



Company No. 4726826

The Companies Act 2006  
Public Company Limited by Shares

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**MEMORANDUM**  
and  
**ARTICLES OF ASSOCIATION**  
of  
**FRENKEL TOPPING GROUP PLC**

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**Company No. 4726826**

**The Companies Act 2006  
Public Company Limited by Shares**

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**MEMORANDUM OF ASSOCIATION**

**of**

**FRENKEL TOPPING GROUP PLC**

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**(Incorporated on 8th day of April 2003)**

**(Adopted on 3 May 2017)**

NAME AND ADDRESS OF  
ORIGINAL SUBSCRIBER

NUMBER OF SHARES TAKEN  
BY ORIGINAL SUBSCRIBER

Zeus Partners  
6 Ralli Courts  
West Riverside  
Manchester  
M3 5FT

ONE

Dated: 2 April 2003

Witness to the above Signature:

Angela Kathleen Cashin  
Steam Packet House  
76 Cross Street  
Manchester  
M2 4JU

**Company No. 4726826**

**The Companies Act 2006  
Public Company Limited by Shares**

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**ARTICLES OF ASSOCIATION  
of  
FRENKEL TOPPING GROUP PLC**

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**(Incorporated on 8 April 2003)**

**(Adopted on 3 May 2017)**

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## **1 Exclusion of other Regulations and limited liability**

1.1 No regulations set out in any statute or statutory instrument or other subordinate legislation concerning companies shall apply as Articles of Association or regulations of the Company but the following shall be the Articles of Association of the Company.

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

## **2 Interpretation**

2.1 In these Articles unless the context otherwise requires the following expressions have the following meanings:

**Act** means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force

**Articles** means these Articles of Association as amended from time to time (and **Article** means one of these Articles)

**Auditors** means the auditors for the time being of the Company or, in the case of joint auditors, any one of them

**Board** means the Board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened meeting of the Directors at which a quorum is present

**clear days** means in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

**Company** means Frenkel Topping Group plc

**Director** means a director for the time being of the Company

**elected** means elected or re-elected

**holder** means in relation to any share the member whose name is entered in the register as the holder or, where the context permits, the members whose names are entered in the register as the joint holders of that share

**London Stock Exchange** means London Stock Exchange Group plc trading as the London Stock Exchange and any successor of it

**member** means a member of the Company or, where the context requires, a member of the Board or of any committee

**mental disorder** means mental disorder as defined in Section 1 of the Mental Health Act 1983 or Section 328 of the Mental Health (Care and Treatment) (Scotland) Act 2003 (as the case may be) and **mentally disordered** shall be construed accordingly

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

**Ordinary Shares** means the Ordinary shares of 0.005 pence each (or such other nominal amount into which the same shall be consolidated or sub-divided from time to time) in the capital of the Company

**paid up** means paid up or credited as paid up

**Redeemable Shares** means the Redeemable Shares of £1 each (or such other nominal amount into which the same shall be consolidated or sub-divided from time to time) in the capital of the Company

**register** means the register of members of the Company to be kept pursuant to Section 113 of the Act

**Regulations** means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended or replaced from time to time and any subordinate legislation or rules made under them for the time being in force

**Relevant System** means any computer-based system, and procedures, from time to time permitted by the Regulations and the rules of the London Stock Exchange, which enable title to units of a security to be evidenced and transferred without a written instrument and which facilitate supplementary and incidental matters and shall include, without limitation, the relevant system of which CREST Co Limited is the operator

**seal** means the common seal of the Company or any official or securities seal permitted under the Act that the Company may have

**secretary** means the secretary for the time being of the Company or any other person appointed by the Directors to perform any of the duties of the secretary of the Company including subject to the in force concerning companies and affecting the Company, including but provisions of the Act a joint, temporary, assistant or deputy secretary

**Statutes** means the Act and every other statute and any subordinate legislation, order or regulations made under them for the time being without limitation, the Regulations

**Stock Exchange nominee** means a nominee designated in the rules of the London Stock Exchange for the purposes of Section 778 of the Act

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

- 2.2 References to writing or written include references to printing, typewriting lithography, photography and any other mode or modes of representing or reproducing words in a visible, legible and non-transitory form.
- 2.3 Words denoting the singular shall include the plural and vice versa; words denoting the masculine gender shall include the feminine and neuter genders; words denoting persons shall include corporations, partnerships, firms and trusts.
- 2.4 Unless the context otherwise requires any words or expressions defined in the Act in force when these Articles become binding on the Company shall, unless otherwise expressly defined in these Articles, bear the same meaning in these Articles save that the word company shall include any body corporate.
- 2.5 References to:



- (a) any section or provision of any statute, if not inconsistent with the subject or context, include any corresponding or substituted section or provision of any amending, consolidating or replacement statute;
- (b) **execution** include any mode of execution and **executed** shall be construed accordingly;
- (c) an Article by number are to the particular Articles of these Articles;
- (d) a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

2.6 The headings are inserted for convenience only and shall not affect the construction of these Articles.

### **3 Share Capital**

3.1 Subject to the provisions of the Act and without prejudice to any special rights attached to any existing shares or class of shares, any shares in the Company may be allotted or issued with or have attached to them such preferential, deferred, qualified or special rights, privileges, restrictions or conditions either temporary or otherwise as to participation in dividends or in distribution of assets or as to voting or transfer or otherwise as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide. All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

3.2 Subject to the Act and the provisions of these Articles, the power of the Company to allot and issue shares shall be exercised by the Board, which may offer, allot (with or without conferring rights of renunciation), issue or grant share warrants (as defined in Article 15) or options over such shares to such persons at such times and for such consideration and upon such terms and conditions as the Board may determine provided that no share shall be issued at a discount.

3.3 Subject to the provisions of the Act and to any rights for the time being attached to any existing shares, shares may be issued on terms that they are or, at the option of the Company or the holder, liable to be redeemed.

3.4 The Company may exercise the powers of paying commissions and brokerage conferred by the Act. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares, the grant of an option to call for an allotment of shares, or partly in one way and partly in the other.

3.5 Except as required by law or as expressly provided by these Articles or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and (except as aforesaid) the Company shall not be bound by or recognise (even when having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share except an absolute right to the entirety thereof of the holder.

## **4 Redeemable Shares**

The rights attached to the Redeemable Shares are as follows:

### **4.1 Dividends**

In respect of any profits which the Company determines to distribute in respect of any financial year the Redeemable Shares shall rank *pari passu* in all respects with the Ordinary Shares as to dividends.

### **4.2 Capital**

In a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Redeemable Shares and the Ordinary Shares (*pari passu* as if they constituted one class of share) in proportion to the number of Redeemable Shares and Ordinary Shares held by them respectively.

### **4.3 Voting**

The Redeemable Shares shall not entitle the holders thereof to receive notice of and to attend and vote (whether on a show of hands or on a poll) at any general meeting of the Company save that the consent or sanction of the holders of the Redeemable Shares shall be required for the modification or variation of the rights attached to classes of shares.

### **4.4 Redemption Rights**

The Company may at any time, subject to the Act, redeem all (but not part) of the Redeemable Shares then in issue. Where Redeemable Shares are to be redeemed in accordance with this article, the Company shall give to the holders of the Redeemable Shares prior notice in writing of the redemption (Redemption Notice). The Redemption Notice shall specify the date fixed for redemption and shall be given not less than 2 clear days prior to the date fixed for redemption. On the date fixed for redemption, each of the holders of the Redeemable Shares shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such Redeemable Shares in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the Company's register of members in respect of such shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the redemption monies.

## **5 Variation of Rights**

5.1 Whenever the capital of the Company is divided into different classes of shares, unless otherwise provided by the terms of issue of the shares of that class the rights attached to any class may be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of at least three-quarters in nominal amount of the issued shares of the affected class or with the sanction of a special resolution passed at a separate general meeting of such holders but not otherwise.

5.2 The provisions relating to general meetings contained in these Articles shall, *mutatis mutandis*, apply to every such separate general meeting, save that:

- (a) the quorum necessary at any such meeting (other than an adjourned meeting) shall be not less than two persons holding or representing by proxy at least one-third in

nominal amount 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 or his proxy;

- (b) any holder of shares of the class in question present in person or by proxy may demand a poll; and
- (c) the holders of shares of the class in question shall, on a poll, have one vote in respect of every share of the class held by them respectively.

5.3 Subject to the terms on which any shares may be issued or the rights attached thereby, the rights or privileges attached to any class of shares in the capital of the Company shall be deemed to be varied or abrogated by the allotment of further shares ranking in priority thereto for payment of a dividend or repayment of capital but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already in issue or by the reduction in capital paid up on such shares or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and these Articles.

## **6 Share Certificates**

6.1 Every person (except a Stock Exchange nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a holder of any share in the register shall be entitled, without payment, to have issued within two months after allotment or lodgement of a transfer (unless the terms of issue of the shares provide otherwise) one certificate in respect of all of the shares of each class of shares held by him or, with the consent of the Board and upon payment of such reasonable out-of-pocket expenses for every certificate after the first as the Board shall determine, to several certificates, each for one or more of his shares unless the Board resolves otherwise in accordance with Article 7.2.

6.2 Shares of different classes may not be included in the same certificate.

6.3 Where a member has transferred part of the shares comprised in a certificate he shall be entitled to a certificate for the balance of such shares without charge.

6.4 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge on surrender of the original certificates for cancellation.

6.5 The Company shall not be bound to issue more than one certificate for shares held jointly by two or more persons and delivery of a certificate to the person first named in the register shall be a sufficient delivery to all joint holders.

6.6 In the case of shares held jointly by two or more persons any such request mentioned in this Article may be made by any one of the joint holders.

6.7 The issued shares of a particular class which are fully paid up and rank *pari passu* for all purposes shall not bear a distinguishing number. All other shares shall bear a distinguishing number.

6.8 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity (with or without security) as the Board may require and, where it is worn out or defaced, after delivery of the certificate to the Company. In the case of

loss or destruction the person to whom the new certificate is issued shall pay only any exceptional out-of-pocket expenses incidental to the investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity to the Company.

## **7 Evidence of Title to Securities**

- 7.1 Nothing in these Articles shall require title to any shares or other securities of the Company to be evidenced by a certificate if the Statutes and the London Stock Exchange permit otherwise.
- 7.2 Subject to the Statutes and the rules of the London Stock Exchange, the Board without further consultation with the holders of any shares or securities of the Company may resolve that any class or classes of shares or other securities of the Company from time to time in issue or to be issued may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form in accordance with the Regulations and practices instituted by the operator of the Relevant System and no provision of these Articles will apply to any uncertificated share or other securities of the Company to the extent that they are inconsistent with the holding of such shares or other securities in uncertificated form or the transfer of title to any such shares or other securities by means of a Relevant System or any provision of the Regulations.
- 7.3 To the extent that any provision of these Articles is inconsistent in any respect with the terms of the Regulations in relation to any uncertificated shares or other securities of the Company, such provision shall not apply thereto and the Regulations shall be given effect thereto in accordance with their terms.

## **8 Lien**

- 8.1 The Company shall have a first and paramount lien on each of its shares which is not fully paid in the circumstances and to the extent permitted by Section 670 (2) of the Act for all amounts (whether presently payable or not) called or payable to the Company in respect of that share, but the Board may waive any lien which has arisen and may at any time declare any share for some limited person to be wholly or in part exempt from the provisions of this Article. The Company's lien (if any) on a share shall further extend to all dividends and interest payable on such share.
- 8.2 The Company may sell in such manner as the Board determines any shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice in writing has been served on the holder of the shares or the persons entitled to the share in consequence of death or bankruptcy of the holder demanding payment of the sum presently payable and stating that if the notice is not complied with the shares may be sold.
- 8.3 To give effect to such a sale the Board may authorise some person to execute an instrument of transfer of the shares sold in the name of and on behalf of the holder or the persons entitled to the share in consequence of death or bankruptcy of the holder to, or in accordance with the directions of, the purchaser and may enter the name of the transferee in respect of such share in the register, notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale, and he shall not be bound to see to the application of the purchase money.

- 8.4 The net proceeds of the sale of shares subject to any lien after payment of the costs shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable or any liability not likely to be presently fulfilled or discharged as existed upon the shares before the sale) be paid to the holder of (or the person entitled by transmission to) the shares immediately before the sale (without interest).

## **9 Calls on Shares and Forfeiture**

- 9.1 Subject to the terms of allotment the Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares of any class (whether in respect of the nominal value of the shares and/or premium) and not payable on a date fixed by or in accordance with the terms of issue; provided that (subject as aforesaid) at least fourteen clear days' notice shall be given to each such member of every call specifying the time or times and place of payment and whether or not by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part or the time fixed for its payment postponed in whole or part by the Board. A call may be made payable by instalments.
- 9.2 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 9.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
- 9.4 Each member shall pay to the Company, at the time and place of payment specified in the notice given in accordance with Article 9.1, the amount called on his shares. A person on whom a call is made will remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 9.5 If a sum called in respect of a share shall not be paid before or on the day appointed for payment, the person from whom the sum is due shall pay all costs, charges and expenses that the Company may have incurred by reason of such non-payments together with interest on such sum from the day fixed for payment to the time of actual payment at such rate, not exceeding 15 per cent. per annum (compounded on a six monthly basis), as the Board may decide, but the Board may waive payment of such costs, charges, expenses or interest wholly or in part.
- 9.6 Any sum which by the terms of allotment of a share becomes payable on allotment or at any other fixed date, whether in respect of the nominal value of the share and/or any premium thereon, shall be deemed to be a call duly made, notified and payable on the date on which, by the terms of allotment, it becomes payable. If such sum is not paid all the provisions of these Articles relating to payment of interest and expenses, forfeiture and otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 9.7 The Board may, in its absolute discretion, receive from any member willing to advance the same to it all or any money uncalled and unpaid upon any shares held by him, and may pay upon all or any money so advanced (until it would, but for the advance, become presently payable) interest at such rate (if any) not exceeding 15 per cent. per annum as the Board may decide. Such payment in advance of calls shall extinguish pro tanto the liability of the shares on which it is made. No sum paid in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently

payable. The Board may at any time repay the amount so advanced on giving to such member not less than three months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

- 9.8 The Board may on the allotment of shares differentiate between the allottees or holders as to the amount and the times of payment of calls to be paid.
- 9.9 Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of the holders of any class of shares either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether a loan or jointly with any other person, together with interest and expenses (if any) to the Company.
- 9.10 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate on such terms as it thinks fit to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, to sue in the name of the Company or otherwise for the recovery of monies becoming due in respect of calls so made and to give valid receipts for such monies. The power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

## **10 Forfeiture**

- 10.1 Where a member fails to pay the whole or any part of any call or instalment of a call on or before the day fixed for payment, the Board may, at any time thereafter during such time as the whole or any part of such call or instalment remains unpaid, serve a notice in writing on him, or on any person entitled to the shares by transmission, requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of the non-payment.
- 10.2 The notice shall fix a further day (being not less than fourteen clear days from the date of the notice) and the place where the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the time and at the place specified, the shares on which the call was made will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited upon such terms and conditions as are acceptable to it and, subject to such terms and conditions, a surrendered share shall be treated as if it had been forfeited. In such case references in these Articles to forfeiture shall include surrender.
- 10.3 If the notice is not complied with, any share in respect of which the notice was given may, at any time before payments required by the notice have been made, be forfeited by a resolution of the Board to that effect. Forfeiture shall include all dividends and other money payable in respect of the forfeited shares and not paid before forfeiture.
- 10.4 Every share which shall be forfeited shall thereupon become the property of the Company. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Board determines, either to the person who was before the forfeiture the holder thereof or entitled thereto or to any other person, and at any time before sale, re-allotment or other disposition the forfeiture may be cancelled on such terms as the Board thinks fit, but including terms the payments shall be made of all calls and interest due thereon and all expenses incurred. Where for the purposes

of its disposal a forfeited share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of the share to that person and may enter the name of the transferee in respect of the transferred share in the register, notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of or the person entitled by transmission to the share. The Company may receive the consideration (if any) given for the share on its disposal.

- 10.5 A person any of whose shares have been forfeited shall cease to be a member in respect of such forfeited shares and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall, notwithstanding such forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture was then payable by him to the Company in respect of the shares, with interest on such moneys at such rate (not exceeding 15 per cent. per annum) as the Board decides from the date of forfeiture until payment, in the same manner in all respects as if the shares had not been forfeited and to satisfy all, if any, claims, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture, without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 10.6 A statutory declaration by a Director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The statutory declaration shall, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and a certificate for the share delivered to the person to whom the share is sold or disposed of (subject to the execution of an instrument of transfer if necessary), constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see the application of the consideration (if any) nor shall his title to the share be affected by any irregularity in or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.
- 10.7 When any share has been forfeited, notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share or the person entitled to such share by transmission (as the case may be). An entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the register in respect of such share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry as aforesaid.
- 10.8 The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.

## **11 Transfer of Shares**

- 11.1 Subject to such of the restrictions contained in these Articles as may be applicable, any member may transfer all or any of his shares by transfer in writing in any usual or common form or in any other form acceptable to the Board or by any other manner acceptable to the Board and permitted by the Statutes and the London Stock Exchange and any such transfer shall be registered within fourteen days of receipt of the same by the Company, subject as provided below.

- 11.2 Every written instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall remain the holder of the share concerned until the name of the transferee is entered in the register in respect of that share.
- 11.3 The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register the transfer of a share (or renunciation of a renounceable letter of allotment) which is not fully paid or on which the Company has a lien provided that, where any such share is listed or admitted to trading on the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.
- 11.4 The Board may also, in its absolute discretion and without assigning a reason therefor, refuse to register a transfer of shares (or renunciation of a renounceable letter of allotment) unless:
- (a) the instrument of transfer is lodged at the office or at such other place as the Board may from time to time appoint, accompanied by the certificate for the shares to which it relates and such other evidence (if any) as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) or renounce provided that, in the case of a transfer by a stock exchange nominee or in the case of a renunciation, the lodgement of share certificates shall not be necessary; and
  - (b) the instrument of transfer is in respect of only one class of share; and
  - (c) in the case of a transfer to joint holders, they do not exceed four in number; and
  - (d) it is duly stamped (if so required).
- 11.5 If the Board refuses to register a transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee notice of the refusal.
- 11.6 The registration of transfers of shares or of any class of shares may be suspended (to the extent the same is consistent with the Act) and the register closed at such times and for such periods as the Board may from time to time decide, provided that it shall not be closed for more than thirty days in any year. Notice of closure of the register shall be given in accordance with the provisions of the Act.
- 11.7 No fee shall be payable to the Company for the registration of any transfer or any other document relating to or affecting the title to any share.
- 11.8 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.
- 11.9 For the avoidance of doubt nothing in these Articles shall require shares to be transferred by a written instrument if the Statutes provide otherwise and the Directors shall be empowered to implement such arrangements (including without limitation any Relevant System) as they consider fit in accordance with and subject to the Statutes and the rules of the London Stock Exchange to evidence and regulate the transfer of title to shares in the Company and to approve the registration of such transfers.



- 11.10 Transfers of shares will not be registered in the circumstances referred to in Article 17 (Disclosure of Interests).
- 11.11 Nothing in these Articles shall preclude the Board:
- (a) from recognising a renunciation of the allotment of any share by the allottee in favour of some other person; or
  - (b) if empowered by these Articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to Article 10.4.

## **12 Transmission of Shares**

- 12.1 If a member dies, the survivor or survivors where he was a joint holder and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the Company as having any title to his shares but nothing contained in these Articles shall release the estate of a deceased member from any liability in respect of any share held by him whether solely or jointly with other persons.
- 12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member, or of any other event giving rise to a transmission of such entitlement by operation of law, may, upon production of such evidence as to his title as the Board may properly require and subject to the other provisions of these Articles, elect either to be registered as the holder of the share or to have some person nominated by him registered as the holder. If the person elects to become the holder he shall give notice in writing to that effect to the Company. If the person shall elect to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy or other event as aforesaid had not occurred and the notice or instrument of transfer were an instrument of transfer executed by a member. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof cause the entitlement of that person to be noted in the register.
- 12.3 A person becoming entitled to a share in consequence of the death or bankruptcy of a member, or of any other event giving rise to a transmission of such entitlement by operation of law shall, subject to the requirements of these Articles and to the provisions of this Article, be entitled to receive, and may give a good discharge for, all dividends and other money payable in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or at any separate meeting of the holders of any class of shares of the Company or to any of the other rights or privileges of a member until he shall have become a member in respect of the share. The Board may at any time give notice in writing to any such person requiring such person to elect either to be registered or to transfer the share and if such notice is not complied with within sixty days, the Board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of such notice have been complied with.

### **13 Alteration of Share Capital**

13.1 The Company may in general meeting from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; and
- (b) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference, deference or advantage or be subject to any restriction as the Company has power to attach as compared with the others.

13.2 Whenever as a result of a consolidation, division or sub-division of shares any difficulty arises, the Board may settle it as it thinks fit, and in particular (but without prejudice to the generality of the foregoing) where any members would become entitled to fractions of a share the Board may:

- (a) on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale (subject to retention by the Company of any amount otherwise due to a holder, being less than £3 or such other sum as the Board may from time to time determine) in due proportion among those members;
- (b) issue to such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up this holding to an exact multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been affected prior to consolidation); and the amount required to pay up such shares shall be appropriated at the Board's discretion from any other sums standing to the credit of any other company's reserved accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in payment per share. In relation to such capitalisation the Board may exercise all the powers conferred on it by Article 45 (Capitalisation of Reports) without an ordinary resolution of the Company.

The Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee 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 in or invalidity of the proceedings in reference to the sale.

13.3 Subject to the provisions of the Statutes and to any rights for the time being attached to any share, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

### **14 Purchase of Own Shares**

14.1 Subject to the provisions of the Statutes and to any rights for the time being attached to any share, the Company may purchase its own shares of any class (including any redeemable shares). Every contract providing for the purchase by the Company of shares in the Company shall be authorised by such resolution of the Company as may be required by the Act and, if the Company has in existence any shares which entitle the holders to convert them (whether immediately or otherwise) into equity shares, a special resolution passed at a separate class meeting of the holders of such shares.

- 14.2 Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.
- 14.3 Notwithstanding anything to the contrary contained in these Articles, the rights attached to any class of shares shall be deemed not to be varied or abrogated by anything done by the Company pursuant to Article 14.1.

## **15 Share Warrants**

- 15.1 The Company may issue warrants (hereinafter called **share warrants**) with respect to fully paid up shares stating that the bearer is entitled to the shares therein specified and may provide by coupons or otherwise for the payment of future dividends on the shares included in such share warrants. The Board may determine and from time to time vary the conditions upon which share warrants shall be issued and upon which a new share warrant or coupon shall be issued in the place of one worn out defaced or destroyed. No new share warrant or coupon shall be issued to replace one that has been lost unless it is proved beyond reasonable doubt and to the satisfaction of the Board to have been destroyed.
- 15.2 The Board may determine and from time to time vary the conditions upon which the bearer of a share warrant shall be entitled to receive notices of and attend and vote and demand a poll at general meetings or to join in requisitioning general meetings and upon which a share warrant may be surrendered and the name of the holder entered in the register in respect of the shares therein specified and upon which dividends will be paid. Subject to such conditions and to these Articles the bearer of a share warrant shall be a member to the full extent. The holder of a share warrant shall hold such warrant subject to the conditions for the time being in force with regard to share warrants whether made before or after the issue of such share warrant.

## **16 Stock**

- 16.1 Subject to the provisions of the Act the Company may by ordinary resolution re-convert any stock into paid up shares of any denomination.
- 16.2 The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations, as would have applied to the shares from which the stock arose if such shares had not been converted, or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of each of the shares from which the stock arose.
- 16.3 The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose, provided that no such rights, privileges or advantages (except participation in dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such rights, privilege or advantage.
- 16.4 The provisions of these Articles applicable to paid up shares shall apply to stock, and the words "share" and "member" shall include "stock" and "stockholder" respectively.

## 17 Disclosure of Interests

- 17.1 Sections 793, 808 and 813(1) of the Act shall be deemed to be incorporated into these Articles and accordingly to apply as between the Company and each member. Sections 822 to 825 (inclusive) and 820 of the Act apply for the purpose of construing references in this Article to persons interested in shares and to interests in shares respectively, as they apply in relation to Sections 792 and 793 of the Act.
- 17.2 No member shall, unless the Board otherwise determines, have the right in respect of shares held by him to attend and/or vote at a general meeting or any separate meeting of the holders of any class of share either personally or by proxy or on a poll, or to exercise any other right conferred by membership in relation to meetings or polls of the Company, if a notice under Section 793 of the Act (**Section 793 notice**) has been duly served on him or any person whom the Company knows or has reasonable cause to believe to be interested in such shares (the **default shares**, which expression includes any shares issued after the date of such Section 793 notice in respect of those shares) and he or any such person is in default in supplying to the Company the information thereby required within the period of:
- (a) fourteen days from the date of service of the Section 793 notice in the case of a notice where the aggregate nominal value of the default shares is at least 0.25 per cent. of the aggregate nominal value of the issued shares of the same class at the date of such notice; or
  - (b) twenty-eight days from the date of service of the Section 793 notice in any other case.
- 17.3 Subject as set out below so long as the default shares are the subject of restrictions under Article 17.2, any dividend on such shares or other money payable will be withheld (with no obligation on the Company to pay interest thereon and the member shall not be entitled to elect, pursuant to Article 43, to receive shares in lieu of that dividend) and any transfer of or agreement to transfer such shares (other than following a sale shown to the satisfaction of the Board to be of the full legal and beneficial ownership of such shares to a bona fide unconnected third party) will be void, unless the directors otherwise determine. Transfers may not be refused and dividends may not be withheld if the aggregate nominal value of the default shares is less than 0.25 per cent. of the aggregate nominal value of the issued shares of the same class.
- 17.4 The period during which any of the rights referred to in Articles 17.2 and 17.3 (or any of them) shall be suspended shall commence on expiry of the period of fourteen days or twenty-eight days (as the case may be) from the date of service of the Section 793 notice and shall continue until the earlier of such time as:
- (a) the defaulter has disclosed the relevant facts about the default shares in compliance with the notice to the satisfaction of the Board; or
  - (b) the default shares are transferred following a sale shown to the satisfaction of the Board to be of the full legal and beneficial ownership of such shares to a bona fide unconnected third party.
- 17.5 If any shares are at any time subject to restrictions pursuant to this Article that fact shall be noted against the name of the registered holder of such default shares in the register of members for so long as the restrictions shall continue and the removal of the restrictions shall be recorded in the same manner.

- 17.6 For the purpose of this Article a sale shall be presumed to be to a bona fide unconnected third party where the sale is made:
- (a) through a recognised investment exchange as defined in Part 18 of the Financial Services and Markets Act 2000 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
  - (b) pursuant to acceptance of a take-over offer defined in Section 974 of the Act; or
  - (c) in consequence of a sale of the whole of the beneficial interest in the default shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
- 17.7 For the purpose of ensuring that a particular transfer of shares is pursuant to a sale at arms' length, the directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information as the Board may think necessary or relevant. Failing such information being furnished to the satisfaction of the Board within a period of fourteen days (where the aggregate nominal value of the shares being transferred is at least 0.25 per cent. of the aggregate nominal value of the issued shares of the same class) or twenty-eight days (in any other case) after such request, the Board shall be entitled to refuse to register the transfer in question.
- 17.8 Any dividends withheld pursuant to this Article shall be paid on removal of the restriction on the payment of dividends on the shares in question and shall not bear interest against the Company. Pending payment, all dividends may be invested or otherwise made use of by the Board for the benefit of the Company and the Company shall not be constituted a trustee in respect thereof.
- 17.9 Nothing in this Article 17 shall limit the power of the Company under Section 794 of the Act.

## **18 General Meetings**

- 18.1 The Board may call a general meeting whenever it thinks fit and, on the requisition of members in accordance with the Act, it shall forthwith proceed to convene a general meeting for a date not more than eight weeks after receipt of the requisition at the office. At such a meeting no business shall be transacted except that stated by the requisitionists or proposed by the Board. If there are not within the United Kingdom sufficient members of the Board to convene a general meeting any Director may call one.
- 18.2 Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine.

## **19 Notice of General Meetings**

- 19.1 An annual general meeting and a general meeting called for the passing of a special resolution or a resolution appointing a person as a Director, shall be called by at least twenty one clear days' notice in writing. All other general meetings shall be called by at least fourteen clear days' notice in writing. The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted, whether the meeting is an annual general or a general meeting, if the meeting is convened to consider a special resolution, the intention to propose the resolution as such and with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member. Subject to the provisions of

these Articles and to any restriction imposed on any Shareholder, notice shall be given to all members, the Directors and the Auditors.

19.2 The accidental omission to give notice of a meeting, or (where forms of proxy are sent out with notices) to send a form of proxy with a notice to any person entitled to receive such notice, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at the meeting.

19.3 Subject to the provisions of the Act and notwithstanding that it is convened by shorter notice than that specified in this Article 19, a general meeting shall be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

## **20 Proceedings at General Meetings**

20.1 All business that is transacted at a general meeting shall be deemed special with the exception of sanctioning or declaring dividends, the consideration of the accounts and balance sheet, the reports of the Directors and Auditors and any other documents required to be annexed to the accounts and balance sheet, the appointment or reappointment of Directors in the place of those retiring by rotation or otherwise, the appointment of Auditors where special notice of such appointment is not required by the Act, and the fixing of, or determining of the method of fixing of, the remuneration of the Auditors and the giving, variation or renewal of any authority of the Board for the purposes of Sections 549 and 551 of the Act or any power pursuant to Section 570 of the Act.

20.2 No business shall be transacted at any general meeting, when the meeting proceeds to business, unless a quorum is present. The absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to Article 20.3 two members present in person or by proxy or being a duly authorised representative of a corporation which is a member and entitled to vote shall be a quorum for all purposes.

20.3 If within five minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved and in any other case shall stand adjourned to such day and to such time and place (being not less than seven nor more than twenty eight days thereafter) as may be fixed by the chairman of the meeting (or, in default the Board). If at such adjourned meeting a quorum is not present within fifteen minutes from the time fixed for holding the meeting the meeting shall be dissolved. The Company shall give notice in writing of any meeting adjourned through lack of a quorum.

20.4 The chairman of the Board or in his absence some other Director nominated by the Board shall preside as chairman at every general meeting of the Company. If there is no such chairman or other Director or if at any meeting neither the chairman nor such other Director is present within fifteen minutes after the time fixed for holding the meeting or if neither is willing to act as chairman of the meeting, the Directors present shall elect one of themselves or if no Director is present within fifteen minutes after the time appointed for holding the meeting, or if

all the Directors present decline to take the chair, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.

- 20.5 The chairman of the meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place. No business shall be transacted at any adjourned meeting except business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for an indefinite period the time and place for the adjourned meeting shall be fixed by the Board. Whenever a meeting is adjourned for fourteen days or more or for an indefinite period, seven clear days' notice at the least, specifying the place, the day, and the hour of the adjourned meeting and the general nature of the business to be transacted shall be given in the same manner as in the case of an original meeting. Save as provided in these Articles it shall not otherwise be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 20.6 Without prejudice to any other power which he may have under these Articles or by law, the chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting, to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of. If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled to and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to 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 to be heard and seen by all other persons so present in the same manner.
- 20.7 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands or on the withdrawal of any other due demand for a poll a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- (a) by the chairman of the meeting; or
  - (b) by at least five members present in person or by proxy and entitled to vote; or
  - (c) by any member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; and
  - (e) a demand by a person as proxy for a member shall be the same as a demand by a member.
- 20.8 Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by

a particular majority and an entry to that effect in the minute book, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- 20.9 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority:
- (a) to demand or join in demanding a poll; and
  - (b) to vote on a poll.
- 20.10 If any votes are counted which ought not to have been counted, or might have been rejected or if any votes are not counted which ought to have been counted the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.
- 20.11 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in the event be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in the event be considered or voted on unless either at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the office or the chairman of the meeting in his absolute discretion decides that it may be considered or voted upon.
- 20.12 If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct (including the use of ballot or voting papers or tickets). The chairman may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 20.13 A poll demanded on the election of the chairman of a meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting directs, but in any case not more than twenty-eight days after the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the completion of the poll. The demand for a poll may be withdrawn at any time before the conclusion of the meeting. No notice need be given of a poll not taken immediately.
- 20.14 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member or as a representative or proxy of a member.
- 20.15 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.



20.16 A resolution in writing executed by or on behalf of every member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

## **21 Votes of Members**

21.1 Subject to any terms as to voting upon which any shares may be issued, or may for the time being be held and subject to the Act and to any suspension or abrogation of voting rights pursuant to these Articles, at any general meeting, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote on a show of hands, and on a poll every member shall have one vote for each share of which he is the holder.

21.2 On a poll votes may be given in person or by proxy. A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was last validly delivered, none of them shall be treated as valid in respect of that share.

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

21.4 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

21.5 No member shall unless the Board determines otherwise be entitled to vote at any general meeting or at any separate general meeting of the holders of any class of shares in the Company, either in person or by proxy unless all calls or other sums presently payable by him in respect of shares in the Company together with interest and expenses (if any) have been paid.

21.6 If any objection shall be raised as to the qualification of any voter the objection shall not vitiate the decision on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered. Any objection made in due time shall be referred to the chairman of the meeting, and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the objection or allegation is justified and that the decision of the meeting may have been affected. The decision of the chairman shall be final and conclusive.

- 21.7 Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournments thereof.
- 21.8 Forms of instrument of proxy shall be in writing in any usual or common form or in such other form as the Board may approve. Forms of instrument of proxy shall be sent by the Company to all persons entitled to notice of and to attend and vote at any meeting, and shall (unless the Board otherwise determines) provide for voting both for and against all resolutions to be proposed at the meeting other than resolutions relating to the procedure of the meeting. The instrument of proxy shall be executed by or on behalf of the appointor. A corporation may execute a form of proxy either under its common seal or as a deed or by an attorney or under the hand of a duly authorised officer.
- 21.9 The instrument of proxy and the power of attorney or other written authority (if any) under which it is signed, or an office or notarially certified copy or a copy certified in accordance with the Power of Attorney Act 1996 and the Enduring Powers of Attorney Regulations 1996 ((SI No. 196/1996) as amended by SI No. 287/1996)) (or any statutory modification or re-enactment thereof for the time being in force) of such power or written authority, shall be deposited at the office (or at such other place in the United Kingdom as shall be specified for that purpose in the notice of meeting or in any form of proxy or other document accompanying the same) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll taken subsequently to the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for taking the poll, and unless so deposited the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months of such date. The instrument of proxy shall, unless the contrary is stated, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 21.10 A vote given or poll demanded by 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 in writing of the determination shall have been received by the Company at the office (or other place at which the instrument of proxy was duly deposited in accordance with the notice of meeting or form of proxy or other document accompanying the same) before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, the time appointed for taking the poll.
- 21.11 The Board may, at the expense of the Company, send to the members, by post or otherwise, instruments of proxy (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares of the Company either in blank or nominating in the alternative anyone or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

## **22 Corporations acting by Representatives**

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any

meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat; and all references to attendance and voting in person shall be construed accordingly. A director, the secretary or some person authorised for the purpose by the secretary may require the representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his power.

## **23 Powers of the Board**

- 23.1 Subject to the provisions of the Act and these Articles and to any directions given by special resolution of the Company the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. No alteration of these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or that direction had not been given. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article. A meeting of the Board at which a quorum is present may exercise all powers exercisable by the directors.
- 23.2 The Board may make such arrangements as the Board thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the Board (other than the power to borrow and make calls) with power to sub-delegate.
- 23.3 The Board may from time to time by power of attorney appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions as the Board may think fit for the protection or convenience of persons dealing with any such attorney and may authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 23.4 The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time as it thinks fit to any committee consisting of at least one or more Directors. They may also delegate to any managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying. If any such committee determines to co-opt persons other than Directors on to such committee, the number of such co-opted persons shall be less than one half of the total number of members of the committee and no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting concerned are Directors. If the powers of the Board are delegated to a committee which consists wholly of directors, no resolution of the committee shall be effective unless at least two directors are present at the meeting.

## 24 Borrowing Powers

24.1 Subject as hereinafter provided, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the Act, to issue debentures, loan stock and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

24.2 The Board 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 subsidiaries (if any) so as to ensure (as regards subsidiaries in so far as by such exercise the Board can ensure) that without the previous sanction of an ordinary resolution of the Company the aggregate amount for the time being outstanding of all borrowings by the Company and its subsidiaries (excluding money owed by any of the Company or any of its subsidiaries to any other of the Company or any of its subsidiaries and deducting cash deposited) being an amount equal to the aggregate of the amounts beneficially owned by the Company or any of its subsidiaries which are deposited for the time being with any bank or other person (not being the Company or any of its subsidiaries) and which are repayable to such company on demand or within three months of such demand, subject in the case of amounts deposited by a partly owned subsidiary undertaking to the exclusion of a proportion thereof equal to the proportion of its issued equity share capital which is not attributable to the Company (directly or indirectly) shall not at any time exceed an amount equal to three times the adjusted capital and reserves whichever is the greater. For the purpose of the above restriction the **adjusted capital and reserves** means the aggregate from time to time of:

- (a) the amount paid up or credited as paid up on the allotted or issued share capital of the Company; and
- (b) the amount standing to the credit of the capital and revenue reserves of the Company (or, if the Company has subsidiaries, the consolidated capital and revenue reserves of the Company and its subsidiaries) including any share premium account, capital redemption reserve, revaluation reserve and credit balance on profit and loss account;

all as shown in the latest audited balance sheet of the Company or (as the case may be) the latest audited consolidated balance sheet of the Company and its subsidiaries but adjusted as may be necessary to take account of:

- (c) any variation in the paid up share capital or the share premium account or capital redemption reserve or revaluation reserve since the date of such balance sheet and so that for the purpose of making such adjustments, if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (d) the deduction of any distribution declared, recommended or made by the Company or any of its subsidiaries out of profits accrued up to and including the date of the relevant balance sheet and (otherwise than to the Company or to a subsidiary) not provided for therein;
- (e) the exclusion of any sums set aside for taxation;

- (f) the deduction of any debit balance on profit and loss account as shown in such balance sheet;
- (g) any company which has become or ceased to be a subsidiary since the date of such balance sheet and any variation in the interests of the Company in its subsidiaries since the date of such balance sheet; and
- (h) where the calculation is required for the purposes of or in connection with a transaction under or in connection with any company which is to become or cease to be a subsidiary, such adjustments as would be appropriate if such transaction had been carried into effect.

24.3 For the purpose of this Article 24 **borrowings** shall be deemed to include not only borrowings but also the following except in so far as otherwise taken into account:

- (a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed money together with any fixed or minimum premium payable on redemption, the beneficial interest in which is not for the time being owned by the Company or any of its subsidiaries, of a body whether corporate or unincorporated and the redemption or repayment of which is the subject of a guarantee or indemnity by the Company or any of its subsidiaries or is secured on the assets of any such company;
- (b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of the Company or any of its subsidiaries other than any acceptances or acceptance credits relating to the purchase of goods and services in the ordinary course of trading and outstanding for six months or less;
- (c) the principal amount (including any premium payable on final repayment) of any debenture (whether secured or unsecured) of the Company or any of its subsidiaries owned otherwise than by the Company or any of its subsidiaries;
- (d) the principal amount of any preference share capital of any subsidiary owned otherwise than by the Company or any of its subsidiaries;
- (e) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but any premium payable on final repayment of an amount not to be taken into account as monies borrowed shall not be taken into account); and
- (f) any fixed amount in respect of a hire purchase contract or of a finance lease payable in either case by the Company or any of its subsidiaries which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet (and for the purpose of this sub-paragraph 24.3(f) **finance lease** means a contract between a lessor and the Company and any of its subsidiaries as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the assets leased or sub-leased are to be borne by that company and **hire purchase agreement** means a contract of hire purchase between a hire purchase lender and the Company or any of its subsidiaries as hirer);

but shall be deemed not to include:

- (g) borrowings incurred by the Company or any of its subsidiaries for the purpose of repaying the whole or any part of any borrowings by the Company or any of its subsidiaries for the time being outstanding within six months of being so borrowed, pending their application for that purpose within that period; and
- (h) borrowings incurred by the Company or any of its subsidiaries for the purpose of financing any contract in respect of which any part of the price receivable by the Company or any of its subsidiaries is guaranteed or insured by UK Export Finance or by any other governmental department fulfilling a similar function, up to an amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured;
- (i) an amount equal to the monies borrowed of any company outstanding immediately after it becomes a subsidiary of the Company, provided that it becomes such a subsidiary during the six months preceding the calculation; and
- (j) notwithstanding sub-paragraphs 24.3(a) to 24.3(f) above, the proportion of monies borrowed by the Company or any of its subsidiaries (and not owing to the Company or any of its subsidiaries) which is equal to the proportion of its issued equity share capital not attributable, direct or indirectly, to the Company;

and in sub-paragraphs 24.3(e) to 24.3(j) above references to amounts of monies borrowed include references to amounts which, but for the exclusion under those sub-paragraphs, would fall to be included.

- 24.4 When the aggregate amount of borrowings required to be taken into account for the purposes of these Articles on any particular day is being ascertained, any money denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange used for the conversion of that currency in the relevant balance sheet if none was so used at the rate of exchange prevailing on that day in London or, if it would result in a lower sterling equivalent, at the rate of exchange prevailing in London six months before such day (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business on the day in question or, if that is not a business day, on the last business day before the date in question).
- 24.5 Subject to the provisions of the Act, the Company may from time to time change the accounting conventions on which the audited balance sheet or audited consolidated balance sheet is prepared.
- 24.6 A certificate or report by the Auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by these Articles has not been or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact. For the purposes of their computation, the auditors may, at their discretion, make such further or other adjustments (if any) as they think fit. Nevertheless for the purposes of these Articles the Board may act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves at any time and if in consequence such limit is inadvertently exceeded an amount of moneys borrowed equal to the excess may be disregarded until the expiration of sixty days after the day on which (by reason of a determination of the auditors or otherwise) the Board becomes aware that such a situation has or may have arisen.
- 24.7 Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article 24 is observed and no

borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit had been or was thereby exceeded.

## **25 Number and Qualification of Directors**

- 25.1 Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall be not less than two in number but shall not be subject to any maximum.
- 25.2 A Director shall not be required to hold any shares of the Company by way of qualification.
- 25.3 There shall not be any age limit for Directors. No special notice need be given of any resolution for the appointment or reappointment or approving the appointment as a Director of a person who has attained the age of seventy, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be appointed or re-appointed as such.
- 25.4 If the number of Directors is reduced below the minimum number fixed in accordance with these Articles, the Directors for the time being may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company, but not for any other purpose.

## **26 Appointment and Retirement by Rotation**

- 26.1 Subject to the provisions of Articles 25 and 26.2 and without prejudice to the power of the Board under Article 25.4 the Company may by ordinary resolution elect a person who is willing to act to be a Director either to fill a vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.
- 26.2 No person other than a Director retiring (by rotation or otherwise) (or, if appointed by the Board, vacating office) at a meeting shall be eligible for election to the office of a Director at that general meeting, unless recommended by the Board or not less than seven nor more than forty-two clear days before the day fixed for the meeting there shall have been left at the office addressed to the secretary notice in writing by a member (other than the person to be proposed) entitled to be present and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected. The notice shall give the particulars in respect of that person which would (if he were elected) be required to be included in the Company's register of Directors.
- 26.3 A resolution for the election of two or more persons as Directors by a single resolution shall be void and shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it. For the purposes of this Article a resolution approving a person's appointment or for nominating a person for appointment shall be treated as a resolution for the election of such a person.
- 26.4 The Board shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed from time to time. Any Director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for election, but shall not be taken into account in determining

the Directors to retire by rotation at such meeting under the provisions in that behalf contained in these Articles.

- 26.5 Subject to the provisions of these Articles at every annual general meeting of the Company one-third of the Directors who are subject to retirement by rotation or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. If there are fewer than three Directors who are subject to retirement by rotation, one Director shall retire from office.
- 26.6 Subject to the Act and these Articles the Directors to retire by rotation at each annual general meeting shall be, first, any Director who wishes to retire and not offer himself for rotation and secondly, those who have been longest in office since their last election; as between persons who became or were last elected Directors on the same day, those to retire by rotation shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire (both as to number and as to identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting.
- 26.7 A retiring Director (whether retiring by rotation or otherwise) shall be eligible for re-election. If he is not re-elected or deemed to be re-elected he shall hold office until the meeting elects someone in his place, or if it does not do so, until the end of the meeting.
- 26.8 If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.

## **27 Resignation and Removal of Directors**

- 27.1 A Director (not being a chief executive, managing or executive Director) may resign his office by notice in writing submitted to the Board.
- 27.2 A chief executive, managing or executive Director may tender his resignation at a meeting of the Board; but only if the other Directors resolve to accept it shall such resignation be effective.
- 27.3 The Company may by ordinary resolution of which special notice has been given in accordance with Section 312 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company.

## **28 Disqualification of Directors**

- 28.1 The office of a Director shall be vacated if the Director:
- (a) becomes bankrupt or the subject of a receiving order or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
  - (b) is or may be suffering from mental disorder and either:



- (i) is admitted to hospital pursuant to an application for admission for treatment under the Mental Health Act 1983 or the Mental Health (Care and Treatment) (Scotland) Act 2003; or
- (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (c) is absent from meetings of the Board (whether or not his alternate attends) for six consecutive months without permission of the Board and the Board resolves that his office be vacated;
- (d) is by virtue of any provision of the Act or becomes prohibited by law from being a Director;
- (e) shall be removed from office by notice in writing served upon him at his address as shown in the register of Directors signed by all his co-Directors being not less than two in number, but so that if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

## **29 Remuneration of Directors**

- 29.1 The Directors of the Company (other than alternate Directors) shall be paid such remuneration (by way of fee) for their services as may be determined by the Board or any committee of the Board formed for the purpose of determining Directors' fees and remuneration. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of travelling to and from Board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company.
- 29.2 Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may decide.

## **30 Chief Executive, Managing and Executive Directors**

- 30.1 The Board may from time to time:
- (a) appoint one or more of its body to the office of chief executive, managing Director or joint managing Director, or to any other office (except that of auditor) or employment in the Company, for such period (subject to the Act) and on such terms as it thinks fit, and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose appointment is revoked may have against the Company by reason of such revocation);
  - (b) permit any person elected or appointed to be a Director to continue in any other office or employment held by the person before he was so elected or appointed;

A Director (other than a chief executive, managing Director or joint managing Director) holding any such other office or employment is referred to in these Articles as **an executive Director**.

- 30.2 The remuneration of any chief executive, managing Director, joint managing Director or executive Director (whether by way of salary, commission, participation in profit or otherwise) shall be decided by the Board or any committee of the Board formed for the purpose of determining Directors' fees and remuneration and may be either in addition to or in lieu of any remuneration as a Director.
- 30.3 The Board may entrust to and confer upon a chief executive, managing Director, joint managing Director or any executive Director any of the powers authorities and discretions vested in or exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and, in the case of a chief executive, managing Director or joint managing Director, either collaterally with or to the exclusion of its own powers, authorities and discretions and may from time to time revoke, or vary all or any of them, but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

### **31 Associate and other Directors**

The Directors may from time to time, and at any time, pursuant to this Article appoint any person (not being a Director) to any office or employment with such descriptive title including that of director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local, advisory director or otherwise) as the Board may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties, and subject to any contract between him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of these Articles or of the Act, and accordingly shall not be a member of the Board of Directors or of any committee thereof, nor shall he be entitled to be present at any meeting of the Board of Directors or of any such committee, except at the request of the Board of Directors or of such committee, and if present at such request he shall be subject to Article 23.4 and not be entitled to vote thereat.

### **32 Directors' Gratuities and Pensions**

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 (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit sharing, share incentive, share purchase or employees share scheme calculated to advance the interests of the Company or to benefit, any person who is or has at any time been a director or employee of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking and for any member of his family (including a spouse or former spouse) and any person who is or was dependent upon him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the aforesaid matters. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any person. Any director or former director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not be obliged to account for it to the Company.

### **33 Alternate Directors**

- 33.1 Any Director (other than an alternate Director) may appoint another Director or any other person approved by the Board and willing to act, to be an alternate Director and may at any time remove from office an alternate director so appointed by him.
- 33.2 An alternate Director (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director. But it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom.
- 33.3 An alternate Director shall cease to be an alternate Director if any event happens in relation to him which if he were a Director otherwise appointed, would cause him to vacate office or if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise vacates office but is elected or deemed to have been elected at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his election.
- 33.4 Any appointment or removal of an alternate Director shall be by notice in writing to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board.
- 33.5 Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

### **34 Proceedings of the Board**

- 34.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. All or any one or more of the Directors, or any of the members of a committee of Directors, may participate in a meeting of the Directors or the committee:
- (a) by means of a conference telephone or other communications equipment allowing all persons participating in the meeting to hear and speak to each other at the same time; or
  - (b) by a succession of telephone calls to Directors from the chairman of the meeting following disclosure to them of all material points or by exchange of facsimile transmission addressed to the chairman of the meeting.

Participating by such means shall constitute presence in person at a meeting.

- 34.2 Such meeting shall be deemed to have occurred in the case of Article 34.1(a) above at the place where most of the Directors participating are present or, if there is no such place where the chairman of the meeting is present and in the case of Article 34.1(b) where the chairman of the meeting is present. Questions arising at any meeting of the Board shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second casting vote. A Director who is also an alternate Director shall be entitled, in the absence of the Director whom he is representing, to a separate vote on behalf of such Director in addition to his own vote. A Director may, and the secretary on the requisition of a

Director shall, at any time call a meeting of the Board. Notice of every meeting of the Board may be given orally or in writing and shall be given to all the Directors from time to time provided that it shall not be necessary to give such notice to any Director absent from the United Kingdom where such Director has appointed an alternate Director and such notice is duly given to such alternate Director and further provided that such notice shall be deemed to have been given to any Director absent from the United Kingdom where bona fide and reasonable endeavours have been made to give such notice to any Director so absent.

- 34.3 The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number shall be two. A Director or other person who is present at a meeting of the Board in more than one capacity (that is to say, as both Director and an alternate Director or as an alternate for more than one Director) shall not be counted as two or more for quorum purposes unless at least one other Director or alternate Director is also present. A meeting of the Board at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
- 34.4 The Board may from time to time appoint and remove a chairman and, if it thinks fit, a deputy chairman of its meetings and determine the period for which they are respectively to hold office. The chairman or, in his absence, the deputy chairman (if any) shall preside at all meetings of the Board. If no such chairman or deputy chairman is appointed, or neither is present within five minutes after the time fixed for holding any meeting, or neither of them is willing to preside at such meeting the Directors present may choose one of their number to act as chairman of such meeting.
- 34.5 The Directors may from time to time appoint any Director or former Director who has rendered outstanding services to the Company to be President of the Company and may remove or replace him at any time. The President shall not by virtue of that office alone be a Director or have any powers or duties in relation to the management of the Company but if not a director he may by invitation of the directors attend meetings of the Directors for the purpose of giving advice. The President shall receive such remuneration, if any, as the Directors may from time to time determine.
- 34.6 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (not being less than the number of Directors required to form a quorum of the Board) or by all the members for the time being of a committee (not being less than the number of members required to form a quorum of the committee) shall be as valid and effective as a resolution passed at a meeting of the Board or committee duly convened and held. A resolution signed by an alternate Director need not be signed by his or her appointor and vice versa. The resolution may consist of one document or several documents in like form each signed by one or more Directors. To be effective, the resolution need not be signed by a Director who is prohibited by these Articles from voting thereon, or by his alternate.
- 34.7 All acts done bona fide by any meeting of the Board, or of a committee or sub-committee of the Board, or by any person acting as a Director or by an alternate Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment or continuance in office of any Director, alternate Director or person so acting, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or an alternate Director and had been entitled to vote.

## 35 Directors' Interests

- 35.1 Subject to the provisions of the Act, and subject to Article 35.2 a Director notwithstanding his office:
- (a) may be a party to or otherwise directly or indirectly interested in any contact, transaction or arrangement with the Company or in which the Company is otherwise interested either in regard to his tenure of office or place of profit or as vendor, purchaser or otherwise;
  - (b) may be or become a member or 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 or as auditor of a subsidiary company of the Company) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director of the Company.
- 35.2 A director who, to his knowledge, is in any way (whether directly or indirectly) interested in any contract, transaction or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, transaction or arrangement is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.
- 35.3 Save as otherwise provided by 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, a material interest (other than by virtue of his interests in shares or debentures or other securities of or in or otherwise through the Company) or a duty which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because one of the following applies (in which case he may vote and be counted in the quorum):
- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him at the request of or for the benefit of, the Company or any of its subsidiaries; or
  - (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiaries for which the Director 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; or
  - (c) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting or placing or sub-placing of or his being entitled to participate by reason of a holding of shares, debentures or other securities of the

Company in an offer of any shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange; or

- (d) the resolution relates to any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, creditor or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances); or
- (e) the resolution relates in any way to any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; or
- (f) the resolution concerns any contract, scheme or arrangement or proposal principally for the benefit of employees and/or directors of the Company or of any of its subsidiaries under which the Director benefits or is capable of benefiting in a similar manner to the employees and does not accord to any Director any privilege or advantage not generally accorded to the employees to which such contract, scheme, arrangement or proposal relates; or
- (g) any contract for the purchase or maintenance of insurance against any liability of any director.

35.4 For the purposes of Article 35:

- (a) an interest of a person who is, for any purpose of the Act, connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise;
- (b) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transactions or arrangements in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (c) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

35.5 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.

35.6 The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them Directors of such company, or voting or providing for the payment of remuneration to the Directors of such company).

35.7 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each

Director separately and (provided he is not by the proviso to Article 35.3(d) or 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.

- 35.8 If any question shall arise at any meeting of the Board or of a committee of the board as to the materiality of a Director's interest or as to the right of a Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting the question may, 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 interests of the Director concerned have not been fairly disclosed. Any question relating to the chairman shall be referred to the deputy chairman (or in the absence of the deputy chairman to the other Directors present) of the meeting and his (or their majority) ruling shall be final and binding except as aforesaid.

### **36 Secretary**

- 36.1 Subject to the Act, the secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any secretary appointed by the Board may be removed by it.
- 36.2 Anything by the Act or these Articles required or authorised to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the directors. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

### **37 Minutes**

- 37.1 The Board shall cause minutes to be made in books kept for the purpose of:
- (a) all appointments of officers and committees made by the Board and of any such officer's salary or remuneration;
  - (b) the names of the Directors present at each meeting of the Board and of any committee of the Board, of the Company or the holders of any class of shares or debenture of the Company;
  - (c) all resolutions and proceedings at all meetings of the Company or the holders of any class of shares in the Company and of the Board and of committees of the Board.
- 37.2 Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or by the chairman of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

### **38 The Seal**

- 38.1 The Board shall provide for the safe custody of the seal. The seal shall only be used by the authority of the Board or of a committee of the Board authorised in that behalf by the Board. The Board shall from time to time determine the persons and the number of such persons who may sign any instrument to which the seal is affixed and unless otherwise so determined every such instrument shall be signed by a Director and shall be countersigned by the

secretary or by a second Director or by some other person appointed by the Board for the purposes provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical or other means to be specified in such resolution or that such certificates need not be signed by any person.

38.2 All forms of certificates for shares or debentures or representing any other form of security (other than letters of allotment or scrip certificates) shall be issued under the seal or under the signatures (including facsimile signatures) of a Director and the Secretary or of two Directors or in such other manner as the Board may by resolution determine either generally or in any particular case such as that any signatures may be affixed to such certificates by some mechanical or other means or that such certificates need not bear any signature.

38.3 The Company may have:

- (a) an official seal kept by virtue of Section 50 of the Act; and
- (b) an official seal for use abroad under the provisions of the Act, where and as the Board shall determine;
- (c) and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as it may think.

38.4 Subject to the Act and to any regulations made thereunder, a document signed by a director and the secretary, by two Directors of the Company or by one Director of the Company in the presence of a witness and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were under seal and a document so executed which:

- (a) is intended by the person or persons making it to be a deed and so executed;
- (b) makes that fact clear upon its face (in whatever form of words) has effect, upon delivery, as a deed.

### **39 Accounting Records, Books and Registers**

39.1 The Directors shall cause proper accounting records to be kept and such other books and registers as are necessary to comply with the provisions of the Act.

39.2 The accounting records shall be kept at the office or (subject to the provisions of the Act) at such other place in Great Britain as the Board thinks fit, and shall always be open to inspection by the Directors of the Company. No member of the Company (other than a Director) shall have any right of inspecting any accounting record or book or document except as conferred by law, by order of the court or authorised by the Board or the Company by ordinary resolution.

39.3 The Board shall in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Act. The Board shall in its report state the amount (if any) which it recommends to be paid by way of dividend.



39.4 A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and auditors' reports shall, at least twenty one clear days before the annual general meeting before which they are to be laid, be delivered or sent by post to the registered address of every member and every debenture holder of the Company or, in the case of joint holders of any share or debenture, to one of the joint holders and to the auditors for the time being of the Company and to every other person who is entitled to receive notice of general meetings. If all or any of the shares in or debentures of the Company are for the time being listed on the London Stock Exchange or dealt in on the Alternative Investment Market there shall at the same time be forwarded to The London Stock Exchange such number of copies of each of these documents as may be required by the regulations for the time being of the London Stock Exchange. This Article shall not require a copy of these documents to be sent to any person to whom copies need not be sent under the Act. The requirements of this Article shall be deemed satisfied in relation to members by sending to each member instead of the documents referred to above, where permitted by the Act, a summary financial statement derived from the Company's annual accounts and the directors' report and prepared in the form and containing the information prescribe by the Statutes and any regulations made thereunder. Where it does so, the statement shall be delivered or sent by post to the member not less than twenty one (21) days before the annual general meeting before which those documents are to be laid.

#### **40 Audit**

40.1 Auditors of the Company shall be appointed and their duties, powers and rights regulated in accordance with the Act.

40.2 The Auditors' report to the members made pursuant to the statutory provisions as to audit shall be read before the Company in general meeting and shall be open to inspection by any member; and in accordance with the Act every member shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed thereto) and Auditors' report.

#### **41 Authentication of Documents**

41.1 Any Director or the secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board or any committee and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the office the officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

41.2 A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Board or of any committee which is certified as such in accordance with Article 41.1 shall be conclusive evidence in favour of all persons dealing with the Company on the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting.

#### **42 Record Dates**

Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any shares and subject always to the Act, the Company or the Board may by resolution fix a date as the record date for any dividend, distribution, allotment or issue and

such record date may be on or at any time within six months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

### **43 Dividends**

- 43.1 Subject to the Act and these Articles the Company may by ordinary resolution declare that out of profits available for distribution there be paid dividends to members in accordance with their respective rights and priorities; but no dividend shall exceed the amount recommended by the Board.
- 43.2 Except as otherwise provided by the rights (if any) attached to shares with preferential or other special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid; but no amount paid on a share in advance of the date upon which a call is payable shall be treated for the purposes of this Article or the next following Article as paid up on the share.
- 43.3 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the ordinary shares during any portion or portions of the period in respect of which the dividend is paid; but, if any ordinary share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date, such ordinary share shall rank (subject to the provisions of the Act) for or be entitled to dividend accordingly.
- 43.4 Any general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets and, in particular, of fully paid up shares or debentures of any other company. The Board shall give effect to such direction so far as they are able. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks expedient, and in particular but without limitation may issue fractional certificates or ignore fractions and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specific assets in trustees, upon trust for the persons entitled to the dividend, as may seem expedient to the Board and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part thereof, and otherwise as they think fit.
- 43.5 Subject to the provisions of the Act and of these Articles the Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the distributable profits of the Company and the position of the Company. The Board may also pay the fixed dividend payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates whenever such profits in the opinion of the Board justify that course. In particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes the Board may pay interim dividends on shares in the capital of the Company which confer deferred or non-preferential rights as well as in respect of shares which confer preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear. Provided the Board acts in good faith the Board shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
- 43.6 The Board may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or

otherwise in relation to shares in the Company and may apply the monies so deducted in satisfaction of such amounts payable by such member to the Company.

- 43.7 All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution of the Board may determine, notwithstanding any subsequent transfer or transmission of shares.
- 43.8 The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.
- 43.9 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise expressly provided by the rights attached to the share. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company absolutely. All dividends, interest or other sum payable and unclaimed for twelve (12) months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof.
- 43.10 Any dividend or other moneys payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the person entitled thereto or by any other method (including by electronic media) as the Board may consider appropriate and in case of joint holders to anyone of such joint holders, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct, and shall be sent at the risk of the member or other person entitled thereto, and payment of the cheque or warrant shall be a good discharge to the Company. Where an authority in that behalf shall have been received by the Company in such form as the Company shall consider sufficient the Company may pay the amount distributable to such member or person to his bankers or other agents and payment in accordance with such authority shall constitute a good discharge therefor and the Company shall have no responsibility for any sums lost or delayed in the course of any transfer or when it has acted on any relevant directions.
- 43.11 If several persons are entered in the register as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
- 43.12 The Board may, if authorised by an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to any holders of ordinary shares the right to elect to receive additional ordinary shares, credited as fully paid, in lieu of cash in respect of any dividend or any part of any dividend specified by the ordinary resolution. The following provisions shall apply:
- (a) the ordinary resolution may specify a particular dividend or dividends, or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the Annual General Meeting next following the date of the meeting at which the ordinary resolution is passed;
  - (b) the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to

(but not greater than) the cash amount (disregarding any tax credit) that the shareholder would have received by way of dividend. For this purpose **relevant value** shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the Alternative Investment Market of the London Stock Exchange or any successor thereto on the day on which the ordinary shares are first quoted **ex** the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution or as the Board may determine on such basis as it considers fair and reasonable, but shall never be less than the par value of the new ordinary share. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;

- (c) the Board, after determining the basis of allotment, may notify the relevant shareholders in writing of the right of election offered to them and shall send with or following such notification forms of election and specify the procedure to be followed and place at which, and the latest time by which, duly completed forms of election must be lodged in order to be effective;
- (d) no fractions of a shares shall be allotted. The Board may make such provisions as it thinks fit for any fractional entitlement including provisions whereby, in whole or in part, the benefits thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such member of fully paid ordinary shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlements;
- (e) the Board may exclude from any offer any holders of ordinary shares where the Board believe that the making of the offer of them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them;
- (f) 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 of which an election has been duly made (the **elected shares**) and instead additional ordinary shares shall be allotted to the holders of the elected shares on the basis of allotment calculated as aforesaid. For such purpose the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including share premium account, any capital redemption reserve or otherwise available for distribution as the Board 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 shares on that basis;
- (g) a Board resolution capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 45 and in relation to any such capitalisation the Board may exercise all the powers conferred on them by Article 45 without need of such ordinary resolution;
- (h) the Board may establish or vary from time to time a procedure for election mandates in respect of future rights of election and may determine that every duly affected

election in respect of any ordinary shares shall be binding on every successor in title to the holder thereof;

- (i) the additional Ordinary shares when allotted shall rank pari passu in all respects with each other and with the fully paid Ordinary shares then in issue except that they will not be entitled to participate in the relevant dividend (including the share election in lieu of dividend);
- (j) in relation to any particular proposed dividend the directors may in their absolute discretion withdraw the offer previously made to Ordinary shareholders to elect to receive additional Ordinary shares in lieu of cash dividend (or part thereof) at any time prior to the allotment of the additional Ordinary shares.

#### **44 Reserves**

44.1 The Board may, before recommending any dividend (whether preferential or otherwise), set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied. Pending such application such reserves may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

#### **45 Capitalisation of Reserves**

45.1 The Board may with the authority of the Company in general meeting resolve that it is desirable to capitalise all or any part of the profits of the Company to which this Article applies and accordingly that the Board be authorised and directed to appropriate the profits so resolved to be capitalised to the members on the record date specified in the relevant resolution or determined as therein provided who would have been entitled thereto if distributed by way of dividend and in the same proportions.

45.2 Subject to any direction given by the Company, the Board shall appropriate the profits resolved to be capitalised by any such resolution, and apply such profits on behalf of the members entitled thereto either:

- (a) in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively; or
- (b) in paying up in full unissued shares, debentures or obligations of the Company, of a nominal amount equal to such profits, for allotment and distribution, credited as fully paid, to and amongst such members in the proportions referred to above;
- (c) or partly in one way and partly in the other; provided that no unrealised profit shall be applied in paying up amounts unpaid on any issued shares and the only purpose to which sums standing to capital redemption reserve or share premium account shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed to members credited as fully paid.

45.3 The Board shall have power after the passing of any such resolution:

- (a) to make such provision (by the issue of fractional certificates or by payment in cash or otherwise) as it thinks fit for the case of shares, debentures or obligations becoming distributable in fractions such power to include the right for the Company to retain small amounts the cost of distribution of which would be disproportionate to the amounts involved;
- (b) to authorise any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing (as the case may require) either for the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares; or for the allotment to such members respectively, credited as fully paid, of any further shares, debentures or obligations to which they may be entitled upon such capitalisation; and any agreement made under such authority shall be effective and binding on all such members.

45.4 The Company in general meeting may resolve that any shares allotted pursuant to this Article to holders of any partly paid Ordinary shares shall, so long as such Ordinary shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends.

45.5 The profits of the Company to which this Article applies shall be any profits of the Company not required for paying the fixed dividends on any preference shares or other shares issued on special conditions and shall also be deemed to include:

- (a) any profits arising from appreciation in capital assets (whether realised by sale or ascertained by valuation); and
- (b) any amounts for the time being standing to any reserve or reserves or to the capital redemption reserve or to share premium or other special account.

## **46 Notices**

46.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing, except that a notice convening a board or board committee meeting need not be in writing.

46.2 Any notice or document may be given or served by the Company on any member either personally or by sending it by post or other delivery service in a prepaid envelope addressed to such member at his address as appearing in the register or by any other means authorised in writing by the member concerned including using electronic communication to an address which the member shall have given to the Company or by posting the notice or document on a website where the member has been notified of the publication of the notice or document on the website, the address of the website, the place where the notice or document can be accessed, how to access the notice or document and the period of time for which the notice or document is available on the website. In this Article an address in relation to electronic communication includes any member or address used for the purpose of such communication.

46.3 Any notice or document posted on a website in accordance with Article 46.2 must be available on a website for a period of not less than 21 days from the date of notification or, if later, until the conclusion of any general meeting to which the notice or document relates. If the notice or document is published on a website for part only of this period, it will be treated as being published for the 21 day period if the failure to publish the notice or document for the

21 day period is wholly attributable to circumstances which it would not be reasonable to expect the Company to prevent or avoid.

- 46.4 Any notice sent by electronic communication must be made available to members in printed form and free of charge on request during normal business hours for a period of 21 days from the date of communication or, if later, until the conclusion of the general meeting to which the notice or document relates. The printed copies must be made available in sufficient numbers to satisfy demand from its members and be made available at the Company's registered office and at the offices of the Company's paying agents, if any.
- 46.5 In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders. In the case of a member registered on an overseas branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.
- 46.6 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of twenty-four hours after the envelope containing it was posted (if it was posted first class) or forty eight hours after the envelope containing it was posted (if it was posted second class). A notice contained in an electronic communication shall be deemed served at the expiration of forty eight hours after the time it was sent. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that notice was given.
- 46.7 Any notice, certificate or other document not sent by post but delivered or left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day on which it was so delivered or left.
- 46.8 Any member (or, in the case of joint holders, the person first named in the register) whose address in the register is not within the United Kingdom, who gives to the Company an address within the United Kingdom at which notices may be served upon him, or an address to which notices may be sent using electronic communication, shall be entitled to have notices served upon him at such address; but, otherwise, no member other than a member whose address in the register is within the United Kingdom shall be entitled to receive any notice from the Company.
- 46.9 Every person who by operation of law, transfer or other means whatsoever becomes entitled to a share shall be bound by any notice in respect of such share which, before his name is entered in the register of members, has been duly given to the person from whom he derives his title provided that such person shall not be bound by any notice given by the Company under Section 793 of the Act or under Article 17.
- 46.10 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting or a meeting of the holders of any class of shares by notices sent through the post a general meeting may be convened by a notice advertised on the same date in at least two national daily newspapers with appropriate circulations (at least one of which shall be published in London) and, where the Company keeps an overseas branch register, in at least one daily newspaper published in the territory in which such register is maintained and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

- 46.11 Any member present, either personally or by proxy, at any general meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.
- 46.12 Any notice or document delivered in pursuance of these Articles shall, notwithstanding that such member is then dead, bankrupt, of unsound mind or (being a corporation) in liquidation, and whether or not the Company has notice of the death, bankruptcy, insanity or liquidation of such member, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder unless his name has at the time of the service of the notice or document been removed from the register of members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- 46.13 If on three consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for service of notices.

#### **47 Untraced Members**

- 47.1 The Company shall be entitled to sell at the best price reasonably obtainable the shares or stock of a member or the shares or stock to which a person is entitled by transmission on death or bankruptcy if and provided that:
- (a) during a period of twelve years all dividends, warrants and cheques in respect of the shares in question sent in the manner authorised by these Articles have remained uncashed and during such period at least three dividends in respect of the shares in question have been paid by the Company;
  - (b) on or after expiry of the period of twelve years mentioned in Article 47.1(a) the Company shall have inserted advertisements in one national daily newspaper and one newspaper circulating in the area in which the registered or last known address of the member is located giving notice of its intention to sell the said shares;
  - (c) the said advertisements, if not published on the same day, shall be published within thirty days of each other;
  - (d) during the period of twelve years mentioned in Article 47.1(a) and a further period of three months following the date of publication of the advertisements mentioned in Article 47.1(b) (or, if published on different dates, the later or latest thereof) and prior to the exercise of the power of sale the Company shall not have received any communication that would enable the Company to trace such member or person entitled by transmission; and
  - (e) the Company shall have given notice to the Quotations Department of the London Stock Exchange (if relevant) in accordance with its requirements of its intention to make such sale.
- 47.2 To give effect to any such sale the Board may appoint any person to execute as transferor an instrument of transfer of the said shares or stock. Such instrument of transfer shall be as



effective as if it had been executed by the holder of or person entitled by transmission to any such shares or stock. The title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto including without limitation absence of a share certificate.

47.3 The net proceeds of sale shall belong to the Company which (unless the Board shall resolve otherwise) shall not:

- (a) be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds; and
- (b) (until the Company has so accounted) enter the name of such former member or other person in the books of the Company as a creditor for such amount.

47.4 If the Board resolves that the said net proceeds of sale shall belong to such former member or other person previously entitled, no trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may think fit. If during the period of twelve years referred to in this Article 47 or during any period ending on the date when all the requirements of Articles 47.1 to 47.3 have been satisfied any additional shares or stock have been issued in right of those held at the beginning of, or previously similarly issued during, those periods and all the requirements of Articles 47.1 to 47.3 have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.

47.5 A person entitled to any share or stock in consequence of the death, mental disorder or bankruptcy of a member, on supplying to the Company such evidence as the Board may reasonably require to show his title to that share and an address within the United Kingdom for the service of notices, shall be entitled to have served on or delivered to him at such address any notice or document to which the member but for his death, mental disorder or bankruptcy would have been entitled, and such service or delivery shall be deemed a sufficient service or delivery of such notice or document for all purposes 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 last registered address of any member pursuant to these Articles shall (notwithstanding that such member be then dead or bankrupt or in liquidation or that a receiver has been appointed for him under the Mental Health Act 1983 or the Mental Health (Care and Treatment) (Scotland) Act 2003 be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first named joint holder.

## **48 Destruction of Documents**

48.1 The Company shall be entitled to destroy all instruments of transfer of shares of the Company which shall have been registered and all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfer and records similar to any of the foregoing applications for allotment in respect of which an entry in the register shall have been made at any time after the expiration of six years from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be) and all registered certificates for shares of the Company (being certificates for shares in the name of a transferor and in particular respect whereof the Company has registered a transfer) after one year from the date on which it is cancelled and all mandates and other written directions as to the payment of dividends (being mandates or directions which have been

cancelled) and all notifications of change of name or address at any time after the expiration of two years from the date of cancellation or the recording thereof (as the case may be).

- 48.2 It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned was in accordance with the recorded particulars thereof in the books or records of the Company provided always that:
- (a) the foregoing provisions shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;
  - (c) references herein to the destruction of any document include references to its disposal in any manner;
  - (d) any document referred to in Article 48.1 above may be destroyed at a date earlier than that authorised by this Article provided that a permanent copy of such document shall have been made on microfiche or by other similar means which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Board shall take adequate precautions for guarding against falsification and for facilitating its production.

## **49 Winding Up**

- 49.1 The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.
- 49.2 If the Company is wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act:
- (a) divide among the members in specie the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or properties of different kinds, and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 110 of the Insolvency Act 1986;
  - (b) vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine and the liquidation of the Company may be closed and the Company dissolved.
- 49.3 No member shall be compelled to accept any assets on which there is a liability.

49.4 A special resolution sanctioning a transfer or sale to another company duly passed pursuant to Section 110 of the Insolvency Act 1986 may, in the like manner, authorise the distribution of any shares or other consideration receivable by the liquidator amongst the members otherwise than in accordance with their existing rights, and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

## **50 Indemnity**

50.1 Subject to the provisions of the Act but without prejudice to any indemnity to which he may be otherwise entitled every Director, alternate Director, secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in Section 533 of the Act), which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

50.2 The Company may purchase and maintain for any director, other officer or employee of the Company insurance against any liability which by virtue of any law would attach to him in respect of any negligence, default, breach of duty or breach of trust he may be guilty of in relation to the Company.