

**Company No. 814103**

**THE COMPANIES ACT 2006**  
**A PUBLIC COMPANY LIMITED BY SHARES**

**N BROWN GROUP PLC**

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**ARTICLES OF ASSOCIATION**  
**(Adopted by special resolution**  
**passed on 23 November 2020)**

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**ARTICLES OF ASSOCIATION**  
of  
**N BROWN GROUP PLC**  
(Adopted by Special Resolution passed on .....2020)

**PRELIMINARY**

1. **Interpretation**

(A) In these Articles:

unless the context otherwise requires:

**"Act"**  
means the Companies Act 2006,

**"these Articles"**  
means these articles of association as they may be altered from time to time;

**"AIM"**  
means the market of that name operated by the London Stock Exchange;

**"Appropriate Rate"**  
has the meaning attributed thereto in section 592 of the Act

**"Auditors"**  
means the auditors for the time being of the Company;

**"Board"**  
means the board of Directors or the Directors present at a duly convened quorate meeting of Directors;

**"business day"**  
means a day (not being a Saturday or Sunday) on which clearing banks are open for business in London,

**"certificated"**  
means, in relation to a share, a share which is recorded in the register as being held in certificated form;

**"Company"**  
means N Brown Group plc;

**"Directors"**  
means the directors for the time being of the Company,

**"electronic communication"**  
means the sending or supplying of a document or information in an electronic form which may or may not be by electronic means,

**"electronic form"**  
has the same meaning as that given to it in section 1168 of the Act;

**"electronic means"**  
has the same meaning as that given to it in section 1168 of the Act;

**"month"**

means a calendar month,

**"Office"**

means the registered office for the time being of the Company;

**"recognised person"**

means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange which is designated for the purposes of section 778(2) of the Act;

**"Register"**

means the register of members of the Company;

**"relevant system"**

means a computer-based system and procedures which enable title to units of a security to be evidenced and transferred without a written instrument as defined in the Uncertificated Securities Regulations;

**"Seal"**

means the common seal (if any) of the Company,

**"Statutes"**

means the Act and every other Act of Parliament and statutory instrument relating to companies and affecting the Company,

**"London Stock Exchange"**

means London Stock Exchange plc;

**"Transfer Office"**

means the place where the Register is kept for the time being,

**"Uncertificated Securities Regulations"**

means the Uncertificated Securities Regulations 2001 (SI 2000 No 3755) (as amended from time to time),

**"Uncertificated"**

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,

**"United Kingdom"**

means the United Kingdom of Great Britain and Northern Ireland;

**"in writing"**

means written, printed, typewritten, telexed, sent or received by facsimile, photographed or lithographed or visibly expressed in all or any of these or any other modes of representing or reproducing words,

- (B) any reference to **"dividend"** includes bonus;
- (C) any reference to **"secretary"** includes (subject to the Statutes) any assistant or deputy secretary of the Company appointed pursuant to these Articles and any person duly appointed by the Directors to perform any of the duties of the secretary of the Company and, where two or more persons are duly appointed to act as joint secretaries of the Company, includes any one of those persons;
- (D) any reference to **"paid up"** includes credited as paid-up,
- (E) words denoting the singular number also include the plural number and vice versa, words denoting one gender include the others and words denoting persons include individuals, corporations and unincorporated associations;

- (F) words and expressions defined in the Statutes shall, unless the context otherwise requires, have the same meanings in these Articles. In particular, the expressions "Operator", "participating issuer", "participating security" and "relevant system" have the same meanings as in the Uncertificated Securities Regulations,
- (G) the headings in and the index to these Articles are for ease of reference only and shall not affect construction;
- (H) any reference to any statute or statutory provision shall be construed as a reference to such statute or statutory provision as amended, re-enacted or replaced from time to time, and
- (I) where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose.

2. These Articles alone shall constitute the regulations of the Company

3. **Limited Liability**

The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them

3A. **Change of Name**

The Company may change its name by resolution of the Board.

## **SHARE CAPITAL**

4. **Allotment of shares**

- (A) Subject to the provisions of the Statutes regarding pre-emption rights and any resolution of the Company relating thereto or to any authority to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company shall be under the control of the Directors who may generally and unconditionally allot (with or without conferring a right of renunciation), shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, offer or otherwise deal with or dispose of the same to or in favour of such persons, on such terms and conditions, at a premium or at par and at such times as the Directors think fit.
- (B) [Article 4(B) has been deleted]
- (C) [Article 4(C) has been deleted]
- (D) [Article 4(D) has been deleted]
- (E) [Article 4(E) has been deleted]
- (F) The Board may at any time after the allotment of a share but before a person has been entered in the Register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on such terms and conditions as the Board thinks fit

5. **Power to attach rights**

Subject to the Statutes and to the rights attached to existing shares, new shares may be allotted or issued with or have attached to them such special rights or restrictions as the Company may by ordinary resolution decide, or, if no resolution is passed, as the Board may decide.



6. **Redeemable shares**

- (A) The Company may by special resolution create shares which are, or at the option of the Company or the holder are to be liable, to be redeemed on such terms and in such manner as the Board may determine.
- (B) Where the Company purchases any of its redeemable shares by tender, such tender will be available in like manner to all holders of such shares

7. **Variation of rights**

- (A) Subject to the Act, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders (but not otherwise). To every such separate meeting the provisions of these Articles relating to general meetings shall apply, except that the necessary quorum at any such meeting shall be two persons together holding or representing by proxy at least one third in nominal value of the issued shares of the class in question and at an adjourned meeting shall be one person holding shares of the class in question.
- (B) The special rights conferred upon the holders of any shares or class of shares - shall, unless otherwise provided by these Articles or the terms of issue of the shares concerned, be deemed to be varied by a reduction of capital paid up on those shares but shall be deemed not to be varied by the creation or issue of further shares ranking pari passu with them or subsequent to them. The special rights conferred on the holders of ordinary shares shall be deemed not to be varied by the creation or issue of any further shares ranking in priority to them nor shall any consent or sanction of the holders of ordinary shares be required under Article 7(A) to any variation or abrogation effected by a resolution on which only the holders of ordinary shares are entitled to vote.

8. **Commission**

In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company. Subject to the provisions of the Statutes, such commission may be satisfied by payment of cash or (with the sanction of an ordinary resolution of the Company) the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

9. **Trusts not recognised**

Except as required by law and notwithstanding any information received by the Company pursuant to any statutory provision relating to the disclosure of interests in voting shares or otherwise, no person shall be recognised by the Company as holding any share upon any trust and (except only as by these Articles or by law otherwise expressly provided or as by statute required or under an order of a court of competent jurisdiction) the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fraction or part of a share or any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

10. **Uncertificated shares**

- (A) 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

- (B) Uncertificated shares of a class are not to be regarded as forming a separate class from certificated shares of that class
- (C) 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.
- (D) 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 the 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
- (E) 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
  - (i) the holding of shares of that class in uncertificated form;
  - (ii) the transfer of title to shares of that class by means of a relevant system; and
  - (iii) the Uncertificated Securities Regulations.

## **SHARE CERTIFICATES**

### **11. Right to certificate**

- (A) Subject to the Statutes and the requirements of the London Stock Exchange, a person (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) on becoming the holder of a certificated share is entitled, unless the terms of issue of the shares provide otherwise, without charge, to one certificate for all the certificated shares of a class registered in his name or, in the case of certificated shares of more than one class being registered in his name, to a separate certificate for each class of shares
- (B) Where a member (other than a recognised person) transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of certificated shares retained by him
- (C) The Company is not bound to issue more than one certificate for certificated shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders
- (D) A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares. It shall be issued under a seal, which may be affixed to 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 the London Stock Exchange.
- (E) The directors can resolve that signatures on any share certificates can be applied to the certificates by mechanical or other means or can be printed on them or that signatures are not required

### **11A. Consolidated share certificates**

- (A) When a member's holding of shares of a particular class increases, the company may issue that member with-
  - (i) a single consolidated certificate in respect of all the shares of a particular class which that member holds, or
  - (ii) a separate certificate in respect of only those shares by which that member's holding has increased

- (B) When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if-
- (i) all the shares which the member no longer holds as a result of the reduction, and
  - (ii) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.
- (C) A member may request the company, in writing, to replace-
- (i) the member's separate certificates with a consolidated certificate, or
  - (ii) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify
- (D) When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.
- (E) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation

12. **Replacement certificates**

- (A) Where a member holds two or more certificates for shares of one class, the Board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for certificated shares of that class
- (B) At the request of a member, the Board may cancel a certificate and issue two or more in its place (representing certificated shares in such proportions as the member may specify), on surrender of the original certificate and on payment of such reasonable sum as the Board may decide
- (C) Where a certificate is worn out, defaced, lost or destroyed, the Board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity and to payment of any exceptional out of pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity as the Board may decide, and on surrender of the original certificate (where it is worn out or defaced).

**LIEN**

13. **Company's lien on shares not fully paid**

- (A) The Company has a first and paramount lien on every share (other than a fully paid share) registered in the name of a member (whether solely or jointly with another person) for an amount payable in respect of the share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared or other amounts payable in respect of the share
- (B) The Board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this Article 13. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

14. **Enforcement of lien by sale**

- (A) For the purpose of enforcing the lien, the Board may sell shares subject to the lien in such manner as it may decide, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 clear days after the service of a notice in writing (stating, and demanding payment of, the amounts and giving notice of the intention to sell

in default of payment) on the member concerned (or to a person entitled by transmission to the shares).

- (B) To give effect to a sale, the Board may authorise a person to transfer the shares in the name and on behalf of the holder of or the person entitled by transmission to the shares to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the sale.

15. **Application of proceeds of sale**

The net proceeds of a sale effected under Article 14, after payment of the costs of the sale, shall be applied by the Company in or towards satisfaction of the amount in respect of which the lien exists. Any residue shall (on surrender to the Company for cancellation of any 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 and subject to a like lien for amounts not presently payable as existed on the shares before the sale) be paid to the member or a person entitled by transmission to the shares immediately before the sale.

## **CALLS ON SHARES**

16. **Calls**

The Directors may, subject to the provisions of these Articles and to any relevant terms of allotment thereof, from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether in respect of nominal value or a premium) Each member shall, subject to being given fourteen days' notice at least of each call, pay the amount of each call so made on him to the person and at the time and place specified by the Directors in the said notice. A call may be made payable by instalments. A call shall be deemed to have been made as soon as the resolution of the Directors authorising such call shall have been passed. A call may be revoked or postponed in whole or in part as the Directors may determine. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made. The joint holders of a share shall be jointly and severally liable for payment of all instalments and calls in respect thereof and any one of such persons may give effectual receipts for any return of capital payable in respect of such share.

17. **Power to differentiate**

If by the terms of any admission document, prospectus or any other document relating to an issue of shares in the Company or by the conditions of allotment any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a call duly made by the Directors of which due notice had been given. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

18. **Interest on calls**

If the call or instalment payable in respect of any share is not paid on or before the day appointed for payment thereof, the person from whom the amount of the call or instalment is due shall pay interest on the unpaid amount at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the Appropriate Rate from the time appointed for payment thereof until the actual payment thereof, and shall not receive any dividend in respect of the amount unpaid. The Board may waive payment of the interest in whole or in part.

19. **Payment in advance**

The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up, and upon the money paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such

advance shall have been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, the Appropriate Rate) as the member paying such sum in advance and the Directors agree upon. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made.

20. **Amounts due on allotment or issue treated as calls**

Any sum which by or pursuant to the terms of allotment of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by or pursuant to the terms of allotment the same becomes payable and, in case of non-payment, 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.

### **FORFEITURE**

21. **Notice if call not paid**

If any member fails to pay the whole or any part of any call or instalment on or before the day appointed for the payment thereof, the Directors may, at any time thereafter during such time as the call or instalment or any part thereof remains unpaid, serve a notice on such member or on a person entitled by transmission to the relevant share requiring him to pay such call or such part thereof as remains unpaid, together with any interest that may have accrued thereon and all costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the day (not being less than 14 days after the date of service of the notice) on and the place at which such call or instalment (or such part thereof as remains unpaid) and such interest, costs, charges and expenses as aforesaid are to be paid. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited

22. **Forfeiture for non-compliance**

If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice shall have been given may at any time thereafter, and before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared or other amounts payable in respect of the forfeited shares and not actually paid before the forfeiture.

23. **Notice after forfeiture**

When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share or the person entitled by transmission to the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice as aforesaid.

24. **Disposal of forfeited shares**

- (A) Subject to the provisions of the Statutes, any share so forfeited and the rights attaching to it shall be deemed to be the property of the Company, no voting rights shall be exercised in respect thereof and the Directors may within three years of such forfeiture sell, re allot or otherwise dispose of the same in such manner as they think fit either to the person who was before the forfeiture the holder thereof or to any other person, and either with or without any past or accruing dividends and, in the case of re-allotment, with or without any money paid thereon by the former holder being credited as paid up thereon. The Directors may, if necessary, authorise some person to execute a transfer of a forfeited share to any such other person as aforesaid. Any share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture shall thereupon be cancelled in accordance with the provisions of the Statutes

- (B) The Directors may at any time, before any share so forfeited shall have been cancelled or sold, re allotted or otherwise disposed of, annul the forfeiture upon such conditions as they think fit.
- (C) A statutory declaration in writing that the declarant is a Director or the secretary of the Company and that a share has been duly forfeited in pursuance of these Articles, and stating the time when it was forfeited, shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts therein stated and such declaration, together with a duly sealed certificate of proprietorship of the share delivered to a purchaser or allottee thereof, shall (subject to the execution of any necessary transfer) constitute a good title to the share, and the new holder thereof shall be discharged from all calls made prior to such purchase or allotment, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any omission, irregularity or invalidity in or relating to or connected with the proceedings in reference to the forfeiture, sale, re allotment or disposal of the share

25. **Arrears to be paid notwithstanding forfeiture**

A member whose shares have been forfeited shall thereupon cease to be a member in respect of such shares but shall nevertheless remain liable to pay (and shall forthwith pay) to the Company all calls, instalments, interest, costs, charges and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the shares or, if no rate is so fixed, at the Appropriate Rate, and the Directors may enforce payment thereof if they think fit without any allowance for the value of the shares at the time of forfeiture.

26. **Surrender**

The Board may accept the surrender of a share liable to be forfeited and in that case references in these Articles to forfeiture include surrender.

**UNTRACED SHAREHOLDERS**

27. **Power of Sale**

- (A) The Company may sell the share of a member or of a person entitled by transmission if
- (i) during a period of not less than 12 years before the date of publication of the advertisements referred to in paragraph (A)(iii) of this Article 27 (or, if published on two different dates, the first date) (the "relevant period") the Company has paid at least three cash dividends (whether interim or final) in respect of the share;
  - (ii) throughout the relevant period no cheque, warrant or money order sent by the Company by post in a pre-paid envelope addressed to the holder of the shares or to the person entitled by transmission to the share in accordance with Article 149 been presented to the paying bank, no payment made by the Company by any other means permitted by Article 149 has been claimed or accepted and no communication has been received by the Company from the member or person entitled by transmission (in his capacity as member or person entitled by transmission);
  - (iii) on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address referred to in paragraph (A)(ii) of this Article 27;
  - (iv) the Company has not, so far as the Board is aware, during a further period of three months after the date of the advertisements referred to in paragraph (A)(iii) of this Article 27 (or the later advertisement if the advertisements are published on different dates) and before the exercise of the power of sale received a

communication from the member or person entitled by transmission (in his capacity as member or person entitled by transmission); and

- (v) the Company has first given notice in writing to the London Stock Exchange of its intention to sell the share
- (B) In addition to the power of sale conferred by paragraph (A) of this Article 27, if during the relevant period or a further period ending on the date when all the requirements of paragraphs (A)(i) to (v) of this Article 27 have been satisfied an additional share has been allotted or issued in respect of that held at the beginning of, or previously so allotted or issued during, those periods and all the requirements of paragraphs (A)(i) to (v) of this Article 27 have been satisfied in respect of the additional share, the Company is entitled to sell the additional share.
- (C) To give effect to a sale pursuant to paragraphs (A) or (B) of this Article 27, the Board may authorise a person to transfer the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity or invalidity in the proceedings connected with the sale of the share.

#### 28. **Application of proceeds of sale**

The Company shall account to the member or other person entitled by transmission to the share for the net proceeds of sale by carrying any amount received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. Any amount carried to the separate account may either be employed in the business of the Company or invested as the Board may think fit. No interest is payable on that amount and the Company is not required to account for money earned on it.

### **TRANSFER OF SHARES**

#### 29. **Form of transfer**

- (A) A member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in another form approved by the Board, and the instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee.
- (B) A member may transfer all or any of his uncertificated shares in accordance with the Uncertificated Securities Regulations
- (C) The transferor of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

#### 30. **Right to refuse registration**

- (A) Subject to Article 69 and the requirements of the 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 AIM, 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
- (B) Subject to Article 69 and the requirements of the 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:
  - (i) it is in respect of only one class of shares;

- (ii) it is in favour of a single transferee or renounee or not more than four Joint transferees or renounees;
- (iii) it is duly stamped (if required), and
- (iv) it is delivered for registration to the 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.

(C) If the Board refuses to register the transfer of a certificated share it shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with the reasons for the refusal. An instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. The Company may retain all instruments of transfer which are registered.

31. **Fees on registration**

The Company may not charge a fee for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

32. [Article 32 has been deleted].

**TRANSMISSION OF SHARES**

33. **On death**

- (A) The Company may recognise the personal representative or representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held jointly by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.
- (B) Nothing in these Articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him.

34. **Election of a person entitled by transmission**

- (A) A person becoming entitled by transmission to a share may, on production of any evidence the Board may require, elect either to be registered as a member or to have a person nominated by him registered as a member.
- (B) If he elects to be registered himself he shall give notice to the Company to that effect. If he elects to have another person registered, he shall:
  - (i) if it is a certificated share, execute an instrument of transfer of the share to that person; or
  - (ii) if it is an uncertificated share
    - (a) transfer the share to that person by means of a relevant system; or
    - (b) change the share to a certificated share and execute an instrument of transfer of the share to that person

(C) All the provisions of these Articles relating to the transfer of certificated shares apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer



executed by the member and his death, bankruptcy or other event giving rise to a transmission of entitlement had not occurred

- (D) The Board may give notice requiring a person to make the election referred to in Article 34(A) If that 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 election has been made.

35. **Rights on transmission**

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may, however, give a good discharge for dividends and other amounts payable in respect of the share and, subject to Articles 34 and 149, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however, before he is registered as the holder of the share entitled in respect of it to receive notice of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

### **ALTERATION OF SHARE CAPITAL**

36. [Article 36 has been deleted]

37. **Fractions**

Subject to any direction by the Company in general meeting, whenever as the result of any consolidation and division or sub division of shares in accordance with the Statutes, members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and, in particular, may:-

- (i) sell the shares to which members are so entitled in fractions for the best price reasonably obtainable and pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof provided always that, where a member is entitled to net proceeds of sale of less than £3 (or such other amount as the Board, having regard to any relevant requirement of the London Stock Exchange in relation thereto, may determine), they will not be distributed as aforesaid but will be retained for the benefit of the Company. For the purpose of giving effect to any such sale, the Directors may nominate some person to execute a transfer of the shares sold on behalf of the members so entitled to the purchaser thereof and may cause the name of the purchaser to be entered in the Register as the holder of the shares composed in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale, or
- (ii) subject to the Statutes, 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 issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be) 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 152. In relation to the capitalisation the Board may exercise all the powers conferred on it by Article 152 without an ordinary resolution of the Company.

38. [Article 38 has been deleted]

39. [Article 39 has been deleted]

## **GENERAL MEETINGS**

### **40. Annual general meetings**

The Company shall hold annual general meetings, which shall be convened by the Board, in accordance with the Statutes.

### **41. General meetings**

All general meetings of the Company other than annual general meetings are called general meetings.

### **42. Convening of general meetings**

The Directors may call a general meeting whenever they think fit and shall in any event do so when and in the manner required by the Statutes. General meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum for a meeting of the Directors, any Director or any two members of the Company may convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

### **43. Length and form of notice**

An annual general meeting and all other general meetings of the Company shall be called by at least the minimum period of notice as is prescribed or permitted under the Statutes. The notice shall specify the place, the day and hour of meeting and, in case of special business, the general nature of such business. The notice shall be given to the members (other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company), to the Directors and to the Auditors. A notice calling an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as such.

### **44. Omission to send notice**

The accidental omission to give notice of a meeting or to send an instrument of proxy with a notice to a person entitled to receive the same when so required or the non-receipt of a notice or instrument of proxy by any such person shall not invalidate the convening of or the proceedings at that meeting.

### **45. Shareholders out of contact**

If on three consecutive occasions any notice, document or other information sent or supplied to a shareholder has been returned undelivered, the company need not send or supply further notices, documents or other information to that shareholder until he has communicated with the company and supplied the company (or its agents) with a new registered address, or a postal address within the United Kingdom for the service of notices and the despatch or supply of documents and other information, or has informed the company of an address for the service of notices and the sending or supply of documents and other information in electronic form. Any notice, document or other information sent by post will be treated as returned undelivered if the notice, document or other information is sent back to the company (or its agents), and any notice, document or other information sent or supplied in electronic form will be treated as returned undelivered if the company (or its agents) receives notification that the notice, document or other information was not delivered to the address to which it was sent.

46. **Special business**

The business of an annual general meeting shall be:-

- (i) to receive and consider the profit and loss account, the balance sheet and reports of the Directors and of the Auditors, and the documents required by law to be annexed to the balance sheet;
- (ii) to elect Directors and officers in the place of those retiring by rotation or otherwise ceasing to hold office and to fix their remuneration if required;
- (iii) to declare dividends;
- (iv) to appoint the Auditors (when special notice of the resolution for such appointment is not required by the Statutes) and to fix, or determine the manner of the fixing of, their remuneration;
- (v) to renew the authority of the Directors required by the Statutes in relation to the allotment of shares.

All other business transacted at an annual general meeting unless specifically stated otherwise in these Articles and all business transacted at a general meeting shall be deemed special

**PROCEEDINGS AT GENERAL MEETINGS**

47. **Quorum**

The quorum for a general meeting shall be not less than two members present in person or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present when the meeting proceeds to business. The appointment of a chairman in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.

48. **Procedure if quorum not present**

If within thirty minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such day and to such time and place as the chairman (or, in default, the Board) shall appoint but such a day being at least ten clear days after the original meeting. At any such adjourned meeting, the member or members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

49. **Chairman**

The chairman (if any) of the Board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting of the Company. If there is no such chairman or deputy chairman, or if at any meeting neither is present within fifteen minutes after the time appointed for holding the meeting or neither is willing to act, the Directors present shall select one of their number to be chairman failing which the members present and entitled to vote shall choose one of their number to be chairman.

50. **Director's right to attend and speak**

- (A) 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 whether or not he is a member.
- (B) The chairman of the meeting may permit other persons who are not-
  - (i) members of the company, or

- (ii) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

51. **Power to adjourn**

- (A) The chairman of the meeting may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (B) Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman of the meeting 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:-
  - (i) secure the proper and orderly conduct of the meeting; or
  - (ii) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting, or
  - (iii) ensure that the business of the meeting is properly disposed of.

52. **Notice of adjourned meeting**

Whenever a meeting is adjourned for 28 days or more or sine die, not less than seven clear days' notice in writing specifying the place, the day and hour of the adjourned meeting shall be given to the members, the Directors and the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, it shall not be necessary to give any notice of any adjourned meeting.

53. **Business at adjourned meeting**

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

53A. **Meeting at more than one place**

- (A) A general meeting may be held at more than one place if:-
  - (i) the notice convening the meeting specifies that it shall be held at more than one place; or
  - (ii) the Board resolves, after the notice convening the meeting has been given, that the meeting shall be held at more than one place; or
  - (iii) it appears to the chairman of the meeting that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend.

A general meeting held at more than one place is duly constituted and its proceedings are valid if (in addition to the other provisions of these Articles relating to general meetings) the chairman of the meeting is satisfied that there are adequate facilities to enable each person present at each place to participate in the business for which the meeting has been convened, hear and see all persons present who speak, whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise (whether in use when these Articles are adopted or developed subsequently) and have access to all documents which are required by the Act and these Articles to be made available at the meeting. Each person present at each place in person or by proxy and entitled to vote shall be counted in

the quorum for, and shall be entitled to vote at, the meeting. The meeting is deemed to take place at the place at which the chairman of the meeting is present.

54. **Accommodation of members at meeting**

If it appears to the chairman of the meeting that the meeting place specified in the notice convening the meeting 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:-

- (i) participate in the business for which the meeting has been convened, and
- (ii) 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
- (iii) be heard and seen by all other persons present in the same way.

55. **Security**

The Board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that 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.

**VOTING**

56. **Method of voting**

(A) At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-

- (i) the chairman of the meeting, or
- (ii) not less than five members present in person or by proxy and entitled to attend and vote at the meeting; or
- (iii) a member or members present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right

A demand for a poll may be withdrawn but only with consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. A demand by a proxy is deemed to be a demand by the member appointing the proxy

(B) Unless a poll is demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, 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. If a poll is demanded, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting

may (and, if so directed by the meeting, shall) appoint scrutineers, who need not be members, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

57. **Procedure on a poll**

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

58. **Votes of members**

- (A) Subject to any special terms as to voting upon which any shares may have been issued or may for the time being be held or a suspension or abrogation of voting rights pursuant to the Articles, every member present in person or by proxy shall upon a show of hands have one vote and shall upon a poll have one vote for every share of which he is holder. A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator bonis or such other person may, on a poll, vote by proxy if evidence (to the satisfaction of the Board) of the authority of the person claiming to exercise the right to vote is deposited at the Office (or at another place specified in accordance with these Articles for the deposit of instruments of proxy) within the time limits prescribed by these Articles for the deposit of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.
- (B) If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto and, if more than one of such joint holders be present at any meeting, either personally or by proxy, the member whose name stands first on the Register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.
- (C) Subject to any rights or restrictions attached to shares, or a vote on a resolution, or a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if:-
- (i) the proxy has been duly appointed by more than one member entitled to vote; and
  - (ii) the proxy has been instructed by one or more of those members to vote for the resolution and by one or more of those members to vote against it.

59. **Casting vote**

[Article 59 has been deleted].

59A. **No obligation to verify proxy voting in accordance with instructions**

- (A) The Company is not obliged to verify whether a proxy or corporate representative has voted in accordance with the instructions given by the member by whom the proxy or corporate representative is instructed. Any vote (whether given on a show of hands or on poll) is not invalidated if a proxy or corporate representative does not vote in accordance with their instructions.

60. **Restriction on voting rights for unpaid calls etc**

- (A) No member shall, unless the Directors otherwise determine, be entitled to be present or to vote, either in person or by proxy, at any general meeting or at a separate meeting of the holders of class of shares or upon any poll or to exercise any privilege as a member in relation to meetings of the Company in respect of any shares held by him ("Relevant Shares") if either:-
- (i) any calls or other moneys due and payable in respect of the Relevant Shares remain unpaid; or
  - (ii) he or any other person appearing to be interested in any Relevant Shares ("Other Person") has been duly served, pursuant to any provision of the Statutes concerning the disclosure of interests in voting shares, with a notice (a "Statutory Notice") lawfully requiring the provision to the Company (within such period (not being less than fourteen days) after service of the Statutory Notice as is specified in such notice) of information regarding any of such Relevant Shares and he or such Other Person is in default in complying with the Statutory Notice.
- (B) For the purposes of paragraph (ii) of this Article 60, a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification pursuant to a Statutory Notice which fails to establish the identity of the person or persons interested in such shares and if (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in such shares.

61. **Voting by proxy**

- (A) All votes may be given either personally or by proxy. A member may appoint more than one proxy to attend and speak on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A person appointed to act as a proxy need not be a member of the Company.
- (B) The appointment of a proxy shall be in any common form or in any other form which the Board shall approve and may -
- (i) be in hard copy form executed by or on behalf of the appointor or, if the appointor is a corporation, under the hand of a duly authorised officer or attorney; or
  - (ii) where an address has been specified for such purpose as set out in the following Article, be in electronic form, subject to such terms and conditions, including as to execution, as the Board may from time to time prescribe.
- (C) In respect of any general meeting the Board may, if it thinks fit, but subject to the Statutes, at the Company's expense send instruments of proxy in hard copy form for use at the meeting and issue invitations in electronic form to appoint a proxy in relation to the meeting in such a form as may be approved by the Board. The appointment of a proxy shall be deemed (subject to any contrary intention contained in the appointment) to confer authority to demand or join in demanding a poll and to vote and speak on any resolution or amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given as the proxy thinks fit. The appointment of a proxy shall, unless the contrary is stated therein, be valid as well for an adjournment of the meeting as for the meeting to which it relates. If a member appoints more than one person to act as his proxy the appointment of each such proxy shall specify the shares held by the member in respect of which each such proxy is authorised to vote and no member may appoint more than one proxy (save in the alternative) to vote in respect of any one share held by that member.

62. **Deposit of Proxy**

The appointment of a proxy and (unless the Board otherwise decides) any authority under which it is executed or a copy of such authority certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other way approved by the Board shall:-

- (A) in the case of an instrument in hard copy form and any authority or copy thereof be deposited at the Office or at such other place in the United Kingdom as may be specified in or by way of note to the notice of meeting or any form of proxy or other document accompanying the same 48 hours (or such shorter time as the directors decide) before the time appointed for holding the meeting or adjourned meeting or the taking of the poll at which the person named in the appointment proposes to vote,
- (B) in the case of an appointment contained in electronic form be received at the address (if any) specified for the purpose of receiving such appointments in electronic form:
  - (i) in or by way of note to the notice of meeting,
  - (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting;
  - (iii) in any invitation contained in electronic form to appoint a proxy issued by or on behalf of the Company in relation to the meeting; or
  - (iv) by means of a relevant system;be received 48 hours (or such shorter time as the directors decide) before the time appointed for holding the meeting or adjourned meeting or the taking of the poll at which the person named in the appointment proposed to vote;
- (C) in either case, where a poll is taken more than 48 hours after it is demanded, be deposited or received as aforesaid not less than 24 hours before the time appointed for the taking of the poll, or
- (D) in the case only of an instrument in hard copy form or any authority or copy thereof, where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the Secretary or any Director,
- (E) and an appointment which is not, or in respect of which the authority or copy thereof is not, deposited, received or delivered in a manner so permitted shall be invalid. Where two or more valid but differing appointments of proxies are deposited or received in respect of the same share for use at the same meeting or poll, the one which is last deposited or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other as regards that share; if the Company is unable to determine which was last deposited or received, none of them shall be treated as valid in respect of that share. No appointment of a proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution.
- (F) The directors may specify in the notice convening the meeting that in determining the time for delivery of proxies pursuant to this Article, no account shall be taken of any part of a day that is not a working day

63. **When votes by proxy valid though authority revoked**

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was deposited or received not less than two hours before the time for holding the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for taking the poll. Such notice of determination shall be by means of instrument



deposited at the place, or contained in electronic form received at the address (if any), specified in accordance with these Articles for the deposit or receipt of appointments of a proxy at the meeting in question.

## **MISCELLANEOUS**

### **64. Representatives of Corporations**

Subject to the provisions of the Statutes, any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise any person or persons it thinks fit to act as its representative or representatives at any meeting of the Company. The person or persons so authorised shall be entitled to exercise the same powers on behalf of the corporation which he or they represent as that corporation could exercise if it were an individual member of the Company present in person and shall for the purposes of these Articles be regarded as a member present in person. Such representative or representatives may be required to produce a copy of such resolution certified by a proper officer of such corporation.

### **65. Objections to and error in voting**

No objection may be made to the qualification of a voter or to the counting of, or failure to count, a vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. An objection properly made shall be referred to the chairman of the meeting and only invalidates the result of the voting if, in the opinion of the chairman of the meeting, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman of the meeting is conclusive and binding on all concerned.

### **66. Amendments to resolutions**

If an amendment proposed to a resolution under consideration is ruled out of order by the chairman of the meeting the proceedings on the substantive resolution are not invalidated by an error in his ruling.

### **67. Members' written resolutions**

[Article 67 has been deleted.]

### **68. Class Meetings**

Unless otherwise provided by the terms of issue of any class of shares of the Company any separate meeting for the holders of a class of shares shall be convened and conducted in all respects as nearly as possible in the same way as a general meeting of the Company, provided that (a) no member, not being a Director, shall be entitled to notice thereof or to attend thereat unless he is a holder of shares of the class the rights or privileges attached to which are intended to be varied or abrogated by the resolution, (b) no vote shall be given except in respect of a share of that class, (c) the quorum at any such meeting shall be two persons at least present holding or representing by proxy at least one third in nominal value of the issued shares of the class or, at an adjourned meeting of such holders, one person holding shares of the class in question present in person or his proxy and (d) a poll may be demanded by any holder of shares of the class present in person or by proxy and entitled to vote at the meeting and, on a poll, each member present in person or by proxy has one vote for every share of that class of which he is the holder.

### **69. Failure to disclose interests in shares**

- (A) Where notice is served by the Company under section 793 of the Act (a "section 793 notice") on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "default shares", which expression includes any shares allotted or issued after the date of the section 793 notice in right of those shares) to give the Company the information required within the

prescribed period from the date of the section 793 notice, the following sanctions apply, unless the Board otherwise decides:

- (i) the member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and
  - (ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:
    - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member is not entitled to elect, pursuant to Article 151, to receive shares instead of a dividend; and
    - (b) no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer or
      - (1) the member is not himself in default in supplying the information required; and
      - (2) the member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer
- (B) For the purpose of enforcing the sanction in paragraph (A)(ii)(b) of this Article 69, the Board may give notice to the member requiring the member to change default 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 default 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 default shares held in uncertificated form to certificated form in the name and on behalf of the member
- (C) The sanctions under paragraph (A) of this Article 69 cease to apply seven days after the earlier of
- (i) receipt by the Company of notice of an excepted transfer, but only in relation to the shares transferred; and
  - (ii) receipt by the Company, in a form satisfactory to the Board, of all the information required by the section 793 notice.
- (D) Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 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 paragraphs (A) or (B) of this Article 69.
- (E) For the purposes of this Article 69.
- (i) a person, other than the member holding a share, is treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;
  - (ii) "interested" is construed as it is for the purpose of section 793 of the Act;
  - (iii) reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it, and (b)

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

- (iv) the "prescribed period" means 14 days;
  - (v) an "excepted transfer" means, in relation to shares held by a member:
    - (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of Chapter 3 of Part II of the Act); or
    - (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or
    - (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
- (F) The provisions of this this Article 69 are in addition and without prejudice to the provisions of the Statutes.

## **APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

### **70. Number of Directors**

Unless and until otherwise decided by the Company by ordinary resolution the number of Directors shall not exceed fifteen but must not be less than two

### **71. Power of the Company to appoint Directors**

Subject to these Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board, but the total number of Directors may not exceed any maximum number fixed in accordance with these Articles.

### **72. Power of the Board to appoint directors**

Without prejudice to the power of the Company to appoint a person to be a Director pursuant to these Articles, the Board may appoint a person who is willing to act as a Director, either to fill a vacancy or as an addition to the Board, but the total number of Directors may not exceed any maximum number fixed in accordance with these Articles. A Director appointed in this way may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that meeting. He is not required, and is not taken into account in determining the number of Directors who are, to retire by rotation at the meeting

### **73. Appointment of executive Directors**

Subject to the Statutes, the Board may appoint one or more of its body to hold employment or executive office (including, without limitation, that of managing director) with the Company for such term (subject to the Statutes) and on any other conditions the Board thinks fit. The Board may revoke or terminate an appointment, without prejudice to a claim for damages for breach of contract or otherwise.

### **74. Eligibility of new Directors**

- (A) No person other than a Director retiring (by rotation or otherwise) may be appointed or reappointed a Director at a general meeting unless:

- (i) he is recommended by the Board; or
- (ii) not less than seven nor more than 42 days before the date fixed for the meeting, notice has been given to the Company by a member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall (a) state the particulars which would, if the proposed Director were appointed or reappointed, be required to be included in the Company's register of Directors, (b) be accompanied by notice given by the proposed Director of his willingness to be appointed or reappointed, and (c) be lodged at the office.

(B) A director need not be a member.

75. **Voting on resolution for appointment**

A resolution for the appointment of two or more persons as Directors by a single resolution is void unless an ordinary resolution that the resolution for appointment is proposed in this way has first been agreed to by the meeting without a vote being given against it.

76. **Retirement by rotation**

At each annual general meeting one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third, shall retire from office. If there are fewer than three Directors, one shall retire from office.

77. **Directors subject to retirement**

Subject to the Statutes and these Articles, the Directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a Director who wishes to retire and not offer himself for reappointment, and, second, those Directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the Director to retire shall, in default of agreement between them, be determined by lot. 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 a change in the number or identity of the Directors after that time but before the close of the meeting.

78. **Position of retiring Director**

A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

79. **Deemed reappointment**

At a general meeting at which a Director retires by rotation the Company may fill the vacancy and, if it does not do so, the retiring Director is, if willing, deemed reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost.

80. **No retirement on account of age**

No Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70 or any other age, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being appointed or reappointed notwithstanding that he has attained the age of 70 or any other age and no special notice need be given of any resolution for the appointment or reappointment as a Director of a person who shall have attained the age of 70 or any other age

81. **Removal by ordinary resolution**

In addition to any power of removal conferred by the Statutes, the Company may by ordinary resolution remove a Director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract or otherwise) and may (subject to the Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place. A person appointed in this way is treated, for the purposes of determining the time at which he or another Director is to retire, as if he had become a director on the date on which the person in whose place he is appointed was last appointed or reappointed a Director.

82. **Vacation of office by Director**

(A) Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these Articles, the office of a Director is vacated if:

- (i) he resigns by notice delivered to the secretary at the office or tendered at a board meeting;
- (ii) he ceases to be a Director by virtue of a provision of the Statutes, is removed from office pursuant to these Articles or becomes prohibited by law from being a Director,
- (iii) he becomes bankrupt, has an interim receiving order made against him, makes an arrangement or compounds 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 the Insolvency Act 1986,
- (iv) he is being treated by a medical practitioner who gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- (v) by reason of his mental health, that person is the subject of a court order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have;
- (vi) both he and his alternate director appointed pursuant to the provisions of these Articles (if any) are absent, without the permission of the Board, from Board meetings for six consecutive months and the Board resolves that his office be vacated; or
- (vii) he is removed from office by notice addressed to him at his last-known address and signed by all his co-Directors (without prejudice to a claim for damages for breach or otherwise).

(B) A resolution of the Board declaring a Director to have vacated office under the terms of this Article 82 is conclusive as to the fact and grounds of vacation stated in the resolution.

**ALTERNATE DIRECTORS**

83. **Appointment**

(A) A Director (other than an alternate director) may by notice delivered to the secretary at the office, or in any other manner approved by the Board, appoint as his alternate director

- (i) another Director, or
- (ii) another person approved by the Board and willing to act.

No appointment of an alternate director who is not already a Director is effective until his consent to act as a Director in the form prescribed by the Statutes has been received at the office.

- (B) An alternate director need not be a member and is not counted in reckoning the number of Directors for the purpose of Article 70

84. **Revocation of appointment**

A Director may by notice delivered to the secretary at the office revoke the appointment of his alternate director and, subject to the provisions of Article 83, appoint another person in his place. If a Director ceases to hold the office of director or if he dies, the appointment of his alternate director automatically ceases. If a Director retires but is reappointed or deemed reappointed at the meeting at which his retirement takes effect, a valid appointment of an alternate director which was in force immediately before his retirement continues to operate after his reappointment as if he has not retired. The appointment of an alternate director ceases on the happening of an event which, if he were a Director otherwise appointed, would cause him to vacate office.

85. **Participation in Board meetings**

An alternate director is entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in the absence from those meetings of his appointor, to attend and vote at the meetings and to exercise all the powers, rights, duties and authorities of his appointor. An alternate director may prospectively or retrospectively waive his right to receive notice of any meeting. A Director acting as alternate director has a separate vote at meetings of the Board and committees of the Board for each Director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

86. **Responsibility**

A person acting as an alternate director is an officer of the Company, is alone responsible to the Company for his acts and defaults, and is not deemed to be the agent of his appointor.

**REMUNERATION, EXPENSES AND PENSIONS**

87. **Directors' fees**

Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the Directors (but not alternate directors) for their services as Directors such amount of aggregate fees as the Board decides (not exceeding £200,000 per annum or such larger amount as the Company may by ordinary resolution decide). The aggregate fees shall be divided among the Directors in such proportions as the Board decides or, if no decision is made, equally. A fee payable to a director pursuant to this Article 87 is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of these Articles and accrues from day to day.

88. **Additional remuneration**

A Director who, at the request of the Board, goes or resides abroad, makes a special Journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the Board may decide.

89. **Expenses**

A Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as Director including, without limitation, expenses incurred in attending meetings of the Board or of committees of the Board or general meetings or separate meetings of the holders of a class of shares or debentures.

90. **Remuneration and expenses of alternate directors**

An alternate director is not entitled to a fee from the Company for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him under Article 89 had he been a Director.

91. **Directors' pensions and other benefits**

- (A) The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for a person who is or has at any time been a director of (i) the Company, (ii) a company which is or was a subsidiary undertaking of the Company, (iii) a company which is or was allied to or associated with the Company or a subsidiary undertaking of the Company, or (iv) 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). For this purpose the Board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The Board may arrange for this to be done by the Company alone or in conjunction with another person.
- (B) A Director or former Director is entitled to receive and retain for his own benefit a pension or other benefit provided under paragraph (A) and is not obliged to account for it to the Company.

92. **Remuneration of executive Director**

The salary or other remuneration of a Director appointed to hold employment or executive office in accordance with these Articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the Board, and may be in addition to or instead of a fee payable to him for his services as Director pursuant to these Articles.

## **POWERS AND DUTIES OF THE BOARD**

93. **Powers of the Board**

Subject to the Statutes, the memorandum of association of the Company and these Articles and to directions given by special resolution of the Company, the business of the Company is managed by the Board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association or of these Articles and no direction given by the Company invalidate a prior act of the Board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of these Articles giving specific powers to the Board do not limit the general powers given by this Article 93.

94. **Powers of Directors being less than minimum required number**

- (A) If
- (i) at the annual general meeting many year any resolution or resolutions for the appointment or re-appointment of the persons eligible for appointment or re-appointment as Directors are put to the meeting and lost; and
  - (ii) at the end of that meeting the number of Directors is fewer than any minimum number of Directors prescribed by these Articles or decided by the Company by ordinary resolution,

all retiring Directors who stood for re-appointment at that meeting (the "Retiring Directors") shall be deemed to have been re-appointed as directors and shall remain in office, but the Retiring Directors may only:-

- (iii) act for the purpose of appointing an additional Director or Directors (such appointment(s) to be ratified by the Company at the next general meeting);
- (iv) convene a general meeting of the Company for the purpose of the appointment of additional Directors and/or the ratification by the Company of any Directors appointed by the Retiring Directors; and
- (v) perform such duties as are essential to maintain the Company as a going concern, but not for any other purpose.

- (B) The Retiring Directors shall convene the general meeting referred to in Article 94(A)(iv) as soon as reasonably practicable following the meeting referred to Article 94(A)(i) and 94(A)(ii) and they shall retire from office at that meeting if the number of directors appointed or ratified by the Company at that meeting is equal to or more than the minimum number of directors required under these Articles.
- (C) If at the end of any meeting convened under Article 94(B) the number of directors is fewer than any minimum number of directors required under these Articles, the provisions of Articles 94(A) and 94(B) shall also apply to that meeting
- (D) If the number of Directors is fewer than the minimum prescribed by these Articles or decided by the Company by ordinary resolution in circumstances other than as set out in Articles 94(A) to 94(C) the remaining Director or Directors may act only for the purposes of appointing an additional Director or Directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no Director or Directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing Directors. An additional Director appointed in this way holds office (subject to these Articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

95. **Powers of executive Directors**

The Board may delegate to a Director holding executive office (including, without limitation, a managing Director) any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, without limitation, the Board may grant the power to sub-delegate, and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the Director. The Board may at any time revoke the delegation or alter its terms and conditions.

96. **Delegation to committees**

The Board may delegate any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more Directors and (if thought fit) one or more other persons. In particular, without limitation, the Board may grant the power to sub-delegate, and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the committee. The Board may at any time revoke the delegation or alter its terms and conditions or discharge the committee in whole or in part. Where a provision of these Articles refers to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

97. **Local management**

The Board may establish local or divisional Boards or agencies for managing the affairs of the Company in a specified locality, either in the United Kingdom or elsewhere, and may appoint persons to be members of a local or divisional Board or agency, and may fix their



remuneration. The Board may delegate to a local or divisional Board or agency any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, without limitation, the Board may grant the power to sub-delegate, may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional Board or agency and may authorise the members of a local or divisional Board or agency (or any of them) to fill a vacancy or to act despite a vacancy. The Board may at any time revoke or alter the terms and conditions of the appointment or delegation. Subject to terms and conditions imposed by the Board, the proceedings of a local or divisional Board or agency with two or more members are governed by those articles that regulate the proceedings of the Board, so far as applicable.

98. **Agents**

The Board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, without limitation, the Board may grant the power to sub-delegate and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the agent. The Board may at any time revoke or alter the terms and conditions of the appointment or delegation.

99. **Associate 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 an 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 to be, or is empowered to act as, a Director for any of the purposes of the Statutes or these Articles

100. **Exercise of voting powers**

Subject to Article 103, 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 appointment of a Director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company)

101. **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.

102. **Registers**

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

103. **Borrowing powers**

- (A) Subject to the following provisions of this Article, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt,

liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

(B) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate amount at any one time owing by the Group (being the Company and all its subsidiary undertakings) in respect of moneys borrowed, exclusive of moneys borrowed by the Company or any of its subsidiary undertakings from any other of such companies, shall not at any time, without the previous sanction of the Company in general meeting, exceed a sum equal to three times the aggregate of:-

- (i) the nominal capital of the Company for the time being issued and paid up or credited as paid up; and
- (ii) the amounts standing to the credit of the consolidated reserves of the Company and its subsidiary undertakings whether distributable or undistributable and including (without limitation) share premium account, capital redemption reserve and profit and loss account but before any deduction of goodwill arising on consolidation or merger reserve arising on consolidation;

all as shown in a consolidation of the then latest audited balance sheets of the Company and each of its subsidiary undertakings but after-

- (a) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital, share premium account and capital redemption reserve of the Company since the date of its latest audited balance sheet;
- (b) excluding therefrom (so far as not already excluded) (i) any sums set aside for future taxation, (ii) amounts attributable to outside shareholders in subsidiary undertakings,
- (c) deducting therefrom (i) an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended or made since that date except so far as provided for in such balance sheet; and (ii) any debit balances on profit and loss account.

Share capital allotted shall be treated as issued and any share capital already called up or payable at any future date within the following twelve months shall be treated as already paid up. If the Company proposes to issue any shares for cash and the issue of such shares has been underwritten, such shares shall be deemed to have been issued and the subscription monies (including any premium) payable in respect thereof within the following six months shall be deemed to have been paid up.

(C) For the purposes of this Article, "moneys borrowed" shall be deemed to include the following except insofar as otherwise taken into account-

- (i) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest whereof is not for the time being owned by the Company or any of its subsidiary undertakings, or any body whether corporate or unincorporate and the payment or repayment whereof is the subject of a guarantee or indemnity by the Company or any of its subsidiaries;
- (ii) the outstanding amount raised by acceptance by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;
- (iii) the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;

- (iv) the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries, and
- (v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing

but shall be deemed not to include.-

- (vi) the amount of any liability in respect of a purchase price for assets or services the payment of which is deferred for a period of less than 120 days,
- (vii) borrowings for the purposes of repaying the whole or any part of borrowings by the Company or any of its subsidiary undertakings for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and
- (viii) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by the Company or any of its subsidiary undertakings is guaranteed or insured up to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

and in calculating moneys borrowed for the purpose of this Article 103, there shall be deducted:

- (ix) an amount equal to the aggregate of.
  - (a) all cash in hand and cash deposits repayable on demand with any bank or financial institution, and
  - (b) investments which are readily convertible into known amounts of cash with notice of 48 hours or less;

in each case beneficially owned, directly or indirectly, by the Company or any of its subsidiary undertakings and whether denominated in sterling or in a currency other than sterling

- (D) A report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (B) of this Article 103 be owing by the Company and its subsidiaries without such sanction as aforesaid shall be conclusive in favour of the Company and all persons dealing with the Company. In addition and for the purposes of this Article 103, the Board may act in reliance on a bona fide estimate as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (B) of this Article 103 be owing by the Company and its subsidiaries without such sanction as aforesaid and, if in consequence the borrowing limit imposed by this Article 103 is inadvertently exceeded, the amount of moneys borrowed equal to the excess may be disregarded until the expiration of 28 days after the day on which (by reason of the determination of the Auditors or otherwise) the Board became aware that such a situation has or may have arisen.
- (E) When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 103 on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either -
  - (i) at the middle-market rate of exchange quoted by Midland Bank PLC at the close of business in London on that day provided that all but not some only of such moneys shall be converted at the middle-market rate of exchange quoted by Midland Bank PLC at the close of business in London on the business day falling six months before such day if thereby such aggregate amount would be less, or
  - (ii) where the repayment of such moneys is expressly covered by a forward purchase contract currency option, back to back loan, swap or other arrangements taken

out or entered into to reduce the risk associated with fluctuations in exchange rates, at the rate of exchange specified therein.

- (F) No debt incurred or security given in respect of moneys borrowed or to be taken into account as moneys borrowed in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or would thereby be exceeded. No lender or person dealing with the Company shall be concerned to see or enquire whether such limit is observed.
- (G) Subject as provided in this Article 103, the Directors may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures or securities to exchange the same for shares in the Company of any class authorised to be issued.
- (H) Subject as provided in this Article 103, the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking, property or assets of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security, and the Directors may confer upon any mortgagee, chargee or person in whom any debenture or security is vested such rights and powers as they think necessary or expedient. The Directors may vest any property or assets of the Company in trustees for the purpose of securing any moneys so borrowed or raised and confer upon the trustees or any receiver to be appointed by them or by any debenture-holder such rights and powers as the Directors may think necessary or expedient in relation to the undertaking, property or assets of the Company so vested or the management or the realisation thereof or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise.
- (I) The Directors may give security for the payment of moneys payable by the Company in like manner as for the payment of moneys borrowed or raised, but in such case the amount shall for the purposes of the limit in this Article 103 be reckoned as part of the money borrowed.

104. **Register of Charges**

The Directors shall keep a register of charges in accordance with the Act and the fee to be paid by any person other than a creditor or member of the Company for each inspection of the register of charges to be kept under the Act shall be such fee as is laid down by the Act or, failing which, decided by the Board

105. **Directors' Interests in Relation to Transactions or Arrangements with the Company**

Subject to the provisions of the Act and provided that he has disclosed to the Board the nature and extent of his interest in accordance with Articles 117 to 126, a Director, notwithstanding his office:-

- (A) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (B) may be, or become, a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (C) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

- (D) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
106. In the case of interests arising under Article 105, save as otherwise provided in these Articles, a Director shall not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest or duty arises only because one of the following Articles applies (in which case he may vote and be counted in the quorum):-
- (A) the resolution relates to the giving to him or a person connected with him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him or such a person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
- (B) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director or a person connected with him has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (C) his interest arises by virtue of him or a person connected with him subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of him or a person connected with him being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any of its subsidiary undertakings for subscription, purchase or exchange;
- (D) the resolution relates in any way to any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Part 22 of the Act) representing one per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company;
- (E) the resolution relates in any way to an arrangement in whole or in part for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates,
- (F) the resolution relates in any way to the purchase or maintenance for the Directors of insurance against any liability which by virtue of any rule of law would otherwise attach to all or any of them in respect of any negligence, default, breach of duty or breach of trust in relation to the Company.
107. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
108. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or a body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
109. If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director to vote or be counted in the quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question may (unless the Director concerned is the chairman of the meeting in which case he shall withdraw from the meeting and the Board shall elect a vice chairman to consider the

question in place of the chairman), before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of the interest in the accounts of the Company, be finally and conclusively decided by a majority of the Board (other than the Director concerned).

110. **Directors' Interests other than in Relation to Transactions or Arrangements with the Company**

If a situation (a "Relevant Situation") arises in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it, but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest) the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company

- (A) if a Relevant Situation arises from the appointment or proposed appointment of a person as a Director of the Company, the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the Director and the Relevant Situation on such terms as they may determine;
- (B) if the Relevant Situation arises in circumstances other than in Article 110(A) above, the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Relevant Situation and the continuing performance by the Director of his duties on such terms as they may determine

111. Any reference in Article 110 and Article 126 to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

112. Any terms determined by Directors under Article 110(A) or 110(B) above may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation).

- (A) whether the interested Directors may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
- (B) the exclusion of the interested Director from all information and discussion by the Company of the Relevant Situation, and

(without prejudice to the general obligations of confidentiality) the application to the interested Directors of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.

113. An interested Director must act in accordance with any terms determined by the Directors under Articles 110(A) or 110(B) above.

114. Except as specified in Article 110 above, any proposal made to the Directors and any authorisation by the Directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Directors in accordance with the provisions of these Articles

115. Any authorisation of a Relevant Situation given by the Directors under Article 110 above may provide that, where the interested Director obtains (other than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.

116. A Director shall not, by reason of his holding an office as a Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from

(A) any Relevant Situation authorised under Article 110 or permitted under Article 105; or

(B) any interest permitted under Article 105,

and no contract shall be liable to be avoided on the grounds of any Director having any type of interest authorised under Article 110 or permitted under Article 105.

117. **Provisions Applicable to Declarations of Interest**

A Director shall declare the nature and extent of his interest in a Relevant Situation within Article 110(A) or 110(B) above to the other Directors.

118. If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.

119. Where a Director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of his interest to the other Directors, unless the interest has been declared under Article 118 above.

120. The declaration of interest must (in the case of Article 119) and may, but need not, (in the case of Article 117 or 118) be made:

(A) at a meeting of the Directors; or

(B) by notice to the Directors in accordance with section 184 of the Act (notice in writing) or section 185 of the Act (general notice)

121. If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

122. Any declaration of interest required by Article 117 must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

123. Any declaration of interest required by Article 118 must be made before the Company enters into the transaction or arrangement.

124. Any declaration of interest required by Article 119 must be made as soon as is reasonably practicable.

125. A declaration in relation to an interest of which the Director is not aware, or where the Director is not aware of the transaction or arrangement in question, is not required. For this purpose, a Director is treated as being aware of matters of which he ought reasonably to be aware.

126. A Director need not declare an interest:

(A) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

(B) if, or to the extent that, the other Directors are already aware of it, (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

(C) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the Directors or, by a committee of the Directors appointed for the purpose under the Articles

## **PROCEEDINGS OF DIRECTORS AND COMMITTEES**

### 127. **Board meetings**

Subject to these Articles, the Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as it thinks fit.

### 128. **Notice of board meetings**

Notice of meetings of the Directors shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his address last known to the Company or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request that notices of meetings of Directors shall during his absence be sent in writing to him at the address given by him to the Company for this purpose.

### 129. **Quorum**

The quorum necessary for the transaction of business may be decided by the Board and until otherwise decided is two Directors present in person or by alternative director. A duly convened meeting of the Board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.

### 130. **Chairman of Board**

The Directors may elect a chairman and one or more deputy chairmen of their meetings and determine the period for which he is or they are to hold office, but if no such chairman or deputy chairman is elected or if at any meeting neither the chairman nor a deputy chairman is present at the time appointed for holding the same, the Directors present shall choose some one of their number to be chairman of such meeting. If two or more deputy chairmen are present, the senior of them shall act as chairman and seniority shall be determined by length of office since their last appointment or reappointment. As between two or more who have held office for an equal length of time, the deputy chairman to act as chairman shall be decided by those Directors and alternate Directors present.

### 131. **Voting**

Questions arising at a meeting of the Board are determined by a majority of votes. In case of an equality of votes the chairman has a second or casting vote.

### 132. **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 Statutes, 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.

### 133. **Resolution in writing**

A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors or by all members of a committee of the Board shall be as valid and effective for all purposes as a resolution of those Directors passed at a meeting duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Such a resolution need not be signed by an alternate



Director if it is signed by the Director who appointed him and such a resolution need not, if it is signed by an alternate Director, be signed by the Director who appointed him.

134. **Proceedings of committees**

- (A) The Directors may delegate any of their powers, authorities and discretions for such time and on such terms and conditions as it thinks fit to committees consisting of such Directors and other persons as they think fit.
- (B) All committees shall in the exercise of the powers delegated to them and in the transaction of business conform to any mode of proceedings and regulations which may be prescribed by the Directors and, subject thereto, may regulate their proceedings in the same manner as the Directors may do. Resolutions passed by any such committee shall be valid and take effect as if they had been passed by the Directors

135. **Minutes of proceedings**

The Directors shall cause minutes to be made of the following matters, namely:-

- (A) all appointments of officers and members of committees made by the Directors and their salary or remuneration;
- (B) the names of Directors present at every meeting of the Board or of committees of Directors, and all business transacted at such meetings; and
- (C) all orders, resolutions and proceedings of all meetings of the holders of any class of shares in the Company and of the Directors and of committees of Directors.

Any such minutes as aforesaid, 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, shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

136. **Validity of proceedings of Board or committee**

All acts done by a meeting of the Directors, or of a committee, or by any person acting as a Director, alternate Director or member of a committee, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office be as valid as if every such person had been duly appointed, and were duly qualified and had continued to be a Director, alternate Director or member of a committee and entitled to vote.

**SECRETARY AND AUTHENTICATION OF DOCUMENTS**

137. **Secretary**

- (A) The secretary shall be appointed by the Directors in accordance with the Statutes for such term, at such remuneration and upon such conditions as they may think fit and any secretary so appointed may be removed by them. If thought fit, two or more persons may be appointed as joint secretaries
- (B) The Directors may at any time and from time to time appoint any person to be an assistant or deputy secretary of the Company and anything authorised or required by these Articles or by law to be done by or to the secretary may be done by or to any such assistant or deputy secretary Any assistant or deputy secretary so appointed may be removed by the Directors. Any provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by it being done by or to the same person acting both as Director and as, or in the place of, the secretary.

138. **Authentication of documents**

Any Director or the secretary or any person appointed by the Board for the purpose may authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board or a committee of the Board and any books, records, documents and accounts relating to the business of the Company and may certify copies thereof or extracts therefrom as true copies or extracts and, if any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution or a copy of or an extract from the minutes of a meeting of the Company or of the Board or a committee of the Board which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or copy or extract is a true and accurate record of proceedings at a duly constituted meeting.

## **RESERVES**

139. **Reserves out of profits**

Subject to the Statutes, the Directors may before recommending any dividends (whether preferential, interim, final, special or otherwise) carry to reserve out of the profits of the Company, including any premiums received upon the issue of debentures or other securities of the Company, such sums as they think proper as a reserve or reserves. All sums standing to reserve may be applied from time to time in the discretion of the Directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any asset of the Company or for such other purposes as the Directors may think conducive to the objects of the Company or any of them and, pending such application, may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

## **DIVIDENDS**

140. **Declaration of dividends**

Subject as hereinafter provided and to the Statutes, the Company by ordinary resolution in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits, but no larger dividend shall be declared than is recommended by the Directors

141. **Dividends not to bear interest**

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

142. **Payment of dividends**

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this Article 142 as paid up on the share. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend

is paid. If any share carries any particular rights as to dividends, such share shall rank for dividend accordingly.

143. **Dividends to joint holders**

In case several persons are registered as joint holders of any share, any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share

144. **Interim dividends**

Subject to the provisions of the Statutes, the Directors may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Directors to be Justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends on shares which rank after shares conferring preferential dividend rights, unless at the time of payment any preferential dividend is in arrear. Provided that the Directors act in good faith, they shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

145. **Dividends payable in accordance with the Statutes**

No dividend or interim dividend shall be payable except in accordance with the provisions of the Statutes.

146. **Unclaimed dividends**

All dividends or other sums payable on or in respect of a share unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed All dividends unclaimed for a period of twelve years from the date they became due for payment shall be forfeited and shall revert to the Company absolutely. The payment of any unclaimed dividend or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

147. **Entitlement to dividends**

Every dividend shall belong and be paid (subject to the Company's lien) to those members who shall be on the Register at the date fixed by the Directors for the purpose of determining the persons entitled to such dividend (whether the date of payment or some other date) notwithstanding any subsequent transfer or transmission of shares.

148. **Deductions and withholding**

- (A) The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to shares of the Company.
- (B) The Directors may also 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 Directors may reasonably require.
- (C) If cheques, warrants or orders for dividends or sums payable in respect of a share sent by the Company to the person entitled thereto are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purposes, the Company shall not be obliged to send any dividend or other monies payable in respect of that share due to that person until he notifies the Company of an address to be used for that purpose.
- (D) Any dividends or other moneys withheld pursuant to this Article 148 shall not bear interest as against the Company. Pending payment, the dividends may be invested or otherwise

made use of by the Directors for the benefit of the Company and the Company shall not be constituted a trustee in respect of them.

149. **Method of payment**

- (A) The Company may pay any dividend, interest or other amount payable in respect of a share:
- (i) in cash,
  - (ii) by cheque, warrant or money order made payable to or to the order of the person entitled to the payment (and may, at the Company's option, be crossed "account payee" where appropriate);
  - (iii) by direct debit or bank transfer or other funds transfer system to an account designated in writing by the person entitled to the payment;
  - (iv) 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
  - (v) by such other method as the person entitled to the payment may in writing direct
- (B) The Company may send a cheque, warrant or money order by post (i) in the case of a sole holder, to his registered address, (ii) in the case of joint holders, to the registered address of the person whose name stands first in the register, (iii) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with Article 161, or (iv) in any case, to a person and address that the person or persons entitled to the payment may in writing direct
- (C) Where a share is held jointly or two or more persons are jointly entitled by transmission to a share, (i) the Company may pay any dividend, interest or other amount payable in respect of that share to any one joint holder, or any one person entitled by transmission to the share, and in either case that holder or person may give an effective receipt for the payment, and (ii) for any of the purposes of this Article 149, the Company may rely in relation to a share on the written direction or designation of any one joint holder of the share, or any one person entitled by transmission to the share.
- (D) Every cheque, warrant or money order sent by post is sent at the risk of the person entitled to the payment. If payment is made by the 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

150. **Payment of dividends in specie**

With the sanction of an ordinary resolution of the Company in general meeting, any dividend may be paid and satisfied either wholly or in part by the distribution of specific assets (including, without limitation, paid up shares or debentures of any other company) and the Directors shall give effect to any such direction provided that no such distribution shall be made unless recommended by the Directors. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, fix the value for distribution of such specific assets or any part thereof, determine that cash payments may be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and vest any such assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

151. **Scrip Dividends**

The Directors may with the sanction of an ordinary resolution of the Company in general meeting offer the holders of ordinary shares the right to elect to receive new ordinary shares

credited as fully paid instead of cash in respect of the whole or part of such dividend or dividends as are specified by such resolution. The following provisions shall apply -

- (A) the said resolution may specify a particular dividend or may specify all or any dividends declared within a specified period but such period may not end later than the beginning of the fifth annual general meeting next following the date of the meeting at which such resolution is passed;
- (B) the entitlement of each ordinary shareholder to new ordinary shares shall be such that the value thereof shall be as nearly as possible equal to (but not in excess of) the cash amount (disregarding any associated tax credit) that such shareholder would have received by way of dividend and, for this purpose, the value shall be the average of the middle-market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange on the day when the ordinary shares are first quoted "ex" the relevant dividend and on the four subsequent dealing days or in such other manner as may be determined by or in accordance with the ordinary resolution;
- (C) the basis of allotment shall be such that no member may receive a fraction of a share,
- (D) the Directors after determining the basis of allotment shall notify the holders of ordinary shares in writing of the right of election offered to them and shall send forms of election with or following such notification and specify the procedure to be followed the place at which and the latest time by which duly completed forms of election must be lodged in order to be effective,
- (E) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect whereof the said election has been duly made (the "Elected Ordinary Shares") and instead thereof additional ordinary shares shall be allotted to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and, for such purpose, the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the holders of the Elected Ordinary Shares on such basis. A resolution of the Directors capitalising any part of such reserves or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 152 and, in relation to any such capitalisation, the Directors may exercise all the powers conferred on them by Article 152 without the need of such ordinary resolution;
- (F) the additional ordinary shares so allotted shall rank pari passu in all respects with the fully paid ordinary shares in issue on the record date for the dividend in respect of which the right of election has been offered, except that they will not rank for any dividend or other distribution or other entitlement which has been declared, paid or made by reference to such record date;
- (G) the Directors may apply such exclusions or other arrangements as they may deem necessary or expedient to deal with legal or practical problems (including, without limitation, the requirements of any regulatory body or stock exchange) in respect of overseas shareholders;
- (H) the Directors may terminate, suspend or amend any offer of the right to elect to receive new ordinary shares in lieu of any cash dividend at any time.

152. **Capitalisation of profits**

Subject to the Statutes, the Directors may with the authority of an ordinary resolution of the Company in general meeting.-

- (A) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (B) appropriate the profits or sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportion and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid-up, to and amongst such members or as they may direct, in those proportions, or partly in one way and partly in the other provided that:
  - (i) the share premium account and the capital redemption reserve and any such profits which are not available for distribution may, for the purposes of this Article 152, only be applied in the paying up of unissued shares to be issued to members credited as fully paid, and
  - (ii) in the case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment thereof;
- (C) resolve that any shares allotted under this Article 152 to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid rank for dividends only to the extent that such partly paid shares rank for dividend;
- (D) make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit for the case of shares or debentures becoming distributable under this Article 152 in fractions (including the sale of fractional entitlements for the benefit of the Company);
- (E) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any shares or debentures to which they may be entitled upon such capitalisation (any agreement made under such authority being thereupon effective and binding on all such members);
- (F) generally do all acts and things required to give effect to such resolution as aforesaid.

153. **Record dates**

Notwithstanding any other provision of these Articles but subject to the Act and rights attached to shares, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

## **ACCOUNTS**

154. **Keeping and inspection of accounts**

- (A) The Directors shall ensure that accounting records are kept in accordance with the Statutes.
- (B) The accounting records shall be kept at the Office or, subject to the provisions of the Statutes, at such other place as the Directors think fit, and shall be available during normal business hours for the inspection by the Directors and other officers of the Company.

- (C) The Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the accounting records of the Company, or any of them, shall be open to the inspection of the members, and no member shall have any right of inspecting any accounting record or other document of the Company except as conferred by the Statutes or authorised by the Directors or by the Company in general meeting. The Register shall be open for inspection by any member or other person entitled to inspect the same, and any person other than a member inspecting the same shall pay such fee as is laid down by the Statutes.

155. **Accounts to be sent to members**

- (A) Subject as hereinafter provided, a printed copy of every profit and loss account and balance sheet, including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in general meeting, together with copies of the Directors' and of the Auditors' reports shall (in accordance with and subject as provided by the Statutes) not less than twenty one clear days before the date of the meeting be sent to every member (whether he is or is not entitled to receive notices of general meetings of the Company) and every holder of debentures of the Company (whether he is or is not so entitled) and the Auditors and all other persons, being persons so entitled. The requisite number of copies of these documents shall (if necessary) at the same time be forwarded to the appropriate department of the London Stock Exchange. This Article shall not require copies of such documents to be sent to any person of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures.
- (B) Where permitted by the Statutes, a summary financial statement derived from the Company's annual accounts and the Directors' report and Auditors' report in the form and containing the information prescribed by the Statutes may be sent or delivered to a person in place of the documents required to be sent or delivered by Article 155(A).

**SEALS**

156. **Common Seal**

The Directors shall provide a common seal for the Company and shall have power from time to time to destroy the same and to substitute a new Seal in lieu thereof.

157. **Official Seal**

The Directors may exercise the powers conferred on the Company by section 50 of the Act with regard to having an official seal solely for sealing documents creating or evidencing securities issued by the Company. Any such documents to which such official seal is affixed need not be signed by any person.

158. **Official Seal for use abroad**

The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

159. **Safe custody of seals**

- (A) The Directors shall provide for the safe custody of every seal of the Company. The Seal shall never be affixed to any document except by the authority of a resolution of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions. Subject as in this Article 159 provided, two Directors or one Director and the secretary or some other person authorised by a resolution of the Directors shall sign autographically every instrument to which the Seal shall be affixed and, in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Seal has been duly affixed. Any certificate for shares, stock or debenture or loan stock (except where the trust deed or other instrument constituting any debenture or loan stock provides to the contrary) or representing any other form of security of the Company to which an official seal of the Company is, or is required to be, affixed need not be signed by any person.

- (B) Without prejudice to the provisions of Article 159(A), any document expressed to be made as and with the intention of creating a deed may be executed by or on behalf of the Company in any manner prescribed by the Statutes, provided always that any such document shall not be executed except with the prior authority of a resolution of the Directors.

## **NOTICES**

### **160. Service of notice on members**

- (A) Any notice or document may be served on, or delivered to, any member by the Company:
- (i) personally, or
  - (ii) by post addressed to the member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices or documents;
  - (iii) by fax, or
  - (iv) by electronic communication
- (B) Any notice or document sent by fax shall be deemed to be served on the day of transmission.

### **161. Electronic Communication**

- (A) A document or information may only be sent or supplied by the Company or the Directors in electronic form:
- (i) to a person who has agreed (generally or specifically) that the document or information may be sent or supplied in that form (and not revoked that agreement); or
  - (ii) to a company that is deemed to have so agreed by a provision in the Statutes.
- (B) Where the document or information is sent or supplied by electronic means, it may only be sent or supplied to an address
- (i) specified for the purpose by the intended recipient (generally or specifically); or
  - (ii) where the intended recipient is a company, deemed by a provision of the Statutes to have been so specified.
- (C) Where the document or information is sent or supplied in electronic form by hand or by post, it must be
- (i) handed to the intended recipient, or
  - (ii) sent or supplied to an address to which it could validly be sent if it were in hard copy form in accordance with Article 160(A).
- (D) A document or information may only be sent or supplied by the Company to a person by being made available on a website if the person
- (i) has agreed (generally or specifically) that the document or information may be sent or supplied to him or her in that manner; or
  - (ii) is taken to have so agreed in accordance with the Statutes, and has not revoked that agreement.



- (E) A document or information authorised or required to be sent or supplied by means of a website must be made available in a form, and by a means, that the Company reasonably considers will enable the recipient to read it (and see any images contained in it) with the naked eye and to retain a copy of it.
- (F) The Company must notify the intended recipient of:
- (i) the presence of the document or information on the website;
  - (ii) the address of the website;
  - (iii) the place on the website where it may be accessed; and
  - (iv) how to access the document or information.
- (G) The document or information is taken to be sent:
- (i) on the date on which the notification required by Article 161(F) above is sent; or
  - (ii) if later, the date on which the document or information first appears on the website after that notification is sent.
- (H) The Company must make the document or information available on the website throughout:
- (i) the period specified by any applicable provision of the statutes; or
  - (ii) if no such period is specified, the period of 28 days beginning with the date on which the notification required by Article 161(F) is sent to the person in question.
- A failure to make a document or information available on a website throughout the period mentioned in this paragraph 161(H) shall be disregarded if (1) it is made available on the website for part of that period and (2) the failure to make it available throughout that period is wholly attributable to circumstances that it would not be reasonable to have expected the company to prevent or avoid.
- (I) A document or information that is sent or supplied to the Company otherwise than in hard copy form, electronic form or by means of a website is validly sent or supplied if it is sent or supplied in a form or manner that has been agreed by the Company.
- (J) A document or information that is sent or supplied by the Company or the Directors otherwise than in hard copy form, electronic form or by means of a website is validly sent or supplied if it is sent or supplied in a form or manner that has been agreed by the intended recipient
- (K) If on three consecutive occasions documents or information have been sent or supplied to any member in accordance with Article 160 or Article 161(C), such member shall not thereafter be entitled to receive any documents or information from the Company until he or she shall have communicated with the Company and supplied in writing (signed by him or her) to the Company at the Transfer Office a new registered address or an address within the United Kingdom for the service of notices
- (L) If any document or information has been sent or supplied by electronic means in accordance with Article 161(B) to any member at his or her address specified for the purpose or deemed to be so specified and the Company becomes aware of a failure in delivery (and subsequent attempts to send or supply such document or information by electronic means also result in a failure in delivery), the Company shall either:
- (i) send or supply a hard copy of such document or information to such member; or
  - (ii) notify such member of the information set out in Article 161(F)
- in each case the manner described in Article 160.

- (M) Where a document or information is sent or supplied by electronic means to an address specified for the purpose by the intended recipient, service or delivery shall be deemed to be effected on the same day on which it is sent or supplied and in proving such service it will be sufficient to prove that it was properly addressed. Where a document or information sent or supplied by means of a website, service or delivery shall be deemed to be effected when (a) the material is first made available on the website or (b) if later, when the recipient received (or, in accordance with this Article 161(M)), is deemed to have received) notification of the fact that the material was available on the website.

162. **Notice binding on transferees etc**

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 793 of the Act) which, before his name is entered in the Register, has been properly served on a person from whom he derives his title

163. **When registered address not in the United Kingdom**

Any member whose registered address shall not be in the United Kingdom but has notified the Company of an address within the United Kingdom at which notices or other documents may be served on him shall be entitled to have notices served upon him at such address but otherwise no member, other than a member whose registered office is within the United Kingdom, shall be entitled to receive a notice or other document from the Company.

164. **Evidence of service**

A notice or other document addressed to a member at his registered address or address for service in the United Kingdom, shall, if served by post, be deemed to have been served at the latest within twenty four hours (if prepaid as first class) and within forty eight hours (if prepaid as second class), after the same shall have been posted and, in proving such service, it shall be sufficient to prove that the envelope containing the same was properly addressed, pre-paid and posted.

165. **Notice to joint holders**

All notices or other documents directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register in respect of the joint holding. Any notice or other document so given shall be sufficiently given to all the holders of such share.

166. **Notice in case of death or bankruptcy**

A person entitled to a share in consequence of the death or bankruptcy of a member shall (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within 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 member but for his death or bankruptcy would be entitled. Such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or joint holder

167. **Signature on notices**

The signature to any notice or document to be given by the Company may be written or printed

168. **Notice by advertisement**

Without prejudice to the Article governing the accidental omission to give notice and to the presumption of service by post and the presumed date of service by post in the last preceding Article, if at any time, by reason of the suspension or curtailment of postal services within all or any part of the United Kingdom, the Board reasonably believes that a notice of a general meeting, if sent by post, is unlikely to be delivered within seven days of posting, the Company may at its sole discretion and either in addition to or in substitution for notice by post, give notice of a general meeting by a notice advertised in at least one national newspaper and such notice shall be deemed to have been duly served on all members entitled to receive such notice in hard copy form and other persons entitled thereto on the day when the advertisement has appeared in at least one such newspaper. If in any such case notices have not been posted the Company shall make such notice available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof, and shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the delivery by post of notices to addressed throughout the United Kingdom again becomes practicable.

### **AUDITORS**

169. **Appointment of Auditors**

The provisions of the Statutes as to the appointment, powers, rights, remuneration and duties of the Auditors shall be complied with.

170. **Acts of Auditors valid**

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.

171. **Notices to Auditors**

The auditors shall be entitled to attend any general meeting, 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 them as auditors of the Company.

### **MISCELLANEOUS**

172. **Destruction of documents**

The Company may destroy-

- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation,
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notice was recorded by the Company;
- (c) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (d) any other document on the basis of which any entry in the register is made at any time after the expiry of six years from the date an entry in the register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument

of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed pursuant to this Article 172 was a valid and effective document in accordance with the recorded particulars in the books or records of the Company provided always that

- (i) the foregoing provisions of this Article 172 shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (ii) nothing contained in this Article 172 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (i) are not fulfilled; and
- (iii) references in this Article 172 to the destruction of any document include references to disposal in any manner.

173. **Division of assets in specie**

The liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may, with the authority of a special resolution and after deduction of any provision made under section 187 of the Insolvency Act 1986 and section 247 of the Act, divide among the members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may 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 members or classes of members. If any such division shall be otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed in accordance with section 110 of the Insolvency Act 1986.

173A. **Provision for employees on cessation of business**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

174. **Indemnity against claims in respect of shares**

Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability on the Company to make any payment, or empowers any government or taxing authority or government official to require the Company to make any payment, in respect of any shares held either jointly or solely by any member or in respect of any dividends or other monies due or payable or accruing due or which may become due or payable to such member by the Company or in respect of any such shares or for or on account or in respect of any member in consequence of.-

- (a) the death of such member;
- (b) the non-payment of any income tax or other tax by such member in respect of any shares in the Company or dividend or other payment in respect of such shares; or
- (c) the non-payment of any estate, probate, succession, death, stamp or other tax or duty by the executor or administrator of such member or by or out of his estate;

the Company in every such case.-

- (i) shall be fully indemnified by such member or his executor or administrator from all liability arising by virtue of such law, and

- (ii) may recover as a debt due from such member or his executor or administrator (wherever constituted or residing) any monies paid by the Company under or in consequence of any such law, together with interest thereon at the rate of 15 per cent. per annum thereon from the date of payment to the date of repayment.

Nothing contained in this Article shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and, as between the Company and every such member as aforesaid, his executor, administrator, and estate wherever constituted or situated, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

175. **Indemnity and Insurance**

Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director, Alternate Director, Auditor, Secretary or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities (the "Liabilities") incurred by him in or about the execution of his duties or the exercise of his powers as a Director or other officer of the Company (as defined below) or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) or otherwise in relation thereto including (without prejudice to the generality of the foregoing) any Liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

176. Without prejudice to the above paragraph 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 or employees of any Relevant Company (as defined below) or who are or were at any time trustees of any pension fund or employee's share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any (as defined below) or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) or otherwise in relation thereto including (without prejudice to the generality of the foregoing) any Liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

177. Without prejudice to the above paragraph 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 or employees of any Relevant Company (as defined below) or who are or were at any time trustees of any pension fund or employee's share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.

178. For the purpose of this Article, "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any Subsidiary of the Company or of such other body.