) making appropriate adjustments in respect of any variation in the interests of the **Company** in its subsidiary undertakings (including a variation under which an undertaking becomes or ceases to be a subsidiary undertaking) since the date of the **Relevant Balance Sheet**;
  - (v) if the calculation of **Adjusted Capital and Reserves** is required in connection with a transaction under which an undertaking is to become or cease to be a subsidiary undertaking of the **Company**, making appropriate adjustments as if the transaction had been carried into effect;
  - (vi) adding back any amount set aside for deferred taxation;
  - (vii) adding back a sum equal to goodwill arising on acquisitions (whether before or after the date of adoption of these **Articles**) of companies and businesses remaining within the Group which has been written off against reserves in accordance with United Kingdom generally accepted accounting principles; and

- (viii) making such other adjustments as the **Company's** auditors, after consulting the **Company**, consider appropriate;
  - (b) "**Current Asset Investments**" means the aggregate of:
    - (i) cash in hand of the **Group**;
    - (ii) amounts standing to the credit of any bank account of a **Group Undertaking**; and
    - (iii) the amount of those assets as would be included in "Current Assets - Investments" in a consolidated balance sheet of the **Group** prepared as at the date of the amount of **Current Asset Investments** is determined in accordance with the principles used in the preparation of the **Relevant Balance Sheet**;
  - (c) "**Group**" means the Company and its subsidiary undertakings from time to time;
  - (d) "**Group Undertaking**" means the Company or any of its subsidiary undertakings from time to time;
  - (e) "**Money Borrowed**" includes (to the extent that the following would not otherwise be taken into account):
    - (i) the amount of all debentures issued (whether or not for cash) by a **Group Undertaking** which are not owned by another **Group Undertaking**;
    - (ii) the outstanding amount raised by acceptances by any bank or accepting house (which are not acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of business) under an acceptance credit opened on behalf of and in favour of a **Group Undertaking**;
    - (iii) the amount of any debentures or other borrowed money (not being debentures which are, or borrowed money, the indebtedness in respect of which is, owned by a **Group Undertaking**) the redemption or repayment of which is the subject of a guarantee or indemnity by a **Group Undertaking** or which a **Group Undertaking** may be required to purchase, or the amount of any other guarantee or contingent liability;
    - (iv) the total amount owing by a **Group Undertaking** under **Finance Leases** (as determined in accordance with United Kingdom generally accepted accounting principles but excluding leaseholds of immovable property). For this purpose, "**Finance Lease**" means a contract between a lessor and a **Group Undertaking** as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by the lessee or sub-lessee;
    - (v) the amount of any issued and paid up preference share capital of a **Subsidiary Undertaking** which is not owned by the **Group**;
- but does not include:
- (vi) amounts borrowed by a **Group Undertaking** for the purpose of repaying, redeeming or purchasing the whole or part of other borrowed money which are to be applied for that purpose within six months of being borrowed, pending their application for that purpose;
  - (vii) amounts borrowed by a **Group Undertaking** for the purpose of financing a contract if any part of the price receivable under the contract is guaranteed

or insured by a government, governmental agency or body or by a **Person** (not being a **Group Undertaking**) carrying on the business of providing credit insurance, up to an amount equal to that part of the price which is guaranteed or insured in this way;

and so that:

- (viii) article 122.3(e)(i) to (vii) are to be read cumulatively but no amount is to be taken into account more than once in the same calculation; and
  - (ix) in determining the amount of any debentures or other **Money Borrowed** for the purpose of this article 122.3(e) there must be taken into account the nominal or principal amount of the debentures (or, in the case of partly-paid debentures, the amount paid up on them) together with any fixed or minimum premium payable on redemption or repayment, but if money is borrowed on terms that it may be repayable earlier than its final maturity date (whether by exercise of an option on the part of the issuer or the creditor (or a trustee for the creditor) by reason of a default or for any other reason) at a premium or discount to its principal amount, there must be taken into account the amount (or the greater or greatest of two or more alternative amounts) which would, if those circumstances occurred, be payable on those repayments at the date as at which the amount of debentures or other **Money Borrowed** is determined;
- (f) "**Relevant Balance Sheet**" means the latest audited consolidated balance sheet of the **Group**.

122.4 For the purpose of this article, **Money Borrowed** which is denominated or repayable in a currency other than sterling must be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing in London on the day when the amount of **Money Borrowed** is determined or, if the amount of **Money Borrowed** would as a result be less, at the rate of exchange prevailing in London six months before that date. For this purpose, the rate of exchange on a day is the rate prevailing at the close of business on that day, or if it is not a business day, on the last preceding business day.

122.5 The determination of the **Company's** auditors as to the amount of the **Adjusted Capital and Reserves** or the amount of **Money Borrowed** is conclusive for the purposes of this article. Nevertheless the **Directors** may act in reliance on a bona fide estimate of the amount of the **Adjusted Capital and Reserves** or the amount of **Money Borrowed** at any time and if, as a result, the borrowing limit imposed by article 122.2 is inadvertently exceeded, an amount of borrowings equal to the excess may be disregarded until the expiration of three months from the date when the **Directors**, by reason of a determination of the auditors or otherwise, became aware that such a situation has or may have arisen.

122.6 A **Person** dealing with the **Company** or a **Group Undertaking** is not required to enquire whether the borrowing limit imposed by article 122.2 is observed. No debt incurred or security given in excess of that limit is invalid unless the lender or the recipient of the security had express notice, at the time the debt was incurred or the security given, that the limit had been or would as a result be exceeded.

## 123. **POWER OF BOARD TO DELEGATE THE POWER TO MAKE CALLS**

If any uncalled capital of the **Company** is included in or charged by a mortgage or other security, the **Board** may delegate to the **Person** in whose favour the mortgage or security is executed, or to a **Person** in trust for him, the power to make calls on the **Members** in respect of that uncalled capital, and to sue (in the **Company's** name or otherwise) for the recovery of amounts becoming due in respect of calls made and to give valid receipts for

those amounts. That power subsists during the continuance of the mortgage or security notwithstanding any change of **Directors**. That power is assignable if so expressed.

124. **SIGNING OF CHEQUES AND SIMILAR INSTRUMENTS**

All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for amounts paid to the **Company** must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the **Board** decides.

125. **DIRECTOR'S PLACES OF PROFIT IN OTHER COMPANIES**

A **Director** may continue to be or become a director (executive or non-executive), managing director, manager or other officer of, or employee or member of, or holder of a place of profit under, a company which the **Company** controls or in which it is interested. That **Director** is not accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer of, or employee or member of, or holder of a place of profit under, such a company. The **Board** may exercise the voting power conferred by the shares in such a company held or owned by the **Company**, or exercisable by members of the **Board** as directors of that company, in such manner in all respects as it decides (including, without limitation, the exercise of the voting power in favour of a resolution appointing a member of the **Board** to be a director, managing director, manager or other officer or employee of, or holder of a place of profit under, that company, or voting or providing for the payment of remuneration to the director, managing director, manager or other officer or employee of that company). Subject to articles 113 and 114, a **Director** may vote in favour of the exercise of those voting rights in the manner set out in this article, notwithstanding that he may be, or be about to be, appointed a director, managing director, manager or other officer or employee or member of, or the holder of a place of profit under, that company, and as such is or may become interested in the exercise of those voting rights in that manner.

126. **PENSION AND SUPERANNUATION FUNDS AND CHARITABLE SUBSCRIPTIONS**

126.1 The **Board** may (either alone or with an **Associated Company**):

- (a) establish and maintain, or procure the establishment and maintenance of, or otherwise contribute to a non-contributory or contributory pension or superannuation fund or arrangement, share option or share incentive scheme, profit-sharing scheme or trust for the benefit of a **Relevant Person**;
- (b) give, or procure the giving of, donations, gratuities, pensions, allowances, death or disability benefits or emoluments to, or to a person in respect of, a **Relevant Person**;
- (c) establish and subsidise, or subscribe to, an institution, association, club or fund calculated to be for the benefit of, or to advance the interests and well-being of, the **Company**, an **Associated Company** or a **Relevant Person**;
- (d) make payments for, or towards, the insurance of a **Relevant Person**; or
- (e) subscribe or guarantee money for a charitable, benevolent or political purpose for an exhibition or for a public, general or other object which the **Board** decides is useful.

126.2 In article 124:

- (a) "**Associated Company**" means a subsidiary undertaking of the **Company** or a company or undertaking which is directly or indirectly controlled by or associated in business with the **Company** or any of its subsidiary undertakings; and

(b) "**Relevant Person**" means a person who is or was at any time in the employment or service of the **Company** or an **Associated Company** (including, without limitation, a **Director** or other officer of the **Company** or a director or other officer of an **Associated Company** who, in either case, holds or held at any time a salaried employment or office with the **Company** or **Associated Company**) or a spouse, former spouse, relative or dependant of such a person.

126.3 Subject to the **Statutes**, a **Director** who is a **Relevant Person** may participate in and retain for his own benefit a donation, gratuity, pension, allowance, death or disability benefit or emolument paid pursuant to this article. The receipt of such a benefit does not disqualify a person from being or becoming a **Director** and no **Director** will be liable to account to the **Company** or the **Members** for any benefit provided by these **Articles**.

#### 127. **POWER TO MAKE PROVISION FOR EMPLOYEES**

The **Board** is authorised to sanction (by resolution of the **Board**) the exercise of any power conferred on the **Company** by section 719 of the **1985 Act**.

#### 128. **MEETINGS OF THE BOARD**

128.1 Subject to the provisions of these **Articles**, the **Board** may meet for the despatch of its business, adjourn and otherwise regulate meetings as it decides.

128.2 Questions arising at a meeting are to be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting has a casting vote. A **Director** who is also an alternate **Director** is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor in addition to his own vote.

128.3 A **Director** may, and the **Secretary** on the request of a **Director** must, at any time summon a meeting of the **Board**.

128.4 A **Director**, who has given the **Company** an address including an email address (in or outside the **United Kingdom** at which notices may be given to him, is entitled to receive notices of all meetings of the **Board** and all committees of the **Board** of which the **Director** is a member. Where a **Director** is absent from the **United Kingdom** and has not given the **Company** an address, it shall not be necessary to send notice of a meeting of the **Board** or a committee of the **Board** to such **Director**. A **Director** may prospectively or retrospectively waive the right to receive notice of a meeting of the **Board** or a committee of the **Board**. Any **Electronic Communication** pursuant to this article need not comprise writing if the **Board** so determines.

#### 129. **QUORUM**

129.1 The **Directors** may fix the quorum for the transaction of the business of the **Board** and unless so fixed the quorum is two individuals.

129.2 A person attending a meeting of the **Board**, who is acting as an alternate **Director** for one or more **Directors** must be counted as one for each of the **Directors** for whom he is so acting and, if he is a **Director**, must also be counted as a **Director**.

#### 130. **CONFERENCE MEETINGS**

130.1 A meeting of the **Board** may consist of a conference between **Directors** some or all of whom are in different places if each **Director** who participates is able:

- (a) to hear each of the other participating **Directors** addressing the meeting; and
- (b) if the **Director** so wishes, to address all of the other participating **Directors** simultaneously,

whether directly, by conference telephone, video-conference facility or any other form of communications equipment (whether in use when these **Articles** are adopted or developed subsequently) or by a combination of these methods. Each **Director** so participating in a meeting is deemed to be "present" at that meeting for the purpose of these **Articles**.

130.2 A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of **Directors** required to form a quorum.

130.3 A meeting held in this way is deemed to take place at the place where the largest group of participating **Directors** is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

131. **RESTRICTED POWER OF DIRECTORS IF NUMBER FALLS BELOW PRESCRIBED MINIMUM**

The continuing **Directors** or a sole continuing **Director** may act notwithstanding a vacancy in their body. However, if and so long as the number of **Directors** is reduced below the minimum number of **Directors** fixed as the quorum necessary for the transaction of the business of the **Board**, the continuing **Directors** or **Director** may only act for the purpose of filling vacancies in their body or of summoning general meetings of the **Company**. If no **Directors** are or **Director** is able or willing to act, any two **Members** may requisition a general meeting for the purpose of appointing **Directors**.

132. **CHAIRMAN OF THE BOARD**

The **Directors** may from time to time elect and remove a chairman, a deputy chairman or vice chairman of their meetings and decide the period for which they are respectively to hold office. The chairman or, in his absence, the deputy chairman or vice chairman must preside at all meetings of the **Board**. If there is no chairman, deputy chairman or vice chairman or if at a meeting the chairman, deputy chairman and vice chairman are not present within 15 minutes after the time appointed for holding the meeting, the **Directors** present may choose one of their number to be chairman of the meeting.

133. **DIRECTORS' RESOLUTIONS**

133.1 If:

(a) each **Director** for the time being entitled to receive notice of a meeting of the **Board** and not being less than a quorum, or each member of a committee of the **Board**, agrees to the passing of a resolution; and

(b) the agreement of the **Director** or member of the committee to the passing of the resolution is contained in:

(i) any form of **Electronic Communication** that the **Board** decides may be used in relation to this article and complies with each requirement (including, without limitation, those as to authentication) that the **Board** has specified for that form of **Electronic Communication**; or

(ii) a document signed by the **Director** or member,

that resolution is as effective as a resolution passed at a meeting of the **Board** or (as the case may be) a committee of the **Board** duly convened and held.

133.2 For the purposes of article 133.1(b)(ii):

(a) the agreement of the **Directors** or members of the committee may be contained in several documents in the same form each signed by one or more of the **Directors** or members of the committee; and

- (b) a signature may be affixed to a copy of the document and the signed document is valid if the **Company** receives a copy sent using an **Electronic Communication** or the original.

133.3 For the purposes of article 133.1, an alternate **Director** need not agree to the passing of a resolution if his appointor has agreed to its passing and if an alternate **Director** has agreed to the passing of a resolution, his appointor need not agree to its passing.

134. **POWERS OF A QUORUM OF THE BOARD**

A meeting of the **Board** at which a quorum is present may exercise all the powers and discretions for the time being exercisable by the **Board**.

135. **PROCEEDINGS OF COMMITTEES AND LOCAL BOARDS**

The meetings and proceedings of a committee or local board appointed pursuant to article 119 consisting of two or more members of the **Board** are governed by the provisions of these **Articles** regulating the meetings and proceedings of the **Board** so far as they are applicable and are not superseded by any regulations made by the **Board** under article 119.

136. **VALIDITY OF ACTS OF THE BOARD, COMMITTEES AND LOCAL BOARDS**

Each act done in good faith by a meeting of the **Board**, a committee of the **Board**, a local board or a person acting as a **Director**, notwithstanding that it is afterwards discovered that there was a defect in his appointment as a **Director**, or that the person was disqualified from holding office, or had vacated office, or was not entitled to vote, is as valid as if the person had been duly appointed and was qualified and had continued to be a **Director** and had been entitled to vote.

137. **MINUTES**

137.1 The **Board** must cause minutes to be made of:

- (a) all appointments of officers made by the **Board**;
- (b) the names of the **Directors** (and any alternate **Directors**) present at each meeting of the **Board**, a committee of the **Board** or a local board; and
- (c) all resolutions and proceedings at all meetings of the **Company**, the **Holders** of any class of shares in the **Company**, the **Board**, a committee of the **Board** or a local board.

137.2 These minutes, if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next succeeding meeting, are evidence of the proceedings.

137.3 A register, record, index, minute book, book of account or other book required by these **Articles** or the **Statutes** to be kept by or on behalf of the **Company** may be kept by making entries in bound books or by recording them otherwise than in a legible form (including, without limitation, the use of computer storage facilities) if the recording is capable of being reproduced in a legible form. If bound books are not used, the **Board** must take adequate precautions for guarding against falsification and for facilitating its discovery.

138. **STATUTORY REGISTERS**

138.1 The **Company** must keep and make available for inspection as required by the **Statutes** copies or memoranda of the employment contracts of **Directors** (including, without

limitation, shadow directors), a register of **Directors'** interests in shares or debentures of the **Company** and all other registers and records which the **Company** is required by the **Statutes** to keep and to make available for inspection.

138.2 These documents, registers and records must:

- (a) be kept at the **Office** (or, as permitted by the **Statutes**, at any other place or places specified by the **Directors**, notice of which has been given to the Registrar of Companies) in the form required or permitted by the **Statutes**;
- (b) be open to the inspection of a **Member** or holder of debentures of the **Company** or a **Person** entitled under the **Statutes** to inspect them, between the hours of 10.00 am and noon on each day during which they are required to be open for inspection pursuant to the **Statutes**; and
- (c) if required by the **Statutes**, also be produced at the start of each annual general meeting and must remain open and accessible during the meeting to any person entitled to attend the meeting.

139. **APPOINTMENT OF AND ACTS OF THE SECRETARY**

139.1 The **Board** may appoint the **Secretary** on such terms and conditions as it decides and may remove the **Secretary** (but without prejudice to any claim which the **Secretary** may have against the **Company**).

139.2 A person may only be appointed to the office of **Secretary** after the date of the adoption of these **Articles** if he is duly qualified in accordance with section 286 of the **1985 Act**.

139.3 The **Board** may appoint one or more persons to be deputy or assistant secretary. A deputy or assistant secretary may do anything required or authorised to be done by or to the **Secretary**.

140. **CUSTODY AND USE OF THE SEAL**

The **Board** may decide whether or not the **Company** is to have a common seal. The **Board** must provide for the safe custody of each **Seal** and each **Securities Seal**. Subject to articles 13 and 15, a seal may not be affixed to any instrument except by the authority of a resolution of the **Board** or a committee of the **Board** authorised by the **Board** to give that authority. The **Board** may decide whether or not any instrument to which the **Seal** or the **Securities Seal** is affixed is to be signed. If it is to be signed, at least one **Director** and such other person as the **Board** may appoint for the purpose must sign each instrument to which that seal is so affixed. If the **Board** does not appoint such a person, the instrument must be signed by at least one **Director** and the **Secretary** or by at least two **Directors**. Subject to articles 13, 15 and 20, the **Board** may from time to time make regulations determining the persons and the number of those persons in whose presence the **Seal** or the **Securities Seal** is to be used, and until otherwise so determined such a seal must be affixed in the presence of a **Director** and the **Secretary** or of two **Directors**.

141. **SECURITIES SEAL AND OFFICIAL SEAL FOR USE OVERSEAS**

The **Company** may have a **Securities Seal** and one or more official seals for use overseas under the provisions of the **Statutes**, where and as the **Board** decides. The **Board** may by writing under the **Seal** appoint an agent or committee to be the duly authorised agent of the **Company** for the purpose of affixing and using abroad an official seal and may impose restrictions on the use of that seal.

142. **AUTHENTICATION OF DOCUMENTS**

A **Director**, the **Secretary** or a person appointed by the **Board** may certify as true copies or extracts, copies or extracts of any document affecting the **Company's** constitution, and any resolution passed by the **Company**, the **Board** or a committee of the **Board**, and any books, records, documents and accounts relating to the **Company's** business. If any books, records, documents or accounts are elsewhere than at the **Office**, the local manager or other officer of the **Company** having custody of them is deemed to be a person appointed by the **Board** under this article. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the **Company**, the **Board** or a committee of the **Board** which is certified in accordance with this article is conclusive evidence in favour of all **Persons** dealing with the **Company** on the faith of that document or extract, that the resolution has been duly passed or, as the case may be, that the minute or extract is a true and accurate record of proceedings at a duly constituted meeting.

V. **DIVIDENDS AND DISTRIBUTIONS**

143. **DISTRIBUTION OF PROFITS**

Subject to the **Statutes**, the **Company** may by ordinary resolution declare dividends to be paid to the **Members** (excluding the **Company** in respect of shares held as treasury shares) in accordance with their respective rights, but no dividend may exceed the amount recommended by the **Board**.

144. **DIVIDENDS ONLY PAYABLE ON PAID UP AND CALLED-UP CAPITAL**

Except as otherwise provided by the rights attached to shares, a dividend must be declared and paid according to the amounts **Paid up** on the shares in respect of which the dividend is paid. An amount **Paid up** on a share in advance of calls may not be treated for the purposes of this article as **Paid up** on the share. Dividends must be apportioned and paid pro rata according to the amounts **Paid up** on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if a share is issued on terms that it ranks for dividends as if **Paid up** (wholly or partly) as from a particular date, that share ranks for dividends accordingly.

145. **DEDUCTION FROM DIVIDENDS OF UNPAID CALLS**

The **Board** may deduct from a dividend or any other amount payable to a **Member** on or in respect of a share any amount presently payable by the **Member** to the **Company** on account of calls or otherwise in relation to the shares of the **Company**.

146. **INTERIM DIVIDENDS**

146.1 Subject to articles 143 and 144 and the **Statutes**, the **Board** may:

- (a) from time to time resolve to pay to the **Members** (excluding the **Company** in respect of shares held as treasury shares) such interim dividends as appear to the **Board** to be justified by the **Company's** profits;
- (b) pay half yearly or at other suitable intervals to be decided by the **Board** any dividend expressed to be payable at a fixed rate if it is of the opinion that the **Company's** profits justify the payment;
- (c) if at any time the **Company's** share capital is divided into different classes, declare and pay interim dividends in respect of those shares in the **Company's** capital which confer on the **Holder**s of those shares (excluding the **Company** in respect of shares held as treasury shares) deferred or non-preferred rights as well

as in respect of those shares which confer on the **Holders** of those shares (excluding the **Company** in respect of shares held as treasury shares) preferential rights with regard to dividends. No interim dividend may be paid on shares carrying deferred or non-preferred rights if at the time of payment any preferential dividend is in arrear.

- 146.2 If the **Board** acts in good faith the **Directors** are not responsible to the **Holders** of shares conferring a preference for any damage that they may incur because of the payment of an interim dividend on any shares in the **Company's** capital having deferred or non-preferred rights.

147. **RECORD DATES FOR DIVIDEND PAYMENTS AND CAPITALISATION DISTRIBUTIONS**

A resolution of the **Company** in general meeting or a resolution of the **Board** resolving to pay a dividend on shares of any class may state that the dividend is payable to the **Persons** registered as the **Holders** of those shares at the close of business on a particular date or at such other time as the **Board** may decide. That date or time may be a date or time before that on which the resolution is passed. This article applies in the same way to capitalisation issues to be effected pursuant to article 156.

148. **COMPANY MAY RETAIN UNCLAIMED DIVIDENDS**

The payment by the **Board** of an unclaimed dividend or other amount payable in respect of a share into a separate account does not constitute the **Company** a trustee in respect of it. The **Board** may invest or otherwise use for the **Company's** benefit any unclaimed dividend or other amount payable in respect of a share until it is claimed. A dividend unclaimed for 12 years from the date that it became payable is forfeited and belongs to the **Company**. A dividend or other amount payable in respect of a share only bears interest against the **Company** if it is provided in the rights of the share.

149. **METHOD OF PAYMENT**

- 149.1 A dividend or other amount payable in respect of a share may be paid by cash, cheque or warrant sent by post to the registered address of the **Person** entitled to the payment or, in the case of joint **Holders**, to the registered address of the joint **Holder** who is first named in the Register, or to a **Person** and address as the **Person** or **Persons** entitled to the payment may by notice direct. The cheque or warrant must be made payable to the order of the **Person** to whom it is sent, or of such other **Person** as the **Person** or **Persons** entitled to the payment may by notice direct, and crossed "a/c Payee".
- 149.2 A dividend or other amount payable in respect of a share may also be paid by any other usual or common banking method (including, without limitation, direct credit, bank transfer and electronic funds transfer) to the **Person** entitled to the payment, or, in the case of joint **Holders**, to the joint **Holder** who is first named in the **Register**, or to such other **Person** as the **Person** or **Persons** entitled to the payment may by notice direct.
- 149.3 A dividend or other amount payable in respect of a share in **Uncertificated Form** may also be paid by means of the **Relevant System** if the **Board** decides and the **Person** or **Persons** entitled to the payment has or have authorised by notice for the payment to be made by the **Relevant System**.
- 149.4 Payment of the cheque or warrant, if purporting to be duly endorsed, or where unendorsed appearing to have been duly paid by the bank on whom it is drawn, or the collection of funds from or transfer of funds by a bank in accordance with a direct credit, bank transfer or electronic funds transfer, or, in respect of a share in **Uncertificated Form**, the making of payment in accordance with the facilities and requirements of the **Relevant System**, is a good discharge to the **Company**. Each cheque or warrant is sent at the risk of the **Person** entitled to the money represented by it.

149.5 Except as otherwise provided by the rights attached to shares, a dividend or other amount payable in respect of a share may be declared and paid in such currency as the **Board** may decide. The **Board** may also determine the exchange rate and the relevant date for determining the value of the dividend in any currency.

150. **COMPANY NOT OBLIGED TO SEND DIVIDENDS TO UNTRACEABLE SHAREHOLDERS**

150.1 If, in respect of a dividend or other amount payable in respect of a share, on two consecutive occasions (or after one occasion if reasonable enquiries have failed to establish a new address for the **Person** or **Persons** entitled to that payment) a cheque or warrant in payment of the dividend or other amount is sent by post and is returned undelivered or left uncashed during the period for which it is valid, the **Company** is not obliged to send a dividend or other amount in respect of that share until a **Person** entitled to the share notifies the **Company** of an address for that purpose.

150.2 If, in respect of a dividend or other amount payable in respect of a share, on two consecutive occasions (or after one occasion if reasonable enquiries have failed to establish a new account for the **Person** or **Persons** entitled to that payment) a sum in payment of the dividend or other amount cannot be sent to an account by means of payment as described in article 149.2 or 149.3 due to a problem in connection with that account, the **Company** is not obliged to send a dividend or other amount in respect of that share until a **Person** entitled to the share notifies the **Company** of an account for that purpose.

151. **ANY JOINT HOLDER MAY GIVE RECEIPT FOR A DIVIDEND**

If several **Persons** are registered as joint **Holders** of a share or are **Entitled by Transmission** to a share or by any other event, any one of them may give effectual receipts for a dividend or other amount payable in respect of the share.

152. **PAYMENT OF DIVIDEND IN SPECIE**

A general meeting declaring a dividend may (if the **Board** recommends) direct payment of the dividend wholly or partly by the distribution of specific assets (including, without limitation, **Paid up** shares, debentures or debenture stock of any other company). The **Board** must give effect to such a resolution. The **Board** may settle any difficulty arising in connection with the distribution in such manner as it decides. In particular, the **Board** may: (a) issue fractional certificates; (b) fix the value for distribution of any asset or any part of it and may decide that cash is to be paid to a **Member** on the basis of that value to adjust the rights of **Members**; (c) vest any asset in trustees on trust for the **Persons** entitled to the dividend; and (d) generally make any arrangements (including, without limitation, arrangements for the allotment, acceptance and sale of any asset or fractional certificate, or any part of it).

153. **SCRIP DIVIDENDS**

The **Board** may, with the sanction of the **Company** by ordinary resolution, and if there are sufficient unissued shares available taking into account other requirements, offer to the **Holders** of shares the right to elect to receive an allotment of additional shares, credited as fully paid, wholly or partly, instead of cash in respect of a dividend which is specified in the applicable resolution or that part of the dividend as the **Board** may decide. The following provisions apply:

- (a) the resolution may specify a particular dividend or may specify all or any dividends falling to be declared or paid during a specified period, being a period expiring not later than five years after the date of the meeting at which the resolution is passed;

- (b) the **Board** must decide the basis of allotment so that, as nearly as may be considered convenient, the **Relevant Value** of the additional shares (including any fractional entitlement) to be allotted instead of any amount of dividend is not less than an amount equal to the net cash amount that those  **Holders** would have otherwise received by way of a dividend and may not (unless authorised by a special resolution) exceed an amount equal to the sum of the net cash amount of that dividend and the **Associated Tax Credit**. For the purposes of this article:
- (i) "**Relevant Value**" of a share must be calculated either: (1) by reference to the average of the middle market quotations (less the relevant dividend unless the shares are already quoted ex that dividend) on the **London Stock Exchange** (derived from the Daily Official List of the **London Stock Exchange** or a similar publication) on at least five consecutive dealing days selected by the **Board**, but starting no earlier than the day on which the **Board** announces the proposed relevant dividend; or (2) in such other manner as the **Board** may decide;
- (ii) "**Associated Tax Credit**" is the tax credit which would be available to the recipient of a dividend under section 231 of the Income and Corporation Taxes Act 1988 on the assumption that the recipient is an individual resident in the United Kingdom for United Kingdom taxation purposes;
- (c) as soon as practicable or after announcing that any dividend is to be declared or recommended, the **Board** must notify the  **Holders** of the shares of the rights of election offered to them and must send, with or after that notice, forms of election and specify the procedure to be followed and the place at which, and the latest date and time by which, duly completed forms of election must be lodged to be effective;
- (d) the dividend (or that part of it in respect of which a right of election has been offered) may not be paid in cash on shares in respect of which the election has been duly exercised (the "**Elected Shares**"). On and with effect from the due date of payment of the dividend (or part of it) in respect of which a right of election has been offered or such earlier date (after the election) as the **Board** may decide, additional shares are to be allotted instead of payment of cash to the  **Holders** of the **Elected Shares** on the basis of allotment decided in accordance with this article. For this purpose, the **Board** must capitalise, out of such of the amounts standing to the credit of reserves (including, without limitation, any share premium account and capital redemption reserve) or profit and loss account as the **Board** may decide, an amount equal to the total nominal amount of the additional shares for allotment and distribution to and amongst the  **Holders** of **Elected Shares** on that basis;
- (e) the additional shares so allotted rank pari passu in all respects with the fully paid shares of the same class (excluding any shares of the same class held as treasury shares) then in issue except only as regards participation in the relevant cash dividend (or share election instead of it);
- (f) the **Board** may do anything which it considers necessary or expedient to give effect to such an offer and capitalisation, with power to make such provisions as it may decide for dealing with shares becoming distributable in fractions (including, without limitation, provisions by which, in whole or in part, fractional entitlements are disregarded or rounded up or carried forward or the benefit of fractional entitlements accrues to the **Company** or to one or more charities nominated by it rather than to the relevant **Members**). The **Board** may authorise a **Person** on behalf of all relevant **Members** to enter into an agreement with the **Company**

providing for that capitalisation and matters incidental to it. An agreement made under that authority is effective and binding on all relevant **Persons**;

- (g) the **Board** may make such exclusions from an offer of rights of election to **Holders** of shares as it may decide as a result of any legal or practical problems under, or expense incurred in connection with the requirements of, the laws of, or the requirements of any regulatory authority or stock exchange in, any territory;
- (h) the **Board** may decide to treat as valid for the purposes of this article a mandate in force to receive regularly (and not in relation to a single dividend only) shares instead of receiving payment of cash dividends. If the **Board** makes such a decision, the mandate entitles the relevant **Holders** of shares to an allotment of new shares pursuant to this article; and
- (i) the **Board** may (if it considers it necessary or desirable for any reason to do so) from time to time before payment of any dividend, disregard any election or mandate received in connection with this article and pay the relevant dividend or dividends in cash.

## VI. RESERVES

### 154. BOARD MAY CARRY PROFITS TO RESERVE AND CARRY FORWARD PROFITS

The **Board** may, before recommending any dividend (including, without limitation, a preferential dividend), carry to reserve out of the **Company's** profits (including, without limitation, any premiums received on the issue of debentures or other securities of the **Company**) such amounts as it decides as a reserve or reserves which, at the **Board's** discretion, may be applied for any purpose to which the **Company's** profits may be properly applied and before such an application may, at the **Board's** discretion, be employed in the **Company's** business or be invested in such investments as the **Board** decides. The **Board** may also without placing the amount to reserve carry forward any profits which it decides is prudent not to distribute.

### 155. DEPLETION OF ASSETS

If at any time the net assets of the **Company** (as defined in section 264(2) of the **1985 Act**) are half or less of the amount of the **Company's** called-up share capital, the Board must, not later than 28 days from the earliest day on which that fact is known to any **Director**, duly convene an extraordinary general meeting for a date not later than 56 days from that day for the purpose of considering whether any, and if so what, measures should be taken to deal with the situation.

## VII. CAPITALISATION OF PROFITS

### 156. CAPITALISATION ISSUES

The **Board** may with the authority of an ordinary resolution of the **Company**:

- (a) subject to the provisions of this article, resolve to capitalise any undistributed profits of the **Company** not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including, without limitation, the **Company's** share premium account and capital redemption reserve, if any;
- (b) appropriate the sum resolved to be capitalised to the **Members** or any class of **Members** on the record date specified in the relevant resolution who would have

been entitled to it if it were distributed by way of dividend and in the same proportions. Except if the relevant resolution specifies otherwise, if on the relevant record date the Company holds treasury shares of the same class as those **Members** or class of **Members**, the Company is to be treated as if it were entitled to receive dividends in respect of those treasury shares which would have been payable if a person other than the Company had held those treasury shares;

- (c) apply that sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares, debentures or other obligations of the **Company** of a nominal amount equal to that sum but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to **Members** credited as fully paid;
- (d) allot the shares, debentures or other obligations credited as fully paid to those **Members**, or as they may direct, in those proportions, or partly in one way and partly in the other;
- (e) where shares or debentures become, or would otherwise become, distributable under this article in fractions, make such provision as they decide for any fractional entitlements including, without limitation:
  - (i) authorising their sale and transfer to any **Person**;
  - (ii) resolving that the distribution be made as nearly as practicable in the correct proportion but not exactly so;
  - (iii) ignoring fractions altogether; or
  - (iv) resolving that cash payments be made to any **Members** to adjust the rights of all parties;
- (f) authorise any **Person** to enter on behalf of all the **Members** concerned into an agreement with the **Company** providing for either:
  - (i) the allotment to those **Members** respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled on the capitalisation; or
  - (ii) the payment up by the **Company** on behalf of the **Members** of the amounts, or any part of the amounts, remaining unpaid on their existing shares,and any agreement made under that authority is binding on all those **Members**;
- (g) generally do all acts and things required to give effect to the ordinary resolution; and
- (h) for the purposes of this article, unless the relevant resolution provides otherwise, if the **Company** holds shares of the relevant class as treasury shares at the record date specified in the relevant resolution, it shall be treated as if it were entitled to receive the dividends in respect of those treasury shares which would have been payable if those treasury shares had been held by a person other than the **Company**.

VIII. **ACCOUNTS AND AUDIT**

157. **KEEPING OF ACCOUNTS AND RETENTION OF ACCOUNTING RECORDS**

The **Board** must ensure that proper accounts and accounting records are kept in accordance with the **Statutes** and in particular with respect to:

- (a) all amounts of money received and expended by the **Company** from day to day and the matters in respect of which the receipt and expenditure take place;
- (b) all sales and purchases of goods and services by the **Company**;
- (c) the assets and liabilities of the **Company**; and
- (d) all statements of stocktaking whenever made.

158. **LOCATION OF ACCOUNTING RECORDS**

The accounting records must be kept at the **Office**, or (subject to the **Statutes**) at another place as decided by the **Board**. Those records must always be open to inspection by the **Directors** and other officers of the **Company**. No **Member** (other than a **Director** or an officer of the **Company**) has the right to inspect any account, book or document of the **Company** except if that right is conferred by the **Statutes** or he is so authorised by the **Board** or the **Company** in general meeting.

159. **ACCOUNTS TO BE LAID BEFORE GENERAL MEETINGS**

The **Directors** must ensure that, in accordance with the **Statutes**, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the **Statutes** are prepared and laid before the **Company** in general meeting.

160. **AUDITORS' REPORT**

The auditors' report must be open to inspection as required by the **Statutes**.

161. **SUMMARY FINANCIAL STATEMENTS**

The **Company** may send summary financial statements in accordance with the **Statutes**.

162. **APPOINTMENT OF AUDITORS**

Auditors are to be appointed and their duties, powers, rights and remuneration regulated in accordance with the **Statutes**.

163. **ACCOUNTS TO BE AUDITED ANNUALLY**

Once at least in each year the **Company's** accounts must be examined and the balance sheet, profit and loss account and the **Company's** group accounts (if any) reported on by an auditor or the auditors.

164. **VALIDITY OF ACTS OF AUDITORS**

Subject to the **Statutes**, each act done by a **Person** acting as an auditor is, as regards a **Person** dealing in good faith with the **Company**, valid notwithstanding that there was a defect in his appointment or that he was at the time of his appointment not qualified for appointment.

165. **RIGHTS OF AUDITORS**

The auditor is entitled to attend each general meeting and to receive each notice of and other communication relating to a general meeting which a **Member** is entitled to receive, and to be heard at each general meeting on any part of the business of the meeting which concerns him as auditor.

IX. **NOTICES**

166. **FORM OF NOTICES AND DOCUMENTS**

A notice or document to be given to or by a **Person** pursuant to these **Articles** must be:

- (a) in writing; or
- (b) contained in any form of **Electronic Communication** that the sender and the recipient of the notice or document have agreed may be used for the giving of that type of notice or document.

167. **METHODS OF GIVING NOTICES AND DOCUMENTS TO MEMBERS**

167.1 The Company may give a **Member** a notice or document in writing:

- (a) personally;
- (b) by sending it by post in a pre-paid envelope addressed to the **Member** at his registered address (or another address notified for that purpose by the **Member**);
- (c) by leaving it at the **Member's** registered address (or another address notified for that purpose by the **Member**) in an envelope addressed to the **Member**;
- (d) by giving or sending it in any other way permitted by the **Statutes** or (while any of the **Company's** shares are admitted to the Official List) the rules of the **FSA**; or
- (e) in any other way approved by the **Board**.

167.2 The **Company** may give a **Member** a notice or document contained in an **Electronic Communication** by giving it using an **Electronic Communication** to an address or number notified by the **Member** to the **Company** for that purpose.

167.3 In the case of joint **Holders** of a share, a notice or document must be given to the **Person** who is named first in the **Register** in respect of the joint holding, and notice given in this way is sufficient notice to all joint **Holders**.

167.4 If a **Member** (or, in the case of joint **Holders**, the **Member** first named in the **Register**) has a registered address outside the **United Kingdom** but has notified the Company of an address in the **United Kingdom** at which notices or documents in writing may be given to the **Member**, the **Member** is entitled to have a notice or document given to him at that address. The **Board** may also permit (on such terms as the **Board** may decide) such a **Member** to have a notice or document contained in an **Electronic Communication** given to him using an **Electronic Communication** to an address or number notified by the **Member** to the **Company** for that purpose.

168. **NOTICE BY ADVERTISEMENT**

168.1 If by reason of the suspension or curtailment of postal services in the **United Kingdom** the **Company** is unable effectively to convene a general meeting by notices sent by post, the **Board** may, as an alternative to any other method of service permitted by these **Articles**, resolve to convene a general meeting by a notice advertised in at least one

national daily newspaper published in the **United Kingdom**. The **Company** must send confirmatory copies of the notice by post if at least four days before the day of the meeting the posting of notices to addresses throughout the **United Kingdom** again becomes practicable.

168.2 A notice required to be given by the **Company** to the **Members** or any of them, and not provided for by or pursuant to these **Articles**, is sufficiently given if given by a notice advertised in at least one national daily newspaper published in the **United Kingdom**.

#### 169. **WEBSITE PUBLICATION BY COMPANY**

Subject to the **Statutes**, the Company may also send any notice or other document pursuant to these Articles to a Member by publishing that notice or other document on a website where:

- (a) the **Company** and the **Member** have agreed to him having access to the notice or document on a website (instead of it being sent to him);
- (b) the notice or document is one to which the agreement applies;
- (c) the **Member** is notified, in a manner for the time being agreed between him and the **Company** for the purpose, of:
  - (i) the publication of the notice or document on a website;
  - (ii) the address of that website; and
  - (iii) the place on that website where the notice or document may be accessed, and how it may be accessed; and
- (d) the notice or document is published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the **Company** to prevent or avoid.

#### 170. **EVIDENCE OF SERVICE**

170.1 A notice or document in writing sent by post is deemed to have been given at the expiration of 24 hours if pre-paid as first class post, and 48 hours if pre-paid as second class post, after it has been posted. In proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre-paid and posted.

170.2 A notice or document in writing not sent by post but left at a **Member's** registered address or address for service in the **United Kingdom** is deemed to be given on the day it is left.

170.3 A notice or document contained in an **Electronic Communication** is deemed to have been given 24 hours after it was given. In proving service it is sufficient to prove that the **Electronic Communication** was properly addressed and shown as given in a report or log retained by or on behalf of the **Company**.

170.4 A notice given by advertisement is deemed to have been given at noon on the day on which the advertisement appears.

170.5 A **Member** present, either personally or by proxy or being a corporation present by way of a duly authorised representative appointed pursuant to the **Statutes** or article 92, at a meeting of the **Company** or of the **Holder**s of a class of shares in the **Company** is

deemed for all purposes to have received notice of the meeting and, if required, of the purposes for which it was called.

171. **PERSONS BECOMING ENTITLED TO SHARES TO BE BOUND BY NOTICES**

A **Person** who by operation of law, transfer or otherwise becomes entitled to a share is bound by a notice given by the **Company** in respect of that share (other than a **Section 212 Notice**) which, before his name is entered in the **Register** or **Operator Register**, has been properly given to a **Person** from whom he derives his title to that share.

172. **THE GIVING OF NOTICES OR DOCUMENTS TO DECEASED OR BANKRUPT MEMBER**

172.1 The **Company** may give a notice or document to a **Person** who is **Entitled by Transmission** to a share as if he were the **Holder** of the share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt **Member** (or by similar designation) at an address in the **United Kingdom** or number supplied for that purpose by the **Person** claiming to be **Entitled by Transmission**.

172.2 Until an address or number has been supplied, the **Company** may give a notice or document in any manner in which it might have given if the death or bankruptcy or other event had not occurred.

172.3 A notice or document given in accordance with this article is for all purposes deemed a sufficient giving of that notice or document on each **Person** interested (whether jointly with or as claiming through or under him) in that share.

X. **WINDING-UP**

173. **DISTRIBUTION OF ASSETS IN SPECIE**

In the winding-up (whether the liquidation is voluntary or by the court) of the **Company** the liquidator may, with the authority of an extraordinary resolution and any other sanction required by the **Statutes**, divide among the **Members** (other than the **Company** in respect of shares held as treasury shares) in specie the whole or any part of the assets of the **Company**, whether or not the assets consist of property of one kind, and may for these purposes set a value as he deems fair on any one or more class or classes of property, and may decide how such a division is to be carried out as between the **Members** or different classes of **Members**. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of **Members** as the liquidator, with the like authority, decides and the liquidation of the **Company** may be closed and the **Company** dissolved, but so that no **Member** is compelled to accept any shares in respect of which there is a liability.

174. **SALE BY A LIQUIDATOR**

In the case of a sale by the liquidator of the **Company** under [section 110](#) of the Insolvency Act 1986, the liquidator may by contract of sale agree (so as to bind all the **Members**) for the allotment directly to the **Members** (excluding the **Company** in respect of shares held as treasury shares) of the proceeds of sale in proportion to their respective interests in the **Company**, and may also by that contract limit a time at the expiration of which obligations or shares not accepted are deemed to have been irrevocably refused and are at the disposal of the **Company**. The power of sale of a liquidator includes a power to sell wholly or partly in exchange for the securities, debentures or other obligations of another company, either then already constituted, or about to be constituted for the purpose of carrying out the sale.

XI. **INDEMNITIES**

175. **INDEMNITY TO DIRECTORS AND OTHER OFFICERS**

175.1 Subject to, and to the extent permitted by, the **Statutes**, each **Director**, **Secretary** or other officer of the **Company** is entitled to be indemnified by the **Company** against each loss, cost and liability incurred by him in relation to the execution and discharge of his duties including, without limitation, any liability incurred by him:

- (a) in defending any civil or criminal proceedings, which relate to anything done or omitted, or alleged to have been done or omitted, by him as an officer or employee of the **Company** and in which judgement is given in his favour (or the proceedings are otherwise disposed of without a finding or admission of a material breach of duty on his part) or in which he is acquitted; or
- (b) in connection with any application under any statute from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the **Company** in which relief is granted to him by the courts.

175.2 Without prejudice to article 175.1 and to the extent permitted by the **Statutes**, the **Board** may purchase and maintain **Insurance** for the benefit of a person who is or was at any time:

- (a) a director, officer or employee of the **Company** or a company (a "**Specified Company**") which is a subsidiary or in any way allied to or associated with the **Company** or a subsidiary of the **Company**;
- (b) a director, officer or employee of a predecessor of the business of the **Company** or a **Specified Company**;
- (c) a trustee of a pension fund in which an employee of the **Company** or a **Specified Company** is interested.

175.3 In article 175.2, "**Insurance**" includes, without limitation, insurance against any liability incurred by a person referred to in article 175.2 in respect of an act or omission in the actual or purported execution or discharge of his duties, or in the exercise or purported exercise of his powers, or otherwise in relation to his duties, powers or offices, in relation to the **Company**, a **Specified Company** or a pension fund referred to in article 175.2.

176. **SECURITY FOR PERSONAL LIABILITY IN RELATION TO SUMS DUE BY THE COMPANY**

If a **Director** or other person becomes personally liable for the payment of an amount primarily due from the **Company**, the **Board** may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the **Company** by way of indemnity to secure the **Director** or other person from incurring any loss in respect of that liability.