

**Company no: 3881244**

**THE COMPANIES ACTS 1985 TO 1989**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**(adopted pursuant to a special resolution passed on 6<sup>th</sup> June 2000)**

**Zytronic PLC**

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**PRELIMINARY**

**1. TABLE A NOT TO APPLY**

The regulations contained in table A in The Companies (Table A to F) Regulations 1985 shall not apply to the Company.

**2. DEFINITIONS AND INTERPRETATION**

2.1 In these Articles, unless the context otherwise requires:

**Act** means the Companies Act 1985, including any statutory modification or re-enactment for the time being in force;

**AIM** means the Alternative Investment Market of the London Stock Exchange;

**AIM Admission Rules** means the latest edition of the Alternative Investment Market Admission Rules from time to time, to be found, at the date of adoption of these Articles, in Chapter 16 of the Rules of London Stock Exchange;

<b>Articles</b>	means these Articles of Association as from time to time altered;
<b>Auditors</b>	means the auditors of the Company;
<b>Board</b>	means the board of directors of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present;
<b>Business Day</b>	means a day (other than a Saturday or Sunday) on which clearing banks are open for business in London;
<b>certificated</b>	means, in relation to a share, a share which is not an uncertificated share
<b>clear days</b>	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;
<b>committee</b>	means a duly authorised committee of the board;
<b>company</b>	includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Act;
<b>Company</b>	means Zytronic plc (CRN 3881244);
<b>director</b>	means a director of the Company;
<b>dividend</b>	includes bonus;
<b>entitled by transmission</b>	means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law;
<b>executed</b>	includes, in relation to a document, execution under hand or under seal or by another method permitted by law;

<b>Group</b>		means the Company and any company which is a subsidiary undertaking for the time being of the Company;
<b>holder</b>		means, in relation to a share, the member whose name is entered in the register as the holder of that share;
<b>in writing</b>		means written or produced by any substitute for writing or partly one and partly another;
<b>Listing Rules</b>		means the latest edition of 'The Listing Rules' issued by the UK Listing Authority under the Financial Services Act 1986;;
<b>London Exchange</b>	<b>Stock</b>	means London Stock Exchange Limited;
<b>member</b>		means a member of the Company;
<b>month</b>		means calendar month;
<b>office</b>		means the registered office of the Company for the time being;
<b>paid and paid up</b>		includes credited as paid or paid up;
<b>recognised person</b>		means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, each of which terms has the meaning given to it by section 185(4) of the Act;
<b>register</b>		means the register of members kept pursuant to section 352 of the Act and, where the context requires, any register maintained by the Company of persons holding any renounceable right of allotment of a share;
<b>seal</b>		means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Statutes;

<b>share warrants</b>	means a warrant to bearer in respect of shares of the Company, issued by the Company;
<b>Statutes</b>	means the Act and statutes and subordinate legislation for the time being in force concerning companies and affecting the Company;
<b>transfer office</b>	means the place where the register is kept for the time being;
<b>Uncertificated Securities Regulations</b>	means the Uncertificated Securities Regulations 1995, including any modification, re-enactment or substitute regulations for the time being in force;
<b>uncertificated</b>	means, in relation to a share, a share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of a relevant system;
<b>United Kingdom</b>	means Great Britain and Northern Ireland; and
<b>year</b>	means calendar year.

- 2.2 The expressions “**debenture**” and “**debenture holder**” shall respectively include “debenture stock” and “debenture stockholder”.
- 2.3 The expression “**secretary**” shall include any person appointed by the board to perform any of the duties of the secretary, including a joint, assistant or deputy secretary.
- 2.4 The expression “**shareholders’ meeting**” shall include both a general meeting and a meeting of the holders of any class of shares of the Company.
- 2.5 All of the provisions of these Articles, which apply to paid up shares, shall apply also to stock, and the words “**share**” and “**shareholder**” shall be construed accordingly. The words “**shareholder**” and “**holder**” shall also include (subject to the provisions of these Articles and except where the context in which such word is used requires otherwise) the bearer of any share warrant.

- 2.6 Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.
- 2.7 Any words or expressions defined in the Statutes shall (subject as set out in the preceding provisions of this Article) have the same meanings in these Articles (if such meaning is not inconsistent with the subject or the context in which the word or expression is used), but excluding any statutory modification to the Statutes not in force at the date of adoption of these Articles. In particular, the expressions “**operator**”, “**participating issuer**”, “**participating security**” and “**relevant system**” have the same meanings as in the Uncertificated Securities Regulations.
- 2.8 For the purposes of these Articles, references to a relevant system shall be deemed to relate to the relevant system in which the particular share or class of shares or renounceable right of allotment of a share concerned in the capital of the Company is a participating security for the time being and all references in these Articles to the properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Regulations and the giving of such instructions shall be subject always to:
- 2.8.1 the facilities and requirements of the relevant system;
- 2.8.2 the extent permitted by the Uncertificated Securities Regulations; and
- 2.8.3 the extent permitted by or practicable under the rules and practices from time to time of the operator of the relevant system.
- 2.9 The words “**include**” and “**including**” shall be construed as if they were immediately followed by the words “but not limited to”.
- 2.10 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is required under these Articles.
- 2.11 The headings in these Articles do not affect the interpretation of these Articles.

## SHARE CAPITAL

### 3. AMOUNTS AND RIGHTS

- 3.1 The share capital of the Company at the date of the adoption of these Articles is £250,000 divided into 25,000,000 Ordinary Shares of 1 pence each.
- 3.1.1 Subject to Articles 127 to 138 (inclusive), the profits of the Company available for distribution and resolved to be

distributed shall be paid as a dividend to the holders of the Ordinary Shares.

- 3.1.2 On a return of capital (except on a purchase of shares), the assets of the Company available for distribution amongst the members shall, subject to any provision made for employees under section 719 of the Act be used to repay to the holders of the Ordinary Shares the amounts paid up on those shares. The assets remaining after such repayment shall then belong to and be distributed amongst the holders of the Ordinary Shares in proportion to the number of such shares held by them respectively.

## **UNCERTIFICATED SHARES**

### **4. PROVISIONS APPLICABLE TO UNCERTIFICATED SHARES**

- 4.1 Subject to the Statutes, the board may resolve that a class of shares is to become a participating security and that a class of shares shall cease to be a participating security.
- 4.2 Shares of a class shall not be treated as forming a separate class from other shares of that class merely because any such shares are held from time to time in uncertificated form.
- 4.3 A member may, in accordance with the Uncertificated Securities Regulations, change a share of a class which is a participating security from a certificated share to an uncertificated share and from an uncertificated share to a certificated share.
- 4.4 The Company may give notice to a member requiring the member to change uncertificated shares to certificated shares by the time stated in the notice. The notice may also state that the member may not change certificated shares to uncertificated shares. If a member does not comply with the notice, the board may authorise a person to change the uncertificated shares to certificated shares in the name and on behalf of the member.
- 4.5 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:
- 4.5.1 the holding of shares of that class in uncertificated form;
- 4.5.2 the transfer of title to shares of that class by means of a relevant system; and
- 4.5.3 the Uncertificated Securities Regulations.
- 4.6 Where the Company is entitled under any provisions of the Statutes or the rules of any relevant systems or under these Articles to dispose of, forfeit, accept the surrender of, enforce a lien over, re-allot or sell,

transfer or otherwise procure the sale of any shares which are held in uncertificated form, the board shall have the power (subject to the Statutes, the Uncertificated Securities Regulations and the rules and practices of the relevant system) to take such steps as the board considers appropriate, by instruction by means of a relevant system or otherwise, to effect such disposal, forfeiture, surrender, enforcement, re-allotment, sale or transfer and such powers shall (subject as aforesaid) include the right to:

- 4.6.1 request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or
- 4.6.2 alter such computer-based entries so as to divest the registered holder of such shares of the power to transfer such shares to a person other than the transferee, purchase or his nominee identified by the Company for this purposes; and/or
  - 4.6.2.1 require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to change his holding of such uncertificated shares into certificated form within such period as may be specified in the notice, prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps as may be necessary to sell or transfer such shares; and/or
  - 4.6.2.2 appoint any person to take such other steps in the name of the holder of such shares as may be required to effect a transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned.

## **VARIATION OF RIGHTS**

### **5. MANNER OF VARIATION OF RIGHTS**

- 5.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated;:
    - 5.1.1 in such manner (if any) as may be provided by those rights; or
    - 5.1.2 in the absence of provision,
- either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of

an extraordinary resolution passed at a separate meeting of the holders of the shares of that class validly held in accordance with these Articles (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

- 5.2 All the provisions of these Articles relating to general meetings of the Company and to the proceedings at such general meetings shall (so far as applicable and with any necessary modifications) apply to any such separate meeting, except that:
- 5.2.1 the necessary quorum shall be at least to persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question, and at any adjourned meeting, the necessary quorum shall be any holder of shares of the class in question or his proxy;
  - 5.2.2 any holder of shares of the class in question present in person or by proxy may demand a poll; and
  - 5.2.3 every such holder shall, on a poll, have one vote for every share of the class held by him.
- 5.3 The preceding provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class, the special rights of which are to be varied.

## **6. MATTERS NOT CONSTITUTING VARIATION OF RIGHTS**

The special rights attached to any class of shares having preferential rights shall not, unless expressly provided for in or under the terms of issue of such shares, be deemed to be varied by:

- 6.1 the creation, allotment or issue of further shares ranking equally in some or all respects with (but not having, in any respect, any priority over) such shares as regards participation in the profits or assets of the Company; or
- 6.2 the purchase or redemption by the Company of any of its own shares; or
- 6.3 the board resolving that a class of shares shall become, or the operator of the relevant system permitting such class of shares to be, a participating security.

## **ALTERATION OF SHARE CAPITAL**

### **7. INCREASE OF SHARE CAPITAL**

The Company may from time to time by ordinary resolution increase its capital by a sum to be divided into shares of such an amount as the resolution

shall prescribe. All new shares shall be subject to the provisions of the Statutes and of these Articles in relation to allotment, payment of calls, lien, transfer, transmission, forfeiture and other matters and unless otherwise provided by these Articles, by the resolution creating the new shares or by the condition of issue, the new shares shall be Ordinary Shares.

## 8. **CONSOLIDATION, SUBDIVISION AND CANCELLATION**

8.1 The Company may by ordinary resolution:

8.1.1 consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

8.1.2 cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled;

8.1.3 sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association (subject to the provisions of the Statutes). The resolution providing for the sub-division of any share may also provide that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

8.2 Where any difficulty arises in relation to any consolidation or sub-division under Article 8.1, the board may settle the same as they think expedient and in particular may make such provision as they think fit for any fractional entitlements which may or would arise, including arrangements under which (treating holdings of a member of uncertificated shares and certificated shares of the same class as if they were separate holdings, unless the board otherwise determines) it may:

8.2.1 sell fractions of a share to a person (including, subject to the Statutes, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3.00, or such other sum as the board may decide, the sum may be retained for the benefit of the Company); or

8.2.2 subject to the Statutes, allot or issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such allotment or

issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be).

8.3 To give effect to a sale pursuant to Article 8.2.1 the board may exercise its powers under Article 34.

8.4 If shares are allotted or issued pursuant to Article 8.2.2, the amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to Article 140. In relation to the capitalisation, the board may exercise all powers conferred on it by Article 140 without an ordinary resolution of the Company.

## **9. PURCHASE OF OWN SHARES**

Subject to the provisions of the Statutes and the requirements of London Stock Exchange and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class (including any redeemable shares) at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the statutes and by an extraordinary resolution passed at a separate general meeting of the holders of each class of shares (if any) which, at the date on which the contract is authorised by the Company in general meeting, entitled them, either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the Company.

## **10. REDUCTION OF CAPITAL**

Subject to the provisions of the Statutes and to the rights attached to existing shares, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any way.

## **SHARES**

## **11. RIGHTS ATTACHING TO SHARES ON ISSUE**

11.1 Without restricting or reducing in any way any special rights previously conferred on the holders of any shares or class of shares for the time being in issue, any share in the Company may be issued at any time with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting

or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the board may determine).

11.1.1 Subject to the provisions of the Statutes and to the rights attached to existing shares, the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

**12. COMMISSION ON ISSUE OF SHARES**

The Company may exercise all powers of paying commission or brokerage conferred or permitted by the Statutes. Subject to the Statutes, any commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or the grant of an option to call for an allotment of shares, or by any combination of these methods.

**13. RENUNCIATION OF ALLOTMENT**

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

**14. EQUITABLE INTERESTS NOT RECOGNISED**

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, nor shall the Company be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as may be provided for by these Articles or by law) any other right in respect of any share, except an absolute right to the entirety of the same in the registered holder or, in the case of a share warrant, in the bearer of the share warrant for the time being.

**SHARE CERTIFICATES**

**15. GENERAL**

Every share certificate shall be issued under seal (including under a securities seal or, in the case of shares on a branch register, an official seal for use in the relevant territory), which may be affixed or printed on it, or in such other manner as the board may approve, having regard to the terms of allotment or issue of the shares and the requirements of London Stock Exchange. Every share certificate shall specify the number and class of certificated shares to which it relates and the amount paid up on such shares. No certificate shall be issued representing certificated shares of more than one class. No certificate shall normally be issued in respect of certificated shares held by a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate.

**16. JOINT HOLDERS**

Where a certificated share is held jointly by several persons, the Company shall not be obliged to issue more than one certificate for such certificated share and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

**17. ISSUE OF SHARE CERTIFICATES**

Any person (subject as provided in Articles 15 and 16) whose name is entered in the register shall, upon the issue or transfer to him of any certificated shares of any class, be entitled without payment to a certificate for the same (in the case of issue) within two months (or such longer period as the terms of issue shall provide) after allotment or (in the case of transfer of fully-paid shares)) within two months, after the relevant transfer has been lodged or in either case such shorter period as may be required by the AIM Admission Rules or if the Company's shares are at any time listed on the Official List of London Stock Exchange, the Listing Rules.

**18. BALANCE CERTIFICATES**

Where some only of the certificated shares comprise in a share certificate are transferred, the old certificate shall be cancelled and a new certificate issued for the certificated shares not transferred without charge.

**19. REPLACEMENT OF SHARE CERTIFICATES**

19.1 Any two or more certificates representing certificated shares of any one class held by any member may, at his request, be cancelled and a single new certificate for such shares issued in lieu without charge.

19.2 If a member surrenders for cancellation a share certificate representing certificated shares held by him and requests the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the board may, if it thinks fit and on payment by the member of such reasonable sum as the board may decide, comply with such request.

19.3 If a share certificate has been damaged or defaced or is alleged to have been lost, stolen or destroyed, a new certificate representing the same certificated shares may be issued to the holder, upon his request and upon delivery up of the old certificate or (if it is alleged that the old certificate has been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity (with or without security) and the payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in the investigation of that evidence and the preparation of that indemnity and security, but otherwise without charge, as the board may think fit.

19.4 Any such request may be made by any one of the joint holders where the shares are held jointly by several persons.

**20. UNCERTIFICATED SHARES**

The Company shall not issue to any person a certificate in respect of an uncertificated share.

**CALLS ON SHARES**

**21. POWER TO MAKE CALLS**

The board may (subject to the terms of allotment or issue) from time to time make calls upon the members in respect of any moneys unpaid and not payable on a date fixed by or in accordance with the terms of allotment or issue on the shares or a class of shares held by them respectively (whether on account of the nominal value of the shares or, when permitted, in respect of any premium). A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed and may be made payable by instalments.

**22. LIABILITY FOR CALLS**

Each member shall (if he has received at least 14 clear days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of such share. A call may be revoked or postponed if and as the board may determine. A person on whom a call is made remains liable to pay the amount called notwithstanding the subsequent transfer in respect of which the call is made.

**23. INTEREST ON OVERDUE AMOUNTS**

If a sum called in respect of a share is not paid on or before the day specified for payment, the person from whom the sum is due shall pay interest on that sum from and including the day specified for payment to but excluding the date of actual payment at such rate as may be fixed by the terms of allotment or issue of the share, or, if no rate is fixed, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent per annum) as the board may determine. The board may in any case or cases waive payment of all or part of such interest.

**24. OTHER SUMS DUE ON SHARES**

Any sum (whether on account of the nominal value of the share or in respect of any premium) which, by the terms of allotment of a share, becomes payable upon allotment or at any fixed date shall, for all the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of allotment the same becomes payable. If such sum is not paid, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**25. POWER TO DIFFERENTIATE BETWEEN HOLDERS**

The board may, on the allotment or issue of shares, differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

**26. PAYMENT OF CALLS IN ADVANCE**

The board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys (whether on account of the nominal value of the shares or in respect of any premium) uncalled and unpaid upon the shares held by him. Such payment in advance of calls shall extinguish, to that extent, the liability upon the shares in respect of which it is made. The Company may pay interest at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent per annum) as the member paying such sum and the board may agree on the moneys so received (until and to the extent that the same would but for such advance become payable).

**FORFEITURE AND LIEN**

**27. NOTICE ON FAILURE TO PAY A CALL**

27.1 If a member fails to pay in full any call or instalment of a call on or before the due date for payment, the board may, at any time after the due date for payment, serve a notice on him (or on a person entitled by transmission to the share in respect of which the call was made demanding payment) requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued on the unpaid amount and any expenses incurred by the Company because of such non-payment.

27.2 The notice shall specify a further day (which must be at least seven clear days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made. The notice must also state that, if the amount specified in the notice is not paid as required by the notice, the shares on which the call has been made will be liable to be forfeited.

**28. FORFEITURE FOR NON-COMPLIANCE**

If the requirements of any notice given under Article 27 are not complied with, at any time after such non-compliance and before payment has been made of all calls and interest and expenses due in respect of any share in respect of which such notice has been given, any such share may be forfeited by a resolution of the board to that effect. The board may accept a surrender of any share liable to be forfeited under these Articles. Where a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share, but no forfeiture is invalidated by an omission to

give notice. An entry of the fact and date of forfeiture shall be made in the register.

**29. DISPOSAL OF FORFEITED SHARES**

Subject to the provisions of the Statutes, a share which has been forfeited or surrendered and all rights attaching to it are deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before such forfeiture or surrender, the holder of or entitled to the same or to any other person upon such terms and in such manner as the board may think fit in accordance with Article 34. At any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the board thinks fit.

**30. HOLDER TO REMAIN LIABLE DESPITE FORFEITURE**

A member whose share has been forfeited or surrendered shall cease to be a member in respect of the share and, if it is a certificated share, shall surrender to the Company for cancellation the certificate for such share. Such member shall, despite the forfeiture or surrender, remain liable to pay to the Company all moneys which, at the date of the forfeiture or surrender, were presently payable by him to the Company in respect of the share together with interest on such sum at such rate as may be fixed by the terms of the allotment or issue of the share, or, if no rate is fixed, at such rate (not exceeding, without the sanction of the company given by ordinary resolution, 20 per cent per annum) as the board may determine from and including the date of forfeiture or surrender to but excluding the date of payment. The board may, in its absolute discretion, enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal or may waive payment in whole or in part.

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

The Company shall have a first and paramount lien on every share which is not fully-paid registered in the name of a member (whether solely or jointly with another person) for all moneys payable in respect of such share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared and any other amounts payable in respect of the share. The board may waive any lien which has arisen and may resolve that any share shall, for some limited period, be exempt wholly or partially from the provisions of this Article. Unless otherwise agreed with the transferee, the registration of a transfer of a share shall be deemed to constitute a waiver of the Company's lien (if any) on that share.

**32. SALE OF SHARES SUBJECT TO LIEN**

The Company may exercise its powers under Article 34 and sell in such manner as the board thinks fit any share on which the Company has a lien. No sale shall be made unless:

32.1 some sum in respect of which the lien exists is then payable; and

32.2 a notice in writing has been given to the holder for the time being of the share or to the person otherwise entitled to the same stating, and demanding payment of, the sum then payable and giving notice of the intention to sell because of the default; and

32.3 fourteen clear days have expired after the delivery of such notice.

33. **PROCEEDS OF SALE OF SHARES SUBJECT TO LIEN**

The net proceeds of a sale of a share subject to a lien (after payment of the costs of such sale) shall be used to pay the amount in respect of which the lien exists so far as the same is then payable. Any balance remaining shall (in respect of certificated shares, upon surrender to the Company for cancellation of the certificate for the shares sold or the provision of an indemnity (with or without security) as to any lost or destroyed certificate required by the board), subject to a like lien for amounts not presently payable as existed on the shares before the sale, be paid to the person entitled to the shares immediately before the sale.

**COMPULSORY SALE POWERS**

34. **POWER OF SALE**

The board may exercise the powers conferred on it by this Article only when it is empowered to do so pursuant to any of Articles 8.3, 29, 32 and 47.1. the board may, if necessary, authorise some person to execute a transfer of a certificated share on behalf of the holder of (or the person entitled by transmission to) the share to any person. The board may, if necessary, exercise any of the powers conferred on the Company by Article 4.6 to effect the transfer of a uncertificated share on behalf of the holder of (or the person entitled by transmission to) the share to any person. In either case, the transfer shall be effective as if it had been made by the holder of (or the person entitled by transmission to) the share and the Company may receive the consideration (if any) for the disposal and may register the transferee as the holder of the share.

35. **EVIDENCE OF SALE AND TITLE OF TRANSFEREE**

A statutory declaration in writing that the declarant is a director or the secretary and that a share has been duly sold to deal with fractional entitlements, forfeited or surrendered, or sold to satisfy a lien of the Company, or sold pursuant to Article 47.1 (sale of shares of untraced members), on a date stated in the declaration shall be conclusive evidence of the facts stated in such declaration, against all persons claiming to be entitled to the share. Such declaration shall (subject, if necessary, to the transfer of the share) constitute a good title to the share. The person to whom the share is sold, re-allotted or otherwise disposed of shall not be obliged to investigate to whom or where or how the consideration (if any) is paid and nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **TRANSFER OF SHARES**

### **36. METHOD OF TRANSFER**

- 36.1 A certificated share (other than one represented by a share warrant) may be transferred by using a written transfer in any usual or common form or in any other form acceptable to the board. The form of transfer need not be executed as a deed by must be signed by or on behalf of the transferor and, if the relevant certificated share is not fully paid, also by or on behalf of the transferee. The company may retain all instruments of transfer which are registered.
- 36.2 An uncertificated share may be transferred in accordance with the Uncertificated Securities Regulations.
- 36.3 A transferor shall remain the holder of the share concerned (whether a certificated share or an uncertificated share) until the name of the transferee is entered in the register as the holder of that share.

### **37. RIGHT TO REFUSE REGISTRATION**

- 37.1 Subject to Article 70 and the requirements of London Stock Exchange, 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 trading on AIM or to the Official List of London Stock Exchange, the board may not refuse to register the transfer if this would prevent dealings in the share from taking place on an open and proper basis.
- 37.2 Subject to Article 70 and the requirements of London Stock Exchange, the board may also, in its absolute discretion and without giving a reason, refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied:
- 37.2.1 it is in respect of only one class of share;
- 37.2.2 it is in favour of a single transferee or renounee or not more than four joint transferees or renounees;
- 37.2.3 it is delivered for registration to the transfer office or such other place as the board may decide, accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person where a certificate has not been issued, or in the case of a renunciation) and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

37.3 If the board refuses to register the transfer of a certificated share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the purported transferee. An instrument of transfer which the board refuses to register shall be returned to the person who lodged the transfer or, if this cannot be ascertained, to the purported transferor.

**38. REGISTRATION OF TRANSFERS OF UNCERTIFICATED SHARES**

38.1 Subject to the requirements of London Stock Exchange, the Company shall register a transfer of title to any uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form in accordance with the Uncertificated Securities Regulations, but so that the board may refuse to register such a transfer in favour of more than four persons jointly or in any other circumstance permitted by the Uncertificated Securities Regulations.

38.2 If the board refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share the company shall within two months after the date on which the transfer instruction relating to such transfer was received by the Company, send notice of the refusal to the purported transferee.

**39. NO FEE ON REGISTRATION**

No fee will be charged by the Company in respect of the registration of any transfer of a share or the renunciation of a renounceable letter of allotment or instruction or other document relating to or affecting the title to a share or otherwise for making any other entry in the register.

**40. CLOSURE OF REGISTER**

Subject to the Statutes and the requirements of London Stock Exchange the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the board may from time to time determine. Any such suspension may be a general one for all shares or may relate only to a particular class of shares, but the Company shall not close any register relating to a participating security without the consent of the operator of the relevant system.

**41. BRANCH REGISTER**

Subject to and to the extent permitted by the Statutes and London Stock Exchange, the Company, or the board on behalf of the Company, may arrange for a branch register to be kept in any territory of members resident in such territory. The board may make, and vary, such regulations as it may think fit regarding the keeping of any such register.

## **TRANSMISSION OF SHARES**

### **42. PERSONS ENTITLED ON DEATH**

If a shareholder dies, the survivors or survivor where the deceased was a joint holder, and the personal representatives or representative of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. However, nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

### **43. ELECTION BY PERSON ENTITLED BY TRANSMISSION**

43.1 A person becoming entitled to a share as a result of the death of bankruptcy of a member or through the operation of law may (subject to the provisions set out below), upon supplying to the Company such evidence as the board may reasonably require to show his title to the share, either be registered himself as a holder or the share (if he notifies the Company accordingly) or transfer such share to some other person.

43.2 If he elects to transfer such share to another person, he shall:

43.2.1 if such share is a certificated share, execute transfer of the share to that person; or

43.2.2 if such share is an uncertificated share, either procure that instructions are given by means of the relevant system to effect the transfer of the share to that person or change the share to a certificated share and transfer it in accordance with Article 43.2.1

43.3 All the provisions of these Articles relating to the right to transfer and the registration of transfers of certificated shares shall apply to any such notification or transfer (as the case may be) which shall be treated as if it were a transfer executed by the member registered as the holder of any such share.

43.4 The board may give notice requiring a person to make the election referred to in Article 43.1. If such notice is not complied with within 60 days, the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of the election has been made.

### **44. RIGHTS OF PERSONS ENTITLED BY TRANSMISSION**

Except where stated to the contrary in these Articles, a person becoming entitled to a share as a result of the death or bankruptcy of a member or through the operation of law shall (upon supplying to the Company such evidence as the board may reasonably require to show his title to the share) be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the board) to exercise any

right conferred by membership in relation to shareholders' meetings (including separate meetings in respect of a class of shares) until he has been registered as a member in respect of the share.

## SHARE WARRANTS

45.

45.1 The Company may issue, with respect to any of its fully-paid certificated shares, a share warrant stating that the bearer is entitled to the shares specified in the share warrant, and may provide, by coupons or otherwise, for the payment of future dividends or other moneys on or in respect of the shares included in such share warrants.

45.2 A share warrant shall entitle the bearer of the same to the shares included in it. Those shares may be transferred by the delivery of the share warrant and the provisions of these Articles regarding the transfer and transmission of shares shall not apply to the same. Each share warrant shall be issued under seal (including under a securities seal or, in the case of shares on a branch register, an official seal for use in the relevant territory).

45.3 The board shall be entitled to accept a certificate (in such form and from such person as the board may approve) to the effect that a specified person is shown in the records of the person issuing such certificate as being entitled to the shares comprised in a specified share warrant as sufficient evidence of the facts stated in such certificate. The board shall also be entitled to treat the deposit of such certificate at the transfer office (or any other place specified from time to time by the board) as equivalent to the deposit there of the share warrant, and may allot to the person named in such certificate any shares to which the bearer of the share warrant referred to in such certificate may be entitled. The right of the allottee to the allotment shall not, after any such allotment, be questioned by any person.

45.4 The board may determine, and from time to time vary, the conditions upon which share warrants shall be issued, including those:

45.4.1 upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, lost or destroyed (but no new share warrant may be issued to replace one that has been lost unless the board is satisfied beyond reasonable doubt that the original share warrant has been destroyed);

45.4.2 upon which (subject as set out below) the bearer of a share warrant shall be entitled to attend and vote at general meetings; and

45.4.3 upon which a share warrant may be surrendered and the name of the holder entered in the register in respect of the shares specified in such share warrant.

The conditions for the time being in force relating to share warrants (whether made before or after the issue of any particular share warrant) shall apply to the bearer of a share warrant unless stated to the contrary in any such conditions or in these Articles.

- 45.5 Subject to the terms of any conditions for the time being in force relating to share warrants and except as specifically stated to the contrary in these Articles, the bearer of a share warrant may at any time deposit the share warrant at the transfer office (or at such other place as the board may from time to time nominate). So long as the share warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, of giving notice of intention to submit a resolution to a meeting and of attending and voting, giving a proxy and exercising the other privileges of a member, at any meeting held after the register as the holder of the shares included in the deposited share warrant. If a share warrant is deposited elsewhere than at the transfer office (or such other place as the board have nominated), the depositor must obtain from the person with whom the same is deposited a certificate of such deposit in such form as the board may require specifying the share warrant and the number of shares included in that share warrant and must lodge the certificate of deposit at the transfer office (or such other place as the board has nominated), at least 48 hours before the time of the meeting at which the depositor desires to attend or to be represented. No more than one person shall be recognised as a depositor of any share warrant. Every share warrant which shall have been so deposited shall remain so deposited until after the closing of the meeting at which the depositor desires to attend or to be represented.
- 45.6 Except as specifically stated to the contrary in these Articles or in the terms of any conditions for the time being in force relating to share warrants, no person shall, as the bearer of a share warrant, be entitled to sign a requisition for calling a meeting of the Company or give notice of intention to submit a resolution to a meeting or attend or vote or give a proxy or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices from the Company. However, the bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register as the holder of the shares included in the share warrant, and he shall be deemed to be a member of the Company.

## **STOCK**

46.

- 46.1 The Company may (subject, in the case of uncertificated shares, to the requirements of the operator of the relevant system) from time to time by ordinary resolution convert any paid up shares into stock or reconvert any stock into paid up shares of any denomination. Such stock may be held in either certificated or uncertificated form.

- 46.2 The holders of stock may transfer all or any part of such stock in the same manner and subject to the same regulations as and subject to which the certificated shares from which the stock arose might have been transferred (or as near to the same as circumstances permit). However, no stock shall be transferable except in such units (which shall not be greater than the nominal amount of certificated shares from which the stock arose) as the board may from time to time determine.
- 46.3 The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, returns of capital, voting and other matters as if they held the certificated shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

### **UNTRACED SHAREHOLDERS**

#### **47. SALES OF SHARES OF UNTRACED SHAREHOLDERS**

- 47.1 The Company may exercise its powers under Article 34 and sell, at the best price reasonably obtainable at the time of sale, the shares of a member or the shares to which a person is entitled through transmission on death or bankruptcy or by the operation of law if:
- 47.1.1 during a period of not less than 12 years immediately prior to the date of the publication of the advertisements referred to in Article 47.1.2 (or, if published on different dates, the first such date) no communication has been received by the Company from such member or person (in his capacity as member or person entitled by transmission), no cheque or warrant or money order sent by the Company through the post in a pre-paid letter addressed to such member or person at his address on the register or any other last known address given by such member or person to which cheques and warrants and money orders are to be sent has been cashed, and at least three cash dividends (whether interim or final) in respect of the shares have become payable and no dividend in respect of those shares has been claimed; and
- 47.1.2 the Company shall, on or after the expiry of a period of 12 years, have inserted advertisements in both a leading national daily newspaper and in a newspaper circulating in the area in which the last known address of such member or person or the address at which service of notices may be effected in the manner authorised by these Articles is located giving notice of its intention to sell the relevant shares; and

47.1.3 during the period of three months following the publication of such advertisements, the Company shall, so far as the board is aware, have received no communication from such member or person (in his capacity as member or person entitled by transmission); and

47.1.4 notice shall have been given to London Stock Exchange of the Company's intention to make such sale.

47.2 The net proceeds of sale shall belong to the Company, but the Company shall be obliged to account to the former member or other person previously entitled to the relevant shares for an amount equal to such net proceeds and shall enter the name of such former member or other person in its books as a creditor for such amount. Such amount shall be a permanent debt of the Company. No trust shall be created in respect of such debt, nor shall any interest be payable in respect of the same. The Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company, if any) as the board may from time to time think fit.

## **GENERAL MEETINGS**

### **48. ANNUAL AND EXTRAORDINARY GENERAL MEETINGS**

An annual general meeting shall be held not more than 18 months after the incorporation of the Company and subsequently once in every year, at such time (but not more than 15 months after the holding of the last preceding annual general meeting) and place as may be determined by the board. All other general meetings shall be called extraordinary general meetings.

### **49. COVENING OF GENERAL MEETINGS**

The board may whenever it thinks fit and shall, on requisition by members in accordance with the Statutes, proceed with proper expedition to convene an extraordinary general meeting. If the board fails to convene an extraordinary general meeting on requisition by members in accordance with the Statutes, the meeting may be convened by the requisitionists. If at any time there are not within the United Kingdom sufficient directors capable of acting together to form a quorum for a meeting of the board and notice of that meeting has been given in accordance with Article 98, any director

## **NOTICE OF GENERAL MEETINGS**

### **50. LENGTH OF NOTICE FOR GENERAL MEETINGS**

50.1 An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (except as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days' notice in writing

and any other Extraordinary General Meeting by at least 14 clear days' notice in writing.

- 50.2 The notice shall be given in the manner provided for in these Articles to all members (other than those who are not, under the provisions of these Articles or the terms of allotment or issue of shares, entitled to receive such notices from the Company), to the directors and to the auditors.
- 50.3 The board may determine that persons entitled to receive notices of meeting are those persons entered on the register at the close of business on a day determined by the board, but if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the date upon which the relevant notice of meeting is being sent.
- 50.4 The notice of meeting may also specify a time by which a person must be entered on the register in order to be entitled to attend or vote at the meeting, but if the Company is a participating issuer, this time must not be more than 48 hours before the time appointed for the meeting. No person shall have the right to attend or vote at the meeting if he is entered on the register after the specified time.
- 50.5 A general meeting shall be deemed to have been duly called even if the notice given is less than that specified in Article 50.1 if it is so agreed:
- 50.5.1 in the case of an annual general meeting, by all the members entitled to attend and vote at that meeting; and
- 50.5.2 in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at that meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

## **51. CONSENTS OF NOTICE OF GENERAL MEETING**

- 51.1 Every notice calling a general meeting shall specify the place and the day and hour of the meeting (including any satellite meeting places arranged for the purpose of Article 53). The notice shall also state reasonably prominently that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him and that a proxy need not be a member of the Company.
- 51.2 The notice shall specify the general nature of the business to be transacted at the meeting. If any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.
- 51.3 In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

51.4 The notice shall include details of any arrangements made for the purpose of Article 53, making clear that participation in those arrangements will amount to attendance at the meeting to which the notice relates.

**52. OMISSION TO SEND NOTICE**

The accidental omission to send a notice of meeting, or, in the case where it is sent out with the notice, an instrument of proxy to, or the non-receipt of either by, a person entitled to receive it does not invalidate the proceedings at a general meeting.

**53. GENERAL MEETINGS AT MORE THAN ONE PLACE**

The board may resolve to enable persons entitled to attend a general meeting to do so by attendance and participation (concurrently with the proceedings at the principal meeting place) at a satellite meeting place anywhere in the world and the members present in person or by proxy at satellite meeting places shall be counted in the quorum for and entitled to vote at the general meeting in question, and that meeting shall be duly constituted and its adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to:

- 53.1 participate in the business for which the meeting has been convened;
- 53.2 hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite place; and
- 53.3 be heard and seen by all other persons present in the same way.

The Chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

**PROCEEDINGS AT GENERAL MEETING**

**54. CHAIRMAN**

The Chairman (if any) of the board, failing whom a Deputy Chairman (if any), shall preside as chairman at a general meeting. If there is no such Chairman or Deputy Chairman or if, at any meeting, neither is present within five minutes after the time appointed for holding the meeting and willing to act, the directors present shall choose one of their number to be chairman of the meeting or, if there is only one director present, he may act as chairman of the meeting. If no director is present or if all the directors present decline to take the chair, the members present and entitled to vote shall choose one of their number to be chairman of the meeting, the provisions of Article 100.2 shall apply.

55. **QUORUM**

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

56. **LACK OF QUORUM**

If within 30 minutes from the time appointed for a general meeting (or such longer interval as the chairman of the meeting may think fit to wait) a quorum is not present or if, during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of members shall be dissolved. In any other case, it shall be adjourned to such other day and such time (being not less than 14 days nor more than 28 days later) and place as may have been specified for the purpose in the notice convening the meeting or, if not so specified, as the chairman of the meeting (or, in default, the board) may determine. If a quorum is not present within 30 minutes from the time fixed for the adjourned meeting, the adjourned meeting is dissolved.

57. **ADJOURNMENT**

57.1 The chairman of any general meeting at which a quorum is present may, with the consent of the meeting (and shall if so directed by the meeting), adjourn the meeting to another time (or indefinitely, to no fixed time) and another place. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the board. When a meeting is adjourned for 28 days or more or indefinitely, at least seven clear days' notice of the adjourned meeting shall be given in the same manner as the notice for the original meeting.

57.2 Without prejudice to any other power which he may have under the provisions of these Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to:

57.2.1 secure the proper and orderly conduct of the meeting; or

57.2.2 give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or

57.2.3 ensure that the business of the meeting is properly disposed of.

**58. NOTICE OF ADJOURNED MEETING**

Except as required by any other Article, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**59. AMENDMENTS TO RESOLUTIONS**

If an amendment is proposed to any resolution under consideration, but in good faith is ruled out of order by the chairman of the meeting, the proceedings on the main resolution shall not be invalidated by any error in such ruling. No amendment (other than a mere clerical amendment to correct a patent error) to a resolution duly proposed as a special or extraordinary resolution may in any event be considered or voted upon. No amendment (other than a mere clerical amendment to correct a patent error) to a resolution duly proposed as an ordinary resolution may be considered or voted upon less the chairman in his absolute discretion so decides or at least 48 hours before the time appointed for holding the meeting (or adjourned meeting) at which the ordinary resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office.

**60. DIRECTOR'S RIGHT TO ATTEND AND SPEAK**

A director is entitled to attend and speak at a general meeting (and at a separate meeting of the holders of a class of shares or debentures) irrespective of whether or not he is a member.

**61. ACCOMMODATION OF MEMBERS AT MEETING**

If it appears to the chairman that the principal meeting place or any satellite meeting place is inadequate to accommodate all members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a member who is unable to be accommodated is able to:

- 61.1 participate in the business for which the meeting has been convened;
- 61.2 hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere; and
- 61.3 be heard and seen by all other persons present in the same way.

**62. SECURITY**

The board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including the searching of a person attending the meeting and the restriction of the items of personal property which may be taken into the meeting place. The board is entitled to refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions.

## **POLLS**

### **63. DEMAND FOR POLL**

63.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Subject to the Statutes, a poll may be demanded on any question other than the election of the chairman of, or the adjournment of, a general meeting and may be demanded by:

63.1.1 the chairman of the meeting; or

63.1.2 at least five members present in person or by proxy entitled to vote; or

63.1.3 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; or

63.1.4 a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid up on all the shares conferring that right.

63.2 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made. A demand by a proxy is deemed to be a demand by the member appointing a proxy.

### **64. PROCEDURE ON A POLL**

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

### **65. VOTING ON A POLL**

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

### **66. TIMING OF POLL**

66.1 A poll demanded on the choice of a chairman of a meeting or on a question of adjournment shall be taken immediately. A poll demanded

on any other question shall be taken either immediately or at such subsequent time (within a period of 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken is announced at the meeting at which it is demanded. In any other case, not less than seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The demand for a poll (other than on the choice of a chairman or on a question of adjournment) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

## **VOTES AND FAILURE TO DISCLOSE INTERESTS IN SHARES**

### **67. VOTES ATTACHING TO SHARES**

Subject to any special rights or restrictions as to voting on which shares have been allotted or issued or in accordance with these Articles, on a show of hands every member who is present in person shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

### **68. VOTES OF JOINT HOLDERS**

Where a share is registered in the joint names of two or more persons, the vote tendered (whether in person or by proxy) by the person whose name precedes that or those of the other joint holders(s) so voting in the register in respect of such share, shall be accepted to the exclusion of those other votes.

### **69. CHAIRMAN'S CASTING VOTE**

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

### **70. RESTRICTION ON VOTING IN PARTICULAR CIRCUMSTANCES**

70.1 No member shall, unless the board otherwise determines, be entitled in respect of any share held by him to vote either personally or by proxy at a shareholders' meeting (including a separate meeting of the holders of shares of a particular class) or to exercise any other right conferred by membership in relation to such meetings if any call or other sum presently payable by him to the Company in respect of that share remains unpaid. This restriction ceases to apply when all amounts due are paid, together with all costs, charges and expenses incurred by the Company by reason of the non-payment.

70.2 Subject to the requirements of London Stock Exchange, if any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 212

of the Act and is in default for the prescribed period in supplying to the Company the information required by such notice, then (unless the board otherwise determines) in respect of the relevant shares (as defined in Article 70.3), the member shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred (other than pursuant to an approved transfer or pursuant to Article 70.4.3) be entitled to vote, either personally or by proxy, at a shareholders' meeting (including a separate meeting of the holders of shares of a particular class) or to exercise any other right conferred by membership in relation to such meetings. Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a notice under section 212 of the Act to another person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of Articles 70.1 or 70.4.

70.3 In this Article 70:

70.3.1 “**relevant shares**” means:

70.3.1.1 all the shares in the shareholding account in the register which comprises or includes the default shares; and

70.3.1.2 any other shares from time to time held by the member concerned;

70.3.2 “**default shares**” means those shares in relation to which the default referred to in Article 70.2 has occurred and any further shares allotted or issued in right of those shares after the date of the notice under section 212 of the Act; and

70.3.3 reference to a person being in default in supplying to the Company the information required by a notice under section 212 of the Act includes:

70.3.3.1 reference to his having failed or refused to give all or any part of it; and

70.3.3.2 reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.

70.4 Where the default shares represent at least 0.25 per cent of the issued shares of the class in question, the board, may in its absolute discretion, by giving notice (a “**direction notice**”) to the member concerned that:

- 70.4.1 the whole or any part of any dividend which would otherwise be payable in respect of the default shares shall be retained by the Company (without any liability to pay interest on such moneys when they are finally paid to the member); and/or
- 70.4.2 all or any shares which would otherwise be issued by the Company in lieu of a cash dividend on the default shares shall be withheld from the member or otherwise retained by the Company (without any liability to pay compensation in respect of such shares when they are finally issued or released to the member); and/or
- 70.4.3 no transfer of any certificated relevant shares shall be registered unless the transfer is an approved transfer or:
  - 70.4.3.1 the member is not himself in default as regards supplying the information required: and
  - 70.4.3.2 the transfer is of part only the member's holding and, when presented for registration, is accompanied by a certificate from the member in form and substance satisfactory to the board to the effect that, after due and careful enquiry, the member is satisfied that none of the shares comprised in the transfer is a default share.

The terms of a direction notice shall apply as soon as it has been given.

- 70.5 For the purpose of enforcing the sanction in Article 70.4.3, the board may give notice to the member requiring the member to change relevant shares held in uncertificated form to certificated form by the time stated in the notice. The notice may also state that the member may not change any relevant shares held in certificated form to uncertificated form. If the member does not comply with the notice, the board may authorise a person to change relevant shares held in uncertificated form to certificated form in the name and on behalf of the member.
- 70.6 The Company shall send to each other person appearing to be interested in the shares covered by a direction notice a copy of the notice, but the failure or omission by the Company so to do, or the non-receipt by each person of the notice, shall not invalidate such notice.
- 70.7 Except as provided in this Article 70, any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect seven days following:

- 70.7.1 due compliance, to the reasonable satisfaction of the board, with the notice referred to in Article 70.2; or
- 70.7.2 if earlier, the transfer of any relevant shares by an approved transfer or in accordance with Article 70.4.3 (but only in relation to the relevant shares so transferred).

70.8 For the purposes of this Article 70:

70.8.1 a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a notice under section 212 of the Act and either:

70.8.1.1 the member has named such person as being so interested; or

70.8.1.2 (after taking into account the response of the member to such notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

70.8.2 the prescribed period is 28 days from the date of service of the notice under section 212 of the Act except that, if the shares in respect of which such notice is given represents at least 0.25 per cent of the issued shares of that class at the time such notice is given, the prescribed period is 14 days from such date;

70.8.3 a transfer of shares is an approved transfer if:

70.8.3.1 it is a transfer of shares to an offeror by way, or in pursuance, of acceptance of a takeover offer for the Company (within the meaning of section 428(1) of the Act); or

70.8.3.2 the board is satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with any person appearing to be interested in such shares (including any such sale made through London Stock Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded). For the purposes of this sub-paragraph 70.8.3.2, any associate (as that term is defined in section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares; and

70.8.4 “**interested**” shall, for the avoidance of doubt, be construed as it is for section 212 of the Act.

70.9 The provisions of this Article 70 are in addition to, and shall not limit or restrict any powers available under, the Statutes.

**71. VOTING BY GUARDIAN ETC**

If in England or elsewhere a guardian, receiver or other person (by whatever name called) has been appointed by any court claiming the right or entitlement to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the board may in its absolute discretion, upon or subject to production of such evidence of the appointment as the board may require, permit such guardian, receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

**72. VALIDITY AND RESULT OF VOTE**

72.1 No objection shall be raised as to the admissibility of any vote except at the meeting or adjournment meeting at which the vote objected to is or may be given or tendered. Every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

72.2 Unless a poll is taken, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

**PROXIES**

**73. IDENTITY OF PROXY**

A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing instruments of proxy are delivered for the same share for use at the same meeting, the one which is last validly delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other as regards that share.

**74. FORM OF PROXY**

The document appointing a proxy shall be in writing in any usual or common form or in any other form which the board may approve. The form of proxy shall:

- 74.1 in the case of an individual member, be signed by that individual or his attorney;
- 74.2 in the case of a member which is a corporation, be either sealed with its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or some other person duly authorised on its behalf; and
- 74.3 provide for two-way voting (without prejudice to a right to abstain) on all resolutions set out in the notice of meeting).

The signature on any such form of proxy need not be witnessed. Where a form of proxy is signed on behalf of the member by an attorney or, on behalf of a member being a corporation, by a person on its behalf, the power of attorney or other authority or a notarially certified copy (or a copy certified in some other way approved by the board) of the same must (if it has not been previously registered with the Company) be lodged with the form of proxy in the manner set out in Article 75; if such power or other authority or such copy is not so lodged, the form of proxy may be treated as invalid.

**75. DEPOSIT OF FORM OF PROXY**

A form of proxy must be left at such place or one of such places (if any) as may be specified for that purpose in, or by way of note to, or in any document accompanying, the notice convening the meeting (or, if no place is so specified, at the transfer office) at least 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll which is not taken at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. If the form of proxy is not so delivered, it will not be treated as valid. Any form of proxy will be valid for any adjournment of a meeting to which it relates, unless it is stated on the relevant form that the form of proxy cannot be used at any such adjournment. If a form of proxy relates to more than one meeting (including any adjournment of any meeting) and has been delivered as required by this Article 75 for or in respect of one of those meetings, it will be valid for all subsequent meetings to which it relates and need not be re-delivered. Such a form of proxy shall not be valid for more than 12 months. Deposit of a form of proxy does not prevent a member attending and voting in person at the meeting or at an adjournment of the meeting or on a poll.

**76. RIGHTS OF PROXY**

A form appointing a proxy shall be deemed, unless otherwise stated on the form, to include the right to demand or join in demanding a poll, and to vote on a resolution or the amendment of a resolution put to or other business which may properly come before the meeting or meetings for which it is given, in each case as the proxy thinks fit, but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting.

## **REVOCATION OF PROXY OR CORPORATE AUTHORISATION**

77. A vote cast or demand for a poll made by a proxy (or in the case of a corporation, its authorised representative) shall not be invalidated by the previous death or insanity of the member or by the revocation of the appointment of the proxy or of the authority under which the appointment was made (or, in the case of a corporation, the revocation of the appointment of its authorised representative) unless written notice of such death, insanity or revocation has been received by the company at the transfer office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll which is not taken at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

## **CORPORATIONS ACTING BY REPRESENTATIVES**

78. Any corporation which is a member of the company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any shareholders' meeting (including a separate meeting of the holders of shares of a particular class). The person so authorised shall, in respect of the shares to which the authorisation relates, be entitled to exercise if it were an individual member of the company. Such corporation shall, for the purposes of these articles, be deemed to be present in person at any such meeting if a person so authorised is present at that meeting. A director or the secretary of the company (or a person so authorised by a director or the secretary) may demand the representative or the corporation which he represent to provide a certified copy of, or a certificate under the hand of a director or the secretary of the corporation evidencing the passing of, the authorising resolution and the representative shall not be entitled to exercise the powers conferred upon him by these articles unless and until any such demand has been satisfied.

## **MEMBERS' WRITTEN RESOLUTIONS**

79. A resolution in writing signed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present is as effective as if it had been passed at a general meeting duly convened and held. The resolution in writing may consist of several instruments in the same form each duly executed by or on behalf of one or more members. If the resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect accordingly.

## **DIRECTORS: TERMS OF HOLDING OFFICE**

### **80. NUMBER OF DIRECTORS**

Subject as set out in these Articles, the minimum number of directors shall be three and the maximum number shall be seven (ignoring any alternate directors). The Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of directors provided always that the minimum number shall not be less than two.

81. **SHARE QUALIFICATION**

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

82. **DIRECTORS' FEES**

The ordinary remuneration of the directors shall from time to time be determined by the board but such remuneration shall not exceed £250,000 per annum in aggregate or such [higher] amount as may from time to time be determined by ordinary resolution of the Company. Such remuneration shall (unless such ordinary resolution provides to the contrary) be divisible among the directors as the board may decide, or, failing agreement, equally, and it accrues daily. A fee payable to a director pursuant to this Article 82 is distinct from any salary, remuneration or other amount payable to him pursuant to these Articles. No fee is payable to an alternate director pursuant to this Article 82.

83. **OTHER REMUNERATION OF DIRECTORS**

Any director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity) or who serves on any committee of the board or who otherwise performs services which, in the opinion of the board, are outside the scope of the ordinary duties of a director may be paid such reasonable extra remuneration by way of salary, commission or other means or may receive such other expenses or benefits as the board may determine.

84. **DIRECTORS' EXPENSES**

The board may repay to any director all such reasonable hotel, travelling and other expenses as he may incur in attending and returning from meetings of the board or of any committee of the board or shareholders' meetings (including separate meetings of the holders of a particular class of shares) or otherwise in or in connection with or about the business of the Company.

85. **DIRECTORS' PENSIONS AND OTHER BENEFITS**

The board shall have the power:

85.1 to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director of:

85.1.1 the Company; or

85.1.2 a company which is or was a subsidiary undertaking of the Company; or

85.1.3 a company which is or was allied to or associated with the Company or a subsidiary undertaking of the Company; or

85.1.4 a predecessor in business of the Company or of a subsidiary undertaking of the Company

or, in each case, for any member of his family, including a spouse or former spouse, or a person who is or was dependent on him; and

85.2 for the purpose of providing any gratuities, pensions or other benefits referred to in Article 85.1, to establish and/or to contribute to any scheme or fund or to pay premiums (whether such contributions are made by the Company alone or by any other person or persons).

A director or ex-director is entitled to receive and retain for his own benefit a pension or other benefit provided under this Article 85 and is not obliged to account for it to the Company. The receipt of any such benefit shall not disqualify any person from being or from becoming a director of the Company.

## **86. DIRECTORS' INTERESTS IN CONTRACTS**

86.1 Subject to the Statutes and Article 86.2, a director, notwithstanding his office:

86.1.1 may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit or as a purchaser, vendor or otherwise;

86.1.2 may hold another office or place of profit with the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company, and in that case on such terms as to remuneration and otherwise as the board may decide either in addition to or instead of remuneration provided for by another provision of these Articles;

86.1.3 may be a director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment; and

86.1.4 is not liable to account to the Company for a profit, remuneration or other benefit realised by such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.

86.2 A director who, to his knowledge, is in any way (directly or indirectly) interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board after he knows that he is or has become interested. For the purposes of this Article 86:

86.2.1 a general notice given to the board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in a contract, transaction, arrangement or proposal in which a specified person or class of persons is interested is a sufficient disclosure under this Article 86 in relation to that contract, transaction, arrangement or proposal; and

86.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.

## **87. APPOINTMENT OF EXECUTIVE DIRECTORS**

87.1 The board may from time to time appoint any one or more directors to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman or Chief Executive or Managing or Joint Managing or Deputy or Assistant Managing Director) on such terms and for such period as it may (subject to the provisions of the Statutes) determine. The board may, without limiting or prejudicing in any way the terms of any contract entered into in any particular case, at any time revoke or vary the terms of any such appointment. No person appointed Chairman should also act as Chief Executive Officer or Managing Director.

87.2 The appointment of any director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director shall terminate automatically if he ceases to be a director, but any such termination shall not, of itself, limit or reduce in any way any claim for damages which he may have for breach of any contract of service between him and the Company.

87.3 The appointment of any director to any other executive office shall not terminate automatically if he ceases to be a director, unless the contract or resolution under which he holds such executive office shall expressly state that such termination is to occur, in which event such termination shall not, of itself, limit or reduce in any way any claim for damages which he may have for breach of any contract of service between him and the Company.

**88. POWERS OF EXECUTIVE DIRECTORS**

The board may entrust to and confer upon any director holding any executive office any of its powers upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with or to the exclusion of its own powers. The board may from time to time revoke, withdraw, alter or vary all or any of such powers.

**APPOINTMENT AND RETIREMENT OF DIRECTORS**

**89. AGE LIMIT**

Any provision of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment or election as a director or liable to vacate office as a director on account of his having reached 70 or another specified age or of requiring special notice or any other special formality in connection with the appointment or reappointment of any director over 70 or another specified age, shall not apply to the Company. Where a general meeting is convened at which, to the knowledge of the board, a director is to be proposed for appointment or reappointment who is at the date of the meeting 70 or another specified age or more, the board shall give notice of his age in the notice convening the meeting or in a document accompanying the notice, but the accidental omission to do so does not invalidate proceedings or an appointment or reappointment of that director at that meeting.

**90. RETIREMENT BY ROTATION**

At each annual general meeting:

90.1 those directors who would before the commencement of the next following annual general meeting have held office since re-election pursuant to Article 92 or since appointment (without having been re-elected) for 3 years more; and/or

90.2 such other directors who together with the directors referred to Article 90.1 constitute one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third)

shall retire from office by rotation.

**91. SELECTION OF DIRECTORS TO RETIRE BY ROTATION**

91.1 Subject to the Statutes and the other provisions of these Articles, the directors to retire by rotation shall always include those persons referred to in Articles 90.1 and should also include (so far as necessary to obtain the number required) any director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other directors required to retire by rotation, who have been longest in office since their last re-election. As between persons who

became or were last re-elected directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by lot. A retiring director shall be eligible for re-election. The directors to retire on each occasion (both as to number and identity) shall be determined on the basis of the composition of the board at the start of business on the date of the notice convening the annual general meeting, disregarding any change in the number or identity of the directors after that time but before the close of the meeting. A director retiring in accordance with Article 95 shall not be taken into account in determining the number of directors to retire by rotation at the meeting at the end of which he is to retire.

91.2 Notwithstanding any other provision of these Articles, no director shall hold office as a director for more than three years following his election or re-election as such at a general meeting and a director must retire from office as a director on the last day of any such three year period if he has not retired earlier. Such a director shall be eligible for re-election at a general meeting in accordance with the provisions of these Articles.

92. **RE-ELECTION OF RETIRING DIRECTOR**

The Company at the meeting at which a director retires under any provision of these Articles may, by ordinary resolution, fill the vacancy by electing the retiring director or some other person eligible for election. If no such election is made, the retiring director shall be deemed to have been re-elected except in any of the following cases:

- 92.1 where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and lost;
- 92.2 where such director has given notice in writing to the Company that he is unwilling to be re-elected; and
- 92.3 where the failure to elect a director is caused by a resolution being proposed in contravention of Article 93; and
- 92.4 where such director has reached any retiring age applicable to him as director.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring director (other than with effect from a time later than the conclusion of the meeting) or a resolution for his re-election is put to the meeting and lost (in either which case the retirement takes effect from the passing of the relevant resolution). Accordingly, a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

**93. ELECTION OF TWO OR MORE DIRECTORS**

A single resolution which provides for the election of two or more persons as directors shall not be proposed at any general meeting unless an ordinary resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it. Any resolution proposed or passed in contravention of this provision shall be void.

**94. NOMINATION OF DIRECTOR FOR ELECTION**

No person, other than a director retiring (by rotation or otherwise) at the meeting or a person recommended by the board for election or re-election shall be eligible for election as a director at any general meeting unless at least 7 (but not more than 42) days, including the date on which the notice is given, before the date appointed for the meeting, there shall have been lodged at the office notice in writing, containing all details in relation to the nominee which would be required to be entered in the Company's register of directors were the nominee a director, signed by some member (other than the nominee) duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, together with notice in writing signed by the nominee of his willingness to be elected.

**95. ELECTION OR APPOINTMENT OF ADDITIONAL DIRECTOR**

The Company may by ordinary resolution elect, and (without restricting in any way that power of the Company) the board shall have power at any time to appoint, any person to be a director either to fill a vacancy or as an additional director (but so that the total number of directors shall not, as a result, exceed the maximum number (if any) fixed by or in accordance with these Articles). Any person so appointed by the directors must retire at the conclusion of business at the next general meeting, but will be eligible for re-election at that meeting.

**96. TERMINATION OF OFFICE**

A director shall cease to be a director in any of the following events, namely if:

- 96.1 he ceases to be a director pursuant to the Statutes, is removed from office pursuant to these Articles, or becomes prohibited by law from acting as a director;
- 96.2 he delivers a signed, written resignation to the office, or at a board meeting, or if he offers in writing to resign and the board resolves to accept such offer;
- 96.3 having been appointed for a fixed term, the term expires;
- 96.4 he has a bankruptcy order made against him or settles or agrees terms with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

- 96.5 in England or elsewhere an order is made by any court claiming to right so to do, on the grounds (however formulated) of mental disorder, for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs and the board resolves that he shall cease to be a director;
- 96.6 he is removed from office as a director by notice in writing served upon him at his last known address signed by all his co-directors. If any such director has been appointed to an executive office which thereby automatically terminates, such removal shall be treated as an act of the Company and shall not, of itself, limit or restrict any claim which he may have for damages for breach of any contract of service between him and the Company or otherwise; or
- 96.7 he and his alternate (if any) are absent without the permission of the board from board meetings for six consecutive months and the board resolves that he shall cease to be a director.

A resolution of the board to the effect that a director has ceased to be a director under this Article 96 shall be conclusive as to the facts and reasons of ceasing to hold office as stated in the resolution.

97. **REMOVAL OF DIRECTOR**

The Company may, in addition to any power of removal conferred by the Statutes, by ordinary resolution remove any director from office as a director (notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without limiting or restricting any claim he may have for damages for breach of any such agreement or otherwise). The Company may, subject to these Articles, also elect another person willing to act in place of a director so removed from office. Any person so elected shall be treated, for the purposes of determining the time at which he or any other director is to retire by rotation, as if he had become a director on the day on which the director in whose place he is elected was last elected a director. If no person is so elected, the vacancy arising upon the removal of a director from office may be filled as a casual vacancy.

**MEETINGS AND PROCEEDINGS**

98. **CONVENING OF BOARD MEETINGS**

Subject to the provisions of these Articles, the board may meet together, and regulate its proceedings, as it thinks fit. At any time any director may, and the secretary at the request of a director shall, summon a meeting of the board. Notice of a board meeting shall be deemed to be duly and properly given to a director by being given to him personally or by word of mouth (including in either case via telephone) or sent in writing to him at his last known address or at another address or to a fax number or to an electronic mail address given by him to the Company for such purpose. Notice of a board meeting need not be given to a director who is for the time being absent from the United Kingdom,

but such notice shall be given to a director absent from the United Kingdom if he has given the Company notice that he requires notice of board meetings and his notice specifies how notice of board meetings is to be given to him during his absence from the United Kingdom. Any director may waive notice of any board meeting and any such waiver may be retroactive as well as proactive.

99. **QUORUM**

The quorum necessary for the transaction of business of the board may be fixed from time to time by the board, and unless so fixed at any other number, shall be two. A duly convened meeting of the board at which a quorum is present is capable of exercising any and all of the powers and discretions vested in or exercisable by the board. Any director ceasing to be a director at a board meeting may continue to act as a director and be present at the meeting and to be counted in the quorum unless and until a director objects.

100. **CHAIRMAN**

100.1 The board may elect a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) from amongst its members and determine the period for which each is to hold office. If, at any meeting of the board, both the Chairman and the Deputy Chairman are present, the Chairman shall be the Chairman of the meeting, unless he declines to so to act, in which case the Deputy Chairman shall be the chairman of the meeting. If no Chairman or Deputy Chairman has been appointed or, if, at any meeting of the board, no Chairman or Deputy Chairman is present within five minutes after the time appointed for holding the meeting, the directors (including any alternate director whose appointor is absent) present may choose one of their number to be chairman of the meeting.

100.2 If at any meeting, in the absence of the Chairman, there is more than one Deputy Chairman present and the directors present cannot resolve which one should preside at that meeting of the board or of the Company (as the case may be), the Deputy Chairmen were appointed at the same time, the directors present shall resolve which of them shall preside and in the event of an equality of votes, lots shall be cast to decide which of them shall preside.

100.3 A Chairman or Deputy Chairman may hold executive office or employment with the Company but should not also be the Chief Executive Officer or Managing Director of the Company.

101. **CASTING VOTE**

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

## 102. RESTRICTIONS ON VOTING

- 102.1 Except as provided in these Articles, a director shall not vote in respect of any contract, arrangement, transaction or any other proposal of any kind in which he has an interest which is, to his knowledge, a material interest otherwise than by virtue of his interests in shares or debentures or other securities of, the Company or otherwise in or through the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote.
- 102.2 Subject to the provisions of the Statutes, a director shall (if he has no other material interest beyond that indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- 102.2.1 the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
  - 102.2.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 102.2.3 any contract, arrangement, transaction or other proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for the subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - 102.2.4 any contract, arrangement, transaction or other proposal to which the Company is or is to be a party concerning any other body corporate (including a subsidiary undertaking of the Company) in which he is in any way interested (directly or indirectly, whether as an officer, shareholder, creditor or otherwise), but only if, to his knowledge, he has an interest in shares (as that term is used in sections 198 to 211 of the Act) representing less than one per cent of the issued shares of any class of such body corporate (or of any third company through which his interest is derived) or representing less than one per cent of the voting rights available to members of such body corporate;
  - 102.2.5 any contract, arrangement, transaction or other proposal concerning in any way a superannuation fund, retirement, death or disability benefits scheme or employees' share scheme under which he may benefit and which either:

- 102.2.5.1 has been approved, or is conditional upon approval, by the board of Inland Revenue for taxation purposes and does not give him any privilege or benefit not given to the employees to whom such scheme or fund relates; or
- 102.2.5.2 relates both to employees and directors of the Company (or any of its subsidiary undertakings) and does not give him any privilege or benefit not given to the employees to whom such scheme or fund relates; and
- 102.2.6 any proposal concerning the giving to him of any indemnity pursuant to the provisions of Article 154 or concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any directors or for persons who include directors.
- 102.3 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or other positions with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately. In any such case, each of the directors concerned (if not barred from voting under Article 102.2.4) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 102.4 If a question arises at any time as to the materiality of a director's interest or as to his entitlement to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive except in the case where the nature or extent of the interest of such director has not been fairly disclosed.
- 102.5 If a question arises as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned. In the event of an equality of votes, the chairman shall not be entitled to vote or be counted in the quorum.
- 102.6 Subject to the Statutes and the requirements of London Stock Exchange, the company may by ordinary resolution suspend or relax the provisions of this Article 102 (either generally or to a specific extent) or ratify any transaction not duly authorised by reason of a contravention of this Article 102.

102.7 For the purposes of this Article 102, the interest of a person who is for the purposes of the Act connected (within the meaning of section 346 of the Act) with a director is treated as the interest of the director and, in relation to an alternate director in addition to an interest which the alternate director otherwise has. This Article 102 applies to an alternate director as if he were a director otherwise appointed.

**103. NUMBER OF DIRECTORS BELOW MINIMUM**

The continuing directors may act notwithstanding any vacancies but, if and for so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing directors or director may act for the purpose of filling such vacancies or of summoning general meetings, but not for any other purpose. If there are no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors. Any additional director so appointed shall, subject to these Articles, hold office until the conclusion of business at the following annual general meeting of the Company, unless he is reappointed during that meeting.

**104. WRITTEN RESOLUTIONS**

A resolution in writing signed by all the directors (or, in the case of a committee, all the members of such committee) for the time being entitled to receive notice of a board meeting (and comprising together in number not less than a quorum for a meeting of the board) shall be as valid and effective as a resolution duly passed at a meeting of the board (or of such committee) and may consist of several documents in the like form each signed by one or more directors. A resolution in writing signed by an alternate director need not be signed by his appointor and a resolution in writing signed by the appointor need not be signed by the alternate director.

**105. PARTICIPATION BY TELEPHONE**

A director (or his alternate director) may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the board or a committee of the board is for the purposes of these Articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors (or alternate directors) are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. The word “**meeting**” in this Article 106 should be construed accordingly.

## **106. MINUTES OF PROCEEDINGS**

106.1 The board shall cause minutes to be made, in books kept for the purpose, of:

106.1.1 all appointments of officers and committees made by the board and of any remuneration fixed by the board; and

106.1.2 the names of directors present at every meeting of the board, committees of the board, the Company or the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.

106.2 If purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, minutes are receivable as prima facie evidence of the matters stated in them.

## **107. VALIDITY OF PROCEEDINGS**

All acts done by any meeting of the board, or of any committee of the board, or by any person acting as a director or alternate director or as a member of any such committee, shall, as regards all persons dealing in good faith with the Company, be as valid as if every such director or person had been duly appointed and was qualified and had continue to be a director or member of the committee and had been entitled to vote, even if there was some defect in the appointment of any such director or other person, or that any of them was disqualified or had left office, or was not entitled to vote.

## **COMMITTEES OF THE DIRECTORS**

### **108. APPOINTMENT AND CONSTITUTION OF COMMITTEES**

The board may, as it thinks fit, delegate any of its powers, authorities and/or discretions (including, any power, authority and/or discretion the exercise of which involves or may involve the payment of remuneration to, or the conferring of any other benefit upon, all or any of the directors) to committees consisting of one or more directors and, if desired, one or more other named person or persons who have been co-opted on to such committee in accordance with the provision of this Article 108 on such terms as it thinks fit. Any committee appointed under this Article 108 shall, when exercising any powers, authorities and/or discretions delegated to it, abide by any regulations imposed by the board which may then subsist. Any such regulations may provide for or permit the co-option to the committee of persons other than directors and for such persons to have voting rights as members of that committee. Any such regulations may also provide for or permit the sub-delegation of powers, authorities and/or discretions by the committee. If any power, authority and/or discretion of the board referred to in these Articles has been delegated to a committee (or by a committee to a sub-delegate) under this Article 108, any reference in these Articles to the exercise by the board of that power, authority and/or discretion shall be interpreted accordingly as if it were

a reference to the exercise of the same by that committee (or sub-delegate) and, for the avoidance of doubt, the delegation by the board (or by the committee) shall be construed as having been permitted. The board may, if it thinks fit, provide in such regulations that the board may itself either exercise or not exercise such powers, authorities and/or discretions as it delegates under this Article 108 concurrently with such delegation remaining in force. The board may at any time revoke the delegation of its powers, authorities and/or discretions and discharge any committee or otherwise alter the terms of the delegation.

**109. PROCEEDINGS OF COMMITTEE MEETINGS**

The meetings and proceedings of any committee appointed pursuant to Article 108 consisting of two or more persons shall be governed by the provisions of these Articles regulating the meetings and proceedings of the board (with appropriate modifications), so as far as the same are not superseded by any regulations made by the board under Article 108. It is not necessary for a director who is not a member of a committee to be given notice of any meeting of the committee.

**POWERS OF DIRECTORS**

**110. GENERAL POWERS**

The business and affairs of the Company shall be managed by the board, who may (subject to these Articles, to the memorandum of association of the Company, to the provisions of the Statutes and to any regulations which may be prescribed by special resolution of the Company) exercise all the powers of the Company which are not, by the Statutes or by these Articles, required to be exercised by the Company in general meeting. No regulation prescribed by special resolution shall invalidate any prior act of the board which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the board by any other Article.

**111. LOCAL MANAGEMENT**

The board may establish any local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of any such boards or agencies, or may managers or agents, and may fix their remuneration. The board may also delegate to any local or divisional board, agency, manager or agent any of the powers, authorities and discretions vested in the board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies on such board, and to act despite any vacancy. Any such appointment or delegation may be made upon such terms and subject to such conditions as the board may think fit. The board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected by the same. Subject to the terms of establishment of, or delegation to, a local or divisional board, all the

provisions of these Articles relating to proceedings of the board shall, with such changes as are necessary and where applicable, apply to any such board.

**112. APPOINTMENT OF ATTORNEY**

The board may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the board under these Articles) and for such period and subject to such conditions as it may think fit. Any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the board may think fit. The board may also authorise any such attorney to sub-delegate all or any of the powers, authorities and/or discretions vested in it or him. The board may at any time revoke or alter the terms of any such appointment or delegation. The board may, if it thinks fit, provide that the board may itself either exercise or not exercise such powers, authorities and/or discretions as it delegates under this Article 112 concurrently with such delegation remaining in force.

**113. PRESIDENT**

The board may from time to time elect a President of the Company and may determine the period for which he shall hold office. Such President may be either honorary or paid such remuneration as the board in its discretion shall think fit, and need not be a director but shall, if not a director, be entitled to receive notice of and attend and speak, but not to vote, at all meetings of the board.

**114. SIGNATURE ON CHEQUES ETC.**

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

**115. TITULAR DIRECTORS**

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word “director” or attach to any existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word “director” in the designation or title of an office or employment does not imply that the person is, or is deemed to be, or is empowered to act as, a director for any of the purposes of the Statutes or these Articles.

116. **EXERCISE OF VOTING POWERS**

Subject to Article 118, the board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of the voting power or power of appointment in favour of the payment of remuneration to the officers or employees of that company).

117. **PROVISION FOR EMPLOYEES**

The board may exercise the powers conferred on the Company by the Statutes to make provision for the benefit of a person employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family, including a spouse or former spouse, or any person who is or was dependent on him) in connection with the cessation, or the transfer to a person of the whole or part, of the undertaking of the Company or the subsidiary undertaking.

118. **BORROWING POWERS**

118.1 Subject to the provisions of these Articles and of the Statutes, the board may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part or parts of its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

118.2 The board shall restrict the borrowings of the Company and shall exercise all voting and other rights, powers of control or rights of influence exercisable by the Company in relation to its subsidiary undertakings (if any) so as to ensure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the group and for the time being owing to persons outside the group less the aggregate amount of investments shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the relevant amount.

118.3 For the purposes of this Article 118:

118.3.1 “**group undertaking**” means the Company or any undertaking in the group;

118.3.2 “**group**” means the Company and all undertakings:

118.3.2.1 which are included in the group accounts of which the relevant balance sheet forms part; and

118.3.2.2 all undertakings which are not so included but which would be so included,

in each case if group accounts were prepared at the relevant material time and that time were the Company's financial year end;

118.3.3 “**relevant balance sheet**” means, at any material time, the consolidated balance sheet dealing with the state of affairs of the Company and (with or without exceptions) each group undertaking comprising part of the latest group accounts prepared and approved by the board and reported on by the condition in accordance with the Statutes;

118.3.4 “**relevant amount**” means, at any material time, a sum equal to the aggregate, as shown by the relevant balance sheet, of the amount paid up on the allotted share capital of the Company and the amount standing to the credit of the consolidated reserves (including the profit and loss account and any share premium account or capital redemption reserve) included in the relevant balance sheet but after:

118.3.4.1 deducting any debit balance on profit and loss account or on any other reserve;

118.3.4.2 excluding any amount included in such reserves but set aside for taxation (including deferred taxation) less any sums properly added back in respect of any such amount;

118.3.4.3 making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital and/or any such reserves (other than profit and loss account) subsequent to the date of the relevant balance sheet; and, for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect of the same (not being moneys payable later than six months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);

118.3.4.4 making such adjustments as may be appropriate in respect of any distribution declared, recommended or made by each group

undertaking (to the extent not attributable directly or indirectly to the Company) out of profits earned up to and including the date of the relevant balance sheet to the extent that such distribution is not provided for in such balance sheet;

118.3.4.5 making such adjustments as may be appropriate in respect of any variation in the interests of the Company in any group undertaking (including a variation whereby a group undertaking becomes or ceases to be a group undertaking) since the date of the relevant balance sheet;

118.3.4.6 if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any undertaking is to become or cease to be a group undertaking, making all such adjustments as would be appropriate if such transaction had been carried into effect;

118.3.4.7 excluding minority interests in any group undertaking to the extent not already excluded;

118.3.4.8 deducting sums equivalent to the book values of goodwill and any other intangible assets shown as such in the relevant balance sheet (adjusted as required by this Article);

118.3.4.9 deducting (so far as not otherwise excluded as attributable to minority interests) a sum equal to the amount by which the book values of any land or buildings of the Company or any other group undertaking have been written up after the date of adoption of these Articles (or, in the case of an undertaking becoming a group undertaking after that date, the date on which such undertaking became a group undertaking) by way of revaluation except that:

118.3.4.9.1 the amount of writing-up need not be deducted to the extent of any writing-back of depreciation previously charged, as reduced by any provision for deferred tax which will be required by reason of such writing back; and

118.3.4.9.2 where the cost of acquiring shares in a group undertaking is

in excess of the book value of the net tangible assets of such company (including, on a consolidated basis, any subsidiary undertakings of the same) attributable to such shares at the date of acquisition but, within two years after the date on which such company became a group undertaking, land or buildings of such company (including, on a consolidated basis, any subsidiary undertakings of the same) are written up by way of revaluation, the amount of such writing-up (after taking into account any reduction under 118.3.4.9.1 above) attributable to such shares need not, up to but not exceeding such excess of cost, be deducted; and

118.3.4.9.3 any writing-up of land or buildings by way of revaluation need not be deducted to the extent that, for consolidation purposes, the surplus is set off against a deficit resulting from the writing down of other land or buildings by way of revaluation.

For these purposes, any increase in the book value of any land or buildings resulting from their transfer by one undertaking to another shall be deemed to result from a writing up of the book value of the same by way of revaluation;]

118.3.5 “**moneys borrowed**” means all moneys borrowed including (to the extent that the same would not otherwise fall to be taken into account):

118.3.5.1 the amount of all debentures allotted (whether or not for cash) by any group undertaking which are not for the time being beneficially owned by a group undertaking;

118.3.5.2 the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any group undertaking or by any

bank or accepting house under any acceptance credit opened on behalf of and in favour of any group undertaking;

118.3.5.3 any amount raised under a note purchase facility;

118.3.5.4 the amount paid in respect of any allotted share capital (other than equity share capital) of any group undertaking which is a body corporate (other than the Company) not for the time being beneficially owned by another group undertaking;

118.3.5.5 the amount paid in respect of any other allotted share capital and of any other debentures or other borrowed moneys (not being shares or debentures which, or borrowed moneys the indebtedness in respect of which, is for the time being beneficially owned within the group) the redemption or repayment of which is guaranteed (or is the subject of an indemnity granted) by any group undertaking or which any group undertaking may be required to purchase;

118.3.5.6 the minority proportion of moneys borrowed and owing to a partly owned group undertaking by another group undertaking;

118.3.5.7 the aggregate amount owing by any group undertaking under finance leases (as determined in accordance with any then current Statement of Standard Accounting Practice or otherwise in accordance with United Kingdom generally accepted accounting principles but excluding leaseholds of immovable property);

118.3.5.8 the principle amount of any book debts of any group undertaking which have been sold or agreed to be sold, to the extent that any group undertaking is for the time being liable to indemnify or reimburse the purchaser in respect to any non-payment in respect of such book debts;

118.3.5.9 any part of the purchase price of any movable or immovable assets acquired by any group undertaking, the payment of which is deferred beyond the date of completion of the conveyance, assignment or transfer of the legal estate to such assets or, if no such conveyance,

assignment or transfer is to take place within six months after the date on which the contract for such purchase is entered into or (if later) becomes unconditional, beyond that date;

118.3.5.10 any amount raised under any other transaction having the commercial effect of a borrowing;

but excluding:

118.3.5.11 moneys borrowed by any group undertaking for the purpose of repaying, redeeming or purchasing (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing of the same pending the application for such purpose or, if earlier, the end of such period;

118.3.5.12 any amounts borrowed by any group undertaking from bankers or others for the purposes of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by an export credits guarantee institution;

118.3.5.13 the minority proportion of moneys borrowed by a partly owned group undertaking and not owing to another group undertaking;

and so that:

118.3.5.14 no amount shall be taken into account more than once in the same calculation but, apart from that, 118.3.5.1 to 118.3.5.13 above shall be read cumulatively; and

118.3.5.15 in determining the amount of any debentures or other moneys borrowed or of any share capital, there shall be taken into account the nominal or principal amount of the same (or, in the case of partly paid debentures or shares, the amount for the time being paid up on the same) together with any fixed or minimum premium payable on final redemption or repayment. If moneys are borrowed or shares are issued on terms that they may be repayable or redeemable earlier than their final maturity date (whether by exercise of an option on the part of the issuer or the creditor

(or a trustee for the creditor) or the shareholder, by reason of a default or for any other reason) at a premium or discount to their nominal or principal amount then there shall 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 such repayment redemption at the date as at which the calculation is being made;

118.3.6 “**minority proportion**” means, in relation to a partly owned group undertaking, a proportion equal to the proportion of its issued equity share capital which is not attributable to the Company;

118.3.7 “**investments**” means the aggregate of:

118.3.7.1 cash in hand of the group;

118.3.7.2 sums standing to the credit of any current or other account of any group undertaking with banks in the United Kingdom or elsewhere to the extent that remittance of the same to the United Kingdom is not prohibited by any law, regulation, treaty or official directive or, where remittance of the same to the United Kingdom is so prohibited, to the extent that the same may be set off against or act as security for any moneys borrowed by such member;

118.3.7.3 the amount of such assets as would be included in “Current Assets – Investments” in a consolidated balance sheet of the group prepared as at the date of the relevant calculation in accordance with the principles used in the preparation of the relevant balance sheet;

less:

118.3.7.4 in the case of a partly owned group undertaking, a proportion of such investments equal to the minority proportion; and

118.3.7.5 an amount equal to any amount excluded from the definition of “moneys borrowed” by virtue of paragraph 118.3.5.11.

118.4 For the purposes of the preceding paragraph of this Article, borrowed moneys expressed in or calculated by reference to a currency other than sterling shall be converted into sterling:

- 118.4.1 at the rate of exchange specified in a forward purchase contract, currency option, back-to-back loan, swap or other arrangements taken out or entered in respect of repayment of those moneys (a “**hedging agreement**”);  
or
- 118.4.2 if those moneys were borrowed on or before the date of the relevant balance sheet and repayment of those moneys has not been covered by a hedging agreement, at the more favourable to the Company of:
  - 118.4.2.1 the rate of exchange used for the conversion of that currency in the relevant balance sheet;  
or
  - 118.4.2.2 the middle-market rate of exchange quoted by Barclays Bank PLC at the close of business in London on the business day immediately preceding the day on which the calculation falls to be made; or
- 118.4.3 if those moneys were borrowed after the date of the relevant balance sheet and repayment of those moneys has not been covered by a hedging agreement, at the more favourable to the Company or:
  - 118.4.3.1 the middle-market rate of exchange quoted by National Westminster Bank Plc at the close of business in London on the date of the relevant balance sheet; or
  - 118.4.3.2 the middle- market rate of exchange quoted by National Westminster Bank Plc at the close of business in London on the business day immediately preceding the day on which the calculations falls to be made.
- 118.5 The determination of the auditors as to the relevant amount at any time shall be conclusive and binding on all concerned and for the purposes of their computation the auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless the board may act in reliance on a bona fide estimate of the relevant amount at any time and if in consequence the borrowing limit contained in this Article is inadvertently exceeded an amount of borrowed moneys equal to the excess may be disregarded until the expiry of three months after the date on which, by reason of a determination of the auditors or otherwise, the board became aware that such a situation has or may have arisen.

- 118.6 No person dealing with the Company or any other group undertaking shall be concerned to see or enquire whether the borrowing limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffective unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that such limit had been or would thereby be exceeded.

### **ALTERNATE DIRECTORS**

119

- 119.1 Any director may at any time appoint another director or any other person to be his alternate director (whether for a limited or for an unlimited term) and may at any time terminate such appointment. The appointment of a non-director shall have effect only upon and subject to being approved by the board and the consent of the appointee having been received at the office (or another place approved by the board).
- 119.2 Any appointment or removal of an alternate director shall be made by the delivery, to the office (or another place approved by the board) or to a meeting of the board, of a written notice of appointment or removal signed by the appointing director.
- 119.3 The appointment of an alternate director shall terminate on the happening of any event which, if he were a director, would cause him to cease to be a director or if the director who appointed him ceases to be a director (except by retirement at a general meeting at which he is re-elected).
- 119.4 An alternate director shall (unless he is not in the United Kingdom at the relevant time, but not if he has given the Company notice that he requires notice of board meetings and his notice specifies how notice of board meetings is to be given to him during his absence from the United Kingdom) be entitled to receive notices of meetings of the board and shall be entitled to attend and vote as a director, at and to be counted as part of the quorum for, any such meeting at which the director appointing him is not present, and generally at any such meeting to perform, as a director, all functions of the director who appointed him. In relation to the proceedings at any such meeting which an alternate director attends, the provisions of these Articles shall apply as if that alternate director were a director.
- 119.5 If an alternate director is also himself a director or attends any meetings as an alternate for more than one director, his voting rights shall be cumulative but he will only be counted once for any quorum requirements.

- 119.6 If and to the extent that the board may from time to time decide in relation to any committees of the board, the preceding provisions of this Article 119 shall also apply (with appropriate modifications) to any meetings of any such committee of which a director who has appointed an alternate is a member.
- 119.7 An alternate director will not, except as otherwise set out in these Articles, have power to act as a director; nor will such alternate director be deemed to be a director under these Articles or the agent of the director who appointed him.
- 119.8 An alternate director shall be entitled to contract, to be interested in and to benefit from any contracts, arrangements or transactions, to be repaid expenses and to be indemnified, to the same extent as if he were a director. Such alternate director shall not be entitled to receive any remuneration from the Company for acting as an alternate director unless the director who appointed him instructs the Company in writing to pay part of the remuneration payable by the Company to that director to the alternate director instead.

#### **SECRETARY**

120. The secretary shall be appointed by the board on such terms and for such period as it may think fit. Any secretary so appointed may at any time be removed from office by the board, but any such removal shall not, of itself, limit or restrict any claim for the company. The board may, if it thinks fit, appoint two or more persons as joint secretaries. The board may also appoint from time to time on such terms as it may think fit, one or more deputy and/or assistant secretaries. Any provision of the statutes or these articles requiring or authorising a thing to be done by or to a director and the secretary is not satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

#### **REGISTERS**

##### **121. MEMBERS**

- 121.1 Subject to the Act, the Company shall enter on the register how many certificated and uncertificated shares each member holds.
- 121.2 Subject to the Statutes, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas, local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register, provided, however, that those members who hold uncertificated shares may not be entered as holders of those shares on an overseas branch register.

##### **122. CHARGES**

- 122.1 The company shall keep a register of charges in accordance with the Statutes and the fee to be paid by a person other than a creditor or

member for each inspection of the register of charges is the maximum sum prescribed by the Statutes or, failing which, decided by the board.

### **SEALS**

123.

123.1 The board shall ensure that every seal is kept in safe custody and that no seal shall be used without the authority of a resolution of the board or of a committee which has been appropriately authorised by the board.

123.2 Unless the board resolves otherwise, every document on which a seal is to be put shall be signed by one director and the secretary or by two directors but, on any certificate for shares or debentures or other securities of the Company, such signatures or either of them shall be dispensed with or put on by some method or system of printed or mechanical signature.

123.3 Any document signed by one director and the secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under the seal.

123.4 The Company may exercise the powers conferred by the Statutes to have an official seal for use abroad; such powers shall be vested in the board.

### **AUTHENTICATION OF DOCUMENTS**

124. Any director or the secretary or any person appointed by the board for the purpose shall have power to authenticate any document affecting the constitution of the company, any resolution passed at a shareholders' meeting or at a meeting of the board or any committee, and any book, record, document or account relating to the business of the company, and to certify copies of, or extracts from, the same as true copies or extracts. Where any book, record, document or account is kept at a place other than the office, the local manager or other officer of the company having the custody of the same shall be deemed to be a person appointed by the board. A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is so certified shall be conclusive evidence in favour of all persons dealing with the company who rely on the same that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

## **RESERVES**

### **125. ESTABLISHMENT OF RESERVES**

The board may from time to time set aside out of the profits of the Company and put in a reserve such sums as it may think proper. Such sums may, at the discretion of the board, be used for any purpose for which the profits of the Company may properly be applied and, pending such use, may either be employed in the business of the Company or be invested. The board may divide any such reserve into such special funds as it may think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The board may also, without putting the same in a reserve, carry forward any profits. In creating a reserve and in using the same, the board shall comply with the provisions of the Statutes.

### **126. BUSINESS BOUGHT AS FROM PAST DATE**

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

## **DIVIDENDS**

### **127. FINAL DIVIDENDS**

Subject to the Statutes and those Articles, the Company may, by ordinary resolution, declare dividends, but no such dividend shall exceed the amount recommended by the board.

### **128. INTERIM AND PREFERENTIAL DIVIDENDS**

Subject to the provisions of the Statutes and to Article 130, if and to the extent that, in the opinion of the board, the profits of the Company justify such payments, the board:

- 128.1 may declare and/or pay the fixed dividends on any class of shares carrying a fixed dividend payable on fixed dates, on the dates prescribed for payment of the same;
- 128.2 may provide, in such manner and on such terms as they may think fit, for the payment of any dividends (whether fixed or calculated by reference to or in accordance with a specified procedure or mechanism) on any class of shares carrying such a dividend on the dates prescribed for payment of the same (whether such dates are fixed

or are determined or to be determined in accordance with a specified procedure or mechanism); and

128.3 may also from time to time pay interim dividends on the shares of any class of such amounts, on such dates, and in respect of such periods, as they may think fit provided that, if shares of a class carry a right to a preferential dividend and such dividend is in arrears, no interim dividend shall be paid on any shares having deferred or non-preferred rights unless and until such preferential dividend is no longer in arrears.

If the board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

#### **129. DISTRIBUTION IN SPECIE**

Without prejudice to Article 70, the Company may, upon the recommendation of the board, by ordinary resolution direct payment of the whole or any part of a dividend by the distribution of specific assets (and, in particular, of paid up shares or debentures of any other company) and the board shall comply with and carry out any such resolution. Where any difficulty arises with regard to such distribution, the board may settle the same as it thinks expedient and in particular may:

129.1 make such provisions as they think fit for dealing with fractional entitlements which may or would arise (including provisions under which fractional entitlements are ignored or the benefit of the same belongs to the Company rather than the relevant members or the issue of fractional certificates);

129.2 fix the value for distribution of such specific assets (or any part of the same);

129.3 determine that cash shall be paid to any member upon the basis of the value so fixed in order to adjust the rights of all parties; and

129.4 vest any assets in trustees.

#### **130. NO DIVIDEND EXCEPT OUT OF PROFITS**

No dividend shall be paid except out of profits available for distribution under the provisions of the Statutes.

#### **131. RANKING OF SHARES FOR DIVIDEND**

Unless and to the extent that the rights attached to any shares or the terms of allotment of any shares or these Articles provide to the contrary, all dividends shall (as regards any shares which are not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid in proportion to the amounts paid on the shares during any part or parts of the period in respect

of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.

**132. CURRENCY AND PAYMENT OF DIVIDENDS**

132.1 Any dividend or other moneys payable on or in respect of a share may be paid:

132.1.1 by cash;

132.1.2 by cheque, warranty or money order made payable to or to the order of the person entitled (and may, at the Company's option, be crossed "account payee" where appropriate);

132.1.3 by a bank or other funds transfer system to an account designated in writing by the person entitled to the payment;

132.1.4 by means of a relevant system in respect of an uncertificated share if the board decides and the person entitled to payment has in writing authorised the payment to be made by means of that system; or

132.1.5 by such other method as the person entitled to the payment may in writing direct.

132.2 The Company may send a cheque or warrant or money order by post to the registered address of the member or person entitled to the same (or, if two or more persons are registered as joint holders of the share or are entitled to the same in consequence of the death or bankruptcy of the holder or otherwise through the operation of law, to any one of such persons) or to such person and/or such address as such member or person or persons may in writing direct. Every such cheque or warrant or money order shall be made payable to the order of the person or persons to whom it is sent or to such other person or persons as the person or persons entitled may in writing direct. Payment of the cheque or warrant or money order by the banker upon whom it is drawn shall be in good discharge to the Company. Every such cheque or warrant or money order shall be sent at the risk of the person(s) entitled to the money represented by the same. If payment is made by bank or other funds transfer, by means of a relevant system or by another method at the direction of the person entitled to payment, the Company is not responsible for amounts lost or delayed in the course of making that payment. Notwithstanding any other provision of these Articles relating to payments in respect of shares, where:

132.2.1 the board determines to make payments in respect of uncertificated shares through the relevant system, it may also determine to enable any holder of uncertificated shares to elect not to receive dividends through the relevant system and, in such event, establish procedures to enable such holder to make, vary or revoke any such election; and

132.2.2 the Company receives an authority in respect of such payments in respect of shares in a form satisfactory to it from a holder of any shares (whether such authority is given in writing or by means of the relevant system or otherwise), the Company may make, or procure the making of, such payments in accordance with such authority and any payment made in accordance with such authority shall constitute a good discharge therefor.

132.3 Without prejudice to Article 70, the board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the board may reasonably require.

132.4 Subject to the provisions of these Articles and to the rights attaching to, or the terms of issue of, any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the board may determine.

132.5 If any dividend or other moneys are to be paid in currency other than sterling, the board may make such provisions as it thinks fit to enable such payment to be made, including making arrangements to enable payment to be made in the relevant currency or currencies for value on the date due for payment or on such later date as the board may decide.

132.6 Where a dividend is to be paid in a currency or currencies other than sterling, the rate of exchange to be used to calculate the relevant amount of foreign currency shall be such market rate selected by the board as it shall consider appropriate, ruling at any time between the close of business in London on the business day immediately preceding the day on which the board publicly announces its intention to pay or recommend (as the case may be) the relevant dividend and the close of business on the day on which that dividend is paid.

### 133. **JOINT HOLDERS AND PRSONS ENTITLED BY TRANSMISSION**

If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise through the operation of law, any one of them may give a good receipt for any dividend or other moneys payable, or property distributable, on or in respect of the share. The Company may rely in relation to the share on the written direction or designation in relation to Articles 132, 133 and 137.2 of any one joint holder of the share, or any one person entitled by transmission to the share.

### 134. **RECORD DATE**

Subject to the rights attaching to, or the terms of issue of any shares, a resolution providing for the payment or making of any dividend on any shares of any class or any distribution, allotment or issue to the holders of any shares of any class (whether a resolution of the Company in general meeting or a

resolution of the board or otherwise) may specify that the same shall be payable or be made to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that such date may be a date prior to that on which the resolution is passed. Such dividend, distribution, allotment or issue shall then be payable or due to them in accordance with their respective registered holdings, but shall not, of itself, prejudice the rights between transferors and transferees of any such shares in respect of such dividend, distribution, allotment or issue.

**135. NO INTERST ON DIVIDENDS**

Subject to the rights attaching to, or to the terms of issue or any shares, the Company shall not be obliged to pay on any dividend or other moneys payable on the or in respect of a share.

**136. RETENTION OF DIVIDEND**

136.1 The board may retain any dividend or other moneys payable on or in respect of a share on which the Company has lien and may apply the same in or towards satisfaction of the moneys payable to the Company in respect of that share.

136.2 The board may retain the dividends payable upon shares in respect of which any person is, under the provisions of these Articles dealing with the transmission of shares, entitled to become a member, or which any person is under those provisions entitled to transfer those shares, until such person shall become a member in respect of such shares or shall transfer the same.

**137. UNCLAIMED AND UNCASHED DIVIDENDS**

137.1 Any unclaimed dividend, interest or other moneys payable on or in respect of a share may be invested or otherwise made use of by the board for the benefit of that Company until claimed. The payment by the board of any unclaimed dividend, interest or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee of the moneys paid in. Any dividend unclaimed after a period of 12 years from the due date for payment of such dividend shall be forfeited, shall cease to remain owing by, and shall revert to, the Company.

137.2 If, in respect of a dividend or other amount payable in respect of a share, on any one occasion:

137.2.1 a cheque, warrant or money order is returned undelivered or left uncashed; or

137.2.2 a transfer made by a bank or other funds transfer system is not accepted,

137.2.3 and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the

Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to that person until he notifies the Company of an address or account to be used for that purpose. If the cheque, warrant or money order is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, the Company may exercise this power without making any such enquiries. Subject to the provisions of these Articles, the Company shall recommence sending cheques, warrants or money orders in respect of the dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

**138. WAIVER OF DIVIDENDS**

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

**SCRIP DIVIDENDS**

**139.**

139.1 Subject to the Act but without prejudice to Article 70, the board may, with the prior approval of an ordinary resolution of the Company, offer the holders of shares of a particular class the right to elect to receive additional shares of that or another class credited as fully paid (“**additional shares**”) instead of cash in respect of all or part of any dividend or dividends proposed to be paid or declared at any time during a specified period (such period not expiring later than the beginning of the fifth annual general meeting following the date on which the resolution is passed) upon (subject as set out in this Article 140) such terms and conditions as may be specified in such ordinary resolution or otherwise decided upon by the board.

139.2 The board may in its absolute discretion suspend or withdraw (whether temporarily or otherwise) any offer previously made to shareholders to elect to receive additional shares at any time prior to the allotment of the additional shares and may do such acts and things considered necessary or expedient with regard to, or in order to effect any such suspension or withdrawal.

139.3 When a right to elect is to be offered to holders of shares of a particular class pursuant to this Article, the board shall notify such holders of that right and shall make available or provide to such holders forms of election (in such form as the board may approve) in order to exercise such right. Such forms may also provide for the right to elect to

receive additional shares instead of cash in respect of future dividends not yet declared or resolved upon (and accordingly in respect of which the basis of allotment has not yet been decided upon) as well as in respect of the relevant dividend. The board shall also specify the procedures to be followed in order to exercise any such right or rights of election and, where applicable, to vary or revoke any such right or rights.

- 139.4 The basis of allotment shall be determined by the board so that each holder of shares of a particular class who elects to receive additional shares shall be entitled to receive such number of additional shares, calculated at the relevant price for each such share, as is nearly as possible equal to (but not in excess of) the cash amount of the relevant dividend which such holder would otherwise have received. For the purposes of this Article 139, the “**relevant price**” of an additional share shall be such price as is equal to the average of the middle market prices for a share of that class, ascertained by reference to the AIM appendix to the daily Official List of London Stock Exchange or, if the Company’s Ordinary Shares are listed on the Official List of London Stock Exchange, ascertained by reference to the Official List during the period of five dealing days commencing on the day when such shares are first quoted “ex” the relevant dividend or to the par value of such a share (whichever is the higher), or commencing on such other date as the board may deem appropriate to take account of a subsequent issue of shares by the Company. No member may receive a fraction of a share.
- 139.5 The cash amount of a dividend (or of the relevant part of that dividend) on shares in respect of which an election to receive additional shares has been made shall not be payable and in lieu additional shares shall be allotted to the relevant holders on the basis of allotment determined under Article 139.4. For such purpose, the board may (without limiting or restricting in any way their powers under Article 140) capitalise out of such of the sums standing to the credit of any of the Company’s reserve accounts (including any share premium account or capital redemption reserve) or profit and loss account as the board may determine a sum equal to the aggregate nominal amount of the additional shares to be allotted and shall apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution credited as fully paid to the relevant holders of shares.
- 139.6 The provisions of Article 140 shall apply (with appropriate modifications) to any capitalisation made pursuant to this Article 139.
- 139.7 The additional shares so allotted shall rank equally in all respects with the fully paid shares of that class then in issue save only as regards participation in the relevant dividend (or share election in lieu).
- 139.8 The board may on any occasion determine that rights of election shall be subject to such exclusions or other arrangements as the board may deem necessary or expedient in relation to any legal or practical

problems under the laws of, or the requirements any recognised regulatory body or any stock exchange in, any territory. In any such case, the preceding provisions of this Article shall be construed accordingly.

- 139.9 A resolution to be proposed at an annual general meeting that a dividend be declared at that meeting shall be deemed to take effect at the end of the meeting if at the meeting a resolution under Article 139.1 is also to be proposed.

### **CAPITALISATION OF PROFITS**

140. Subject to the statutes, the board may, with the authority of an ordinary resolution of the company:

140.1 resolve to capitalise an amount standing to the credit of reserves (including a share of premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;

140.2 appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

140.2.1 paying up the amounts (if any) for the time being unpaid on shares held by them respectively; or

140.2.2 paying up in full unissued shares or debenture of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and 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;

140.3 make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions, the board may deal with the fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);

140.4 authorise a person to enter (on behalf of all the members concerned) into an agreement with the Company providing for either:

140.4.1 the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation; or

140.4.2 the payment by the Company on behalf of the members (by application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,

an agreement made under this authority being effective and binding on all those members; and

140.5 generally do all acts and things required to give effect to the resolution.

## **ACCOUNTS**

### **141. ACCOUNTING RECORDS**

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the office, or at such other place as the board thinks fit. Such records shall always be open to inspection by the officers of the Company but no member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statutes or ordered by a court of competent jurisdiction or authorised by the board.

### **142. COPIES OF ACCOUNTS FOR MEMBERS**

A copy of every balance sheet and profit and loss account which is to be laid before the general meeting of the Company (including every document required by law to be comprised in, or attached or annexed to, any such balance sheet or account) shall, at least 21 clear days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles. This Article 142 shall not require a copy of these documents to be sent to any member to whom a summary financial statement is sent in accordance with the Statutes nor to more than one of joint holders nor to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office.

## **AUDITORS**

### **143. VALIDITY OF AUDITOR'S ACTS**

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

**144. AUDITOR'S RIGHT TO ATTEND GENERAL MEETINGS**

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

**NOTICES**

**145. SERVICE OF NOTICES**

145.1 Any notice or document (including a share certificate) may be given to a member by the Company by giving it to him personally, or by sending it by post in a prepaid cover addressed to such member at (or by leaving it addressed to such member at) his registered address or (if he has no registered address within the United Kingdom) at the address, if any, within the United Kingdom supplied by him to the Company at his address for the service of notices. In the case of a member registered on a branch register, any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.

145.2 Where a notice or other document is:

145.2.1 given to a member personally or left at his registered address or address for service in the United Kingdom, it shall be deemed to have been given on the day it was so given or left; and

145.2.2 sent by post, it shall be deemed to have been given at the expiry of 24 hours (or, where second-class mail is employed, 48 hours) after the time when the cover containing the same is posted. In proving such service or delivery, it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

145.3 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceedings.

145.4 A member present in person or by proxy at a meeting of the Company or a meeting of the holders of a particular class of shares is deemed to have received notice of the meeting and, where required, of the purposes for which it was called.

**146. JOINT HOLDERS**

Any notice given to that one of the joint holders of a share whose name appears first in the register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purposes, a joint holder

who has no registered address in the United Kingdom and who has not supplied an address within the United Kingdom for the service of notices shall be disregarded.

**147. DECEASED AND BANKRUPT MEMBERS AND TRANSFEREES**

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

147.2 A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 212 of the Act) which, before his name is entered in the register, has been properly served on a person from who he derives his title.

**148. OVERSEAS MEMBERS**

A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.

**149. SUSPENSION OF POSTAL SERVICES AND ADVERTISEMENTS**

149.1 If, at any time, because of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a shareholders' meeting by notices sent through the post, such meeting may be convened by a notice advertised on the same date in at least one national daily newspaper with appropriate circulation. Such notice shall be deemed to have been duly served on all members entitled to receive the same at noon on the day when the advertisement appears. If more than one advertisement is placed, notice shall be deemed to have been duly served at noon on the day when the last advertisement was placed. In any such case the Company shall send confirmatory copies of the notice by post if, at least 7 clear days prior to the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

149.2 Any notice required to be given by the Company to members (including for this purpose holders of share warrants) and not expressly provided for by these Articles or by the terms of issue of any shares shall be sufficiently given if given by advertisement in the manner provided for in Article 149.1 (but the Company need not send

confirmatory copies of the notice by post). The holder of a share warrant shall be entitled to receive notice only by advertisement in the manner provided for in this Article 149.1.

**150. STATUTORY REQUIREMENTS AS TO NOTICES**

150.1 Nothing in any of Articles 145 to 149 shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

**WINDING UP**

**151. DIRECTORS' POWER TO PETITION**

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

**152. DISTRIBUTION OF ASSETS IN SPECIE**

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

**DESTRUCTION OF DOCUMENTS**

**153.**

153.1 The Company shall be entitled to destroy all forms of transfer or other documents which have been registered or on the basis of which registration was made at any time after the expiry of six years from the date of registration of the same. The Company shall also be entitled to destroy all dividend mandates and notifications of change of address at any time after the expiry of two years from the date of recording the same and all share certificates which have been cancelled at any time after the expiry of one year from the date of the cancellation of the same. Any such document may be disposed of in any way.

153.2 Every document destroyed under the provisions of this Article 153 shall conclusively be regarded as a valid and effective document, duly and properly registered (in the case of a form of transfer) or cancelled

(in the case of a share certificate) or recorded (in the case of any other document). Every entry in the register or in any other books or records of the Company made or recorded from any such document shall conclusively be regarded as having been duly and properly made.

153.3 The provisions of Article 153.2 shall apply only to a document destroyed in good faith, where the Company has not been notified of or any claim (regardless of the parties to the document) to which the document might be relevant.

153.4 The provisions of this Article 153 shall not impose upon the Company any liability in respect of the destruction of any document before the expiry of any period referred to in Article 153.1 or in any other circumstances which would not attach to the Company in the absence of this Article.

## **INDEMNITY AND INSURANCE**

### **154. INDEMNITY**

Subject to the provisions of and so far as may be consistent with the Statutes, every director, alternate director, secretary or other officer of the Company shall be indemnified by the Company out of its own funds against, and/or exempted by the Company from, all costs, charges, losses, expenses and liabilities incurred by him in the proper execution and/or discharge of his duties and/or proper exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office. Such indemnity or exemption may relate (without limitation) to any liability incurred by him in defending any proceedings, civil or criminal, which relates 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 any finding or admission of any material breach of duty on his part or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

### **155. INSURANCE**

155.1 Without restricting or reducing in any way the scope of Article 154 the board shall have power to purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time directors, officers, employees or auditors of any associated company (as defined in Article 155.2) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any associated company are interested, (including insurance against any liability incurred by such persons which may lawfully be insured against by the Company in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any associated company, or any such pension fund or employees' share scheme).

155.2 In this Article 155, “**associated company**” shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or any such holding company or any of the predecessors of the Company or any such holding company has or had any interest (whether direct or indirect) or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.