

**THE COMPANIES ACT 2006**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**NEW**  
**ARTICLES OF ASSOCIATION**  
**of**  
**ANDINA PLC**



**N A B A R R O**

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**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**ANDINA PLC**

**PRELIMINARY**

**1. OTHER REGULATIONS EXCLUDED**

The following regulations shall be the articles of association of the Company to the exclusion of any regulation or article prescribed by or pursuant to any statute concerning companies.

**2. INTERPRETATION**

2.1 In these regulations, the following definitions apply:

**"acting in concert"**

refers to persons who, pursuant to an agreement, arrangement or understanding (whether formal or informal) cooperate to obtain, consolidate or exercise control of Ordinary Shares, or interests in Ordinary Shares, carrying voting rights in relation to the Company. In interpreting this definition, the Board shall have regard to how the Panel interprets similar (but not identical) provisions applying to the City Code;

**"AIM"**

means the AIM market operated by the London Stock Exchange;

**"AIM Rules"**

means the latest edition of "AIM Rules for Companies" issued by the London Stock Exchange, as amended from time to time;

**"Arrears"**

means in relation to any dividend payable on a share, all accruals, deficiencies and arrears of such dividend;

**"Articles"**

means the articles of association of the Company;

**"Auditors"**

means the auditors of the Company;

**"Board"**

means the board of Directors or the Directors present at a duly convened and quorate meeting of Directors or a duly authorised committee of the Directors as the context requires;

**"cash memorandum account"**

means an account so designated by the operator of the relevant system concerned;

**"certificated share"**

means a share in the capital of the Company that is not an uncertificated share and references to a share being held in certificated form shall be construed accordingly;

**"City Code"**

means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel or any successor to or replacement thereof from time to time issued by or on behalf of the Panel or, for the avoidance of doubt, any successor thereto or replacement body thereof;

**"clear days"**

means in relation to a period of notice or otherwise, that period excluding the day when the notice or other document is received or deemed to be received and the day for which it is sent or on which it is to take effect;

**"communication"**

includes, but is not limited to, a communication comprising sounds or images or both and a communication effecting a payment;

**"Companies Act"**

means the Companies Act 2006;

**"Company"**

means Andina PLC;

**"Director"**

means a director of the Company;

**"Dividend"**

means a dividend and/or bonus;



**"electronic address"**

includes any number or address used for the purposes of sending or receiving notices, documents or information by electronic means;

**"electronic form"**

has the same meaning as in the Companies Act;

**"electronic means"**

has the same meaning as in the Companies Act;

**"entitled by transmission"**

means in relation to a share, entitled as a consequence of the death or bankruptcy of a Member or of another event giving rise to a transmission of entitlement by operation of law;

**"executed"**

includes signed, sealed or authenticated in some other way;

**"Group"**

means the Company and any company or other undertaking which is a Subsidiary Undertaking of the Company;

**"holder"**

means in relation to a share, the Member whose name is entered in the Register as the holder of that share;

**"London Stock Exchange"**

means London Stock Exchange plc;

**"Member"**

means a member of the Company;

**"month"**

means calendar month;

**"Office"**

means the registered office of the Company;

**"paid up"**

means paid up and/or credited as paid up;

**"Panel"**

means the Panel on Takeovers and Mergers in the United Kingdom, and any successor thereof or replacement body thereto;

**"person with mental disorder"**

means:

- (a) a person who is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
- (b) a person in respect of whom 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 guardian, receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

**"Preference Shares"**

means the redeemable preference shares of £1 each in the capital of the Company;

**"Prescribed Rate"**

means an annual rate of interest equal to two per cent above the prevailing base lending rate (or any equivalent or successor lending rate) of Barclays Bank plc in London;

**"Register"**

means the register of Members and includes so far as relevant and so long as the Uncertificated Securities Regulations so permit/require, a related operator register of Members;

**"relevant system"**

has the meaning given to it by **Article 2.2.3**;

**"seal"**

means the common seal of the Company and, as appropriate, any official or securities seal that the Company has or may be permitted to have under the Statutes;

**"Secretary"**

means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**"Statutes"**

means the Companies Act, the Uncertificated Securities Regulations and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company;

**"Sterling"**

means the lawful currency of the United Kingdom;

**"Subsidiary Undertaking"**

means a subsidiary undertaking of the Company which is required by the Statutes to be included in consolidated group accounts of the Company;

**"Uncertificated Securities Regulations"**

means the Uncertificated Securities Regulations 2001 (SI 2001/3755);

**"uncertificated share"**

means a share of a class in the capital of the Company which is recorded on the Register as being held in uncertificated form and title to which may, by virtue of the Uncertificated Securities Regulations, be transferred by means of a relevant system and references to a share being held in uncertificated form shall be construed as a reference to that share being an uncertificated unit of security;

**"UKLA"**

means the Financial Services Authority acting in its capacity as the competent authority for the purposes of part VI of the Financial Services and Markets Act 2000;

**"United Kingdom"**

means Great Britain and Northern Ireland;

**"written" or "in writing"**

means in writing, or in any way of representing or reproducing words legibly so that they are permanent and in either hard copy or electronic form.

2.2 In the Articles, unless the context otherwise requires:

2.2.1 references to persons include references to natural persons, companies and unincorporated bodies of persons;

2.2.2 words and expressions defined in the Statutes shall bear the same meaning in the Articles save that the word "company" shall include any body corporate (and excluding any modification of the Statutes not in force when these regulations became binding on the Company and words and expressions expressly defined in the Articles);

2.2.3 reference to a relevant system is to the relevant system in which a share is a participating security at the relevant time;

2.2.4 references to any provision of any statute, statutory instrument, rule, order or regulation include any amendment, replacement or restatement of that provision from time to time and any substituted provision of any amending, consolidating or replacement statute, statutory instrument, rule, order or regulation; and

2.2.5 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.

2.3 In the Articles:

2.3.1 the contents pages and headings are for convenience only and do not affect the construction of the Articles;

- 2.3.2 words denoting the singular include the plural and vice versa;
- 2.3.3 words denoting one gender include any other gender; and
- 2.3.4 references to "includes", "including" and "included" will be construed without limitation unless inconsistent with the context.
- 2.4 Where an ordinary resolution of the Company is required for any purpose, a special resolution is also effective for that purpose.

## **SHARE CAPITAL**

### **3. SHARES AND LIMITED LIABILITY**

The share capital of the Company at the date of adoption of the Articles is divided into ordinary shares of £0.10 each and redeemable preference shares of £1 each and the liability of the Members is limited to the amount, if any, unpaid on the shares held by them.

### **4. POWER TO ATTACH CLASS RIGHTS**

Subject to the Statutes and without prejudice to any special rights attached to any existing shares or class of shares, any share in the Company may be issued with or have attached to them such special rights, conditions or restrictions as the Company may by ordinary resolution direct or failing such direction (but in the case of unclassified shares only) as the Board may determine.

### **5. SHARE RIGHTS**

#### **Income**

- 5.1 The Preference Shares will confer on the holders of such shares the right (subject to Article 5.2) to receive a non-cumulative preferential cash dividend ("Preference Dividend") at the rate of 8 per cent per annum, ranking in priority to any payment of dividend to the holders of any other class of shares in the Company, on the amount paid up or credited as paid up on the Preference Shares (including any premium at which such shares were issued).
- 5.2 Subject to Article 5.13, the Preference Dividend will begin to accrue on a daily basis one year after the date of adoption of these Articles.
- 5.3 The Preference Dividend will first be payable in arrears on 30 June 2013 (in respect of the period commencing on the date of adoption of these Articles up to 30 June 2013) and afterwards yearly on 30 June in each year.
- 5.4 In the event that, whether by reason of any principle of law or otherwise, the Company is unable to pay in full on 30 June in any year or on any other due date (each of which dates is in this Article 5.4 referred to as a "Dividend Payment Date") the Preference Dividend which would otherwise be required to be paid pursuant to this Article on that Dividend Payment Date to any of the holders of the Preference Shares (in this Article 5.4 any such dividend being referred to as the "Relevant Preference Dividend") then the following provisions will apply:

- (a) on the due Dividend Payment Date the Company will pay to such holders on account of the Relevant Preference Dividend the maximum sum (if any) which can then consistently with any such principle of law be properly paid by the Company;
  - (b) on every succeeding Dividend Payment Date the Company will pay to such holders on account of the balance of the Relevant Preference Dividend from time to time remaining outstanding until the Relevant Preference Dividend shall have been paid in full, the maximum sum (if any) which on each such succeeding Dividend Date respectively can, consistently with any such principle of law, be properly paid by the Company.
- 5.5 The Preference Dividend and any Arrears of it will (despite anything to the contrary in these Articles and in particular despite the fact that there has not been a recommendation of the directors or a resolution of the Company in general meeting) be paid immediately on the due date and, if not then paid, will become a debt due from and immediately payable by the Company to the holders of the Preference Shares and be payable in priority to any other dividend.
- 5.6 No dividends will be declared or paid on any shares in respect of any financial year of the Company unless and until the Preference Dividend and any Arrears of it shall have been actually paid in full in respect of that financial year and in respect of all previous financial years of the Company.
- 5.7 The balance of the profits of the Company remaining after payment of the amounts referred to in Article 5.6 which the Company may determine to distribute in respect of a financial period will be distributed among the holders of the ordinary shares pro-rata according to the nominal amounts paid up or credited as paid up on such ordinary shares (excluding any premium at which such ordinary shares were issued) held by them respectively.

#### **Capital.**

- 5.8 On a return of assets on a liquidation or otherwise (except on a redemption in accordance with the terms of issue of any share, or purchase by the Company of any share or on a capitalisation issue) the surplus assets of the Company remaining after payment of its debts and liabilities (exclusive of any debts which have become due in accordance with this Article 5) will be applied:
- (a) first, in or towards paying to the holders of the Preference Shares in proportion to the amounts paid up or credited as paid up on such shares (including any premium at which such shares were issued) a sum equal to all Arrears of the Preference Dividend (whether earned or declared or not and irrespective of whether or not the Company has had at any time sufficient distributable profits to pay such Preference Dividend and irrespective of whether or not such Arrears have become due and payable in accordance with any of the provisions of this Article 5.8), such Arrears to be calculated down to the date of the return of assets on the basis that the Preference Dividend accrues due and payable on a daily basis;
  - (b) secondly, in or towards paying to the holders of the Preference Shares in proportion to the amounts paid up or credited as paid up on such Preference Shares (including any premium at which such shares were issued) the amounts so paid up or credited as paid up on them;
  - (c) thirdly, in or towards paying to the holders of ordinary shares in proportion to the amounts paid up or credited as paid up on such ordinary shares (including any

premium at which such shares were issued) the amounts so paid up or credited as paid up on them together with a sum equal to any Arrears of dividends on such shares;

- (d) fourthly, the balance (if any) of such surplus assets shall belong to and be distributed amongst the holders of the ordinary shares in proportion to the nominal amounts paid up or credited as paid up on such shares (excluding any premium at which such shares were issued) held by them respectively.

#### **Redemption of the Preference Shares.**

- 5.9 Subject to the provisions of the Act, the Company will have the right to redeem at any time as and from the date of adoption of these Articles and from time to time afterwards the whole or any part of the Preference Shares from time to time issued and outstanding.
- 5.10 Not less than 14 days prior to any redemption of Preference Shares under Articles 5.9 or 5.11, the Company will give notice to the holders of the Preference Shares specifying the total amount of Preference Shares to be redeemed on that occasion, the number of such holder's Preference Shares to be redeemed in accordance with Article 5.12, the applicable redemption date and the place within England at which the certificates for such Preference Shares (or such other evidence as to title as the directors may require) are to be presented for redemption. On such redemption date each of the holders of the Preference Shares will be bound to deliver to the Company at such place the certificates (or such other evidence as mentioned above) for such of the Preference Shares concerned as are held by him. On such delivery the Company will pay to such holder (or, in the case of joint holders to any of such joint holders) the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any Preference Shares not to be redeemed on the relevant redemption date a fresh certificate for such Preference Shares will be issued free of charge to the holder delivering such certificate to the Company.
- 5.11 Despite anything else contained in these Articles, the Company will, at the option of each holder of Preference Shares, redeem all of the Preference Shares held by such holder from time to time issued and outstanding at any time on or after the date being five years after the date of adoption of these Articles. Such option will be exercised by notice in writing given by the relevant holder of Preference Shares to the Company. The redemption of the Preference Shares will take place on the last day of the period of 14 days following the date of service of such notice.
- 5.12 In the case of a partial redemption, the Preference Shares to be redeemed on such occasion will be selected, as nearly as possible, in proportion to the number of Preference Shares held by each holder of Preference Shares.
- 5.13 On each such redemption pursuant to Articles 5.9, 5.11 and 5.12 above, the holders of the Preference Shares being redeemed will be paid the amount paid up or credited as paid up on such shares (including any premium at which such shares were issued) together with a sum equal to any Arrears of the Preference Dividend (whether earned or declared or not and irrespective of whether or not such Arrears have become due and payable in accordance with any of the provisions of this Article) calculated to the date of such redemption and on the basis that the Preference Dividend accrues due and payable on a daily basis provided that if all of the Preference Shares are redeemed before 30 September 2012 no Preference Dividend shall be deemed to have accrued on those Preference Shares.

- 5.14 As from the date fixed for redemption of the Preference Shares, dividends will cease to accrue on such shares except on any Preference Shares in respect of which, upon due presentation of the certificate relating to them in accordance with the provisions of this Article, payment of the moneys due on redemption is refused and all rights in respect of any Preference Shares will cease on redemption of them. Redemption moneys which are not claimed on the date fixed for redemption of any of the Preference Shares will not bear interest against the Company. In the event that it would be unlawful to pay the redemption moneys or any Arrears of dividend on redemption, such redemption moneys or Arrears will be paid as soon as such payment becomes lawful.
- 5.15 The receipt of the registered holder (or, in the case of joint holders, the receipt of any of such joint holders) from time to time of any Preference Shares being redeemed for the moneys payable on redemption of such shares will constitute an absolute discharge to the Company in respect of such moneys.
- 5.16 The amount due in respect of all Preference Shares to be redeemed in accordance with this Article will, by the mere fact, and without any resolution of the directors and despite any failure to comply or delay in complying with the procedure for delivery of share certificates (or other evidence as to title) set out in this Article, constitute a debt due and payable by the Company on the redemption date to the holders of the Preference Shares so to be redeemed.
- 5.17 Except as mentioned above, redemption of the Preference Shares will be effected in such manner as the directors may reasonably determine and as may be permitted by law.

**Voting.**

- 5.17.1 The Preference Shares will entitle the holders of such shares to receive notice of and to attend (either in person or by proxy) at any general meeting of the Company but not to speak or vote at any such meeting unless:
- (a) a resolution to vary, modify, alter or abrogate (whether directly or indirectly) any of the rights, privileges, limitations or restrictions attaching to the Preference Shares; or
  - (b) a resolution to wind-up the Company or to reduce its share capital,
- is proposed at the meeting (in which case the holders of the Preference Shares will be entitled to vote only on such resolution) in which event every holder of Preference Shares who is present at a meeting in person or by proxy will, upon a show of hands, have one vote and, upon a poll, every holder of Preference Shares who is present in person or by proxy will have one vote for every Preference Share held by him.
- 5.17.2 The ordinary shares will entitle the holders of such shares to receive notice of and to attend (either in person or by proxy) at any general meeting of the Company and every such holder who is present at a meeting in person or by proxy will, upon a show of hands, have one vote and, upon a poll, every shareholder who is present in person or by proxy will have one vote for every ordinary share held by him.

**Other matters.**

- 5.17.3 Except as specified in these Articles, all shares will rank equally.

- 5.17.4 The Company will procure that each of its subsidiaries, if any, which has profits available for distribution shall from time to time will declare and pay to the Company such dividends to the extent possible as are necessary to permit lawful and prompt payment by the Company of the Preference Dividend and any Arrears of the Preference Dividend and the lawful and prompt redemption of the Preference Shares in accordance with these Articles.
- 5.17.5 The Preference Shares will not confer on the holders of such shares any rights to participate in the profits or assets of the Company or to vote except for those rights expressly set out in these Articles.

## **6. AUTHORITY OF BOARD TO ALLOT SHARES**

- 6.1 Subject to the Statutes and to the authority contained in a resolution of the Company in general meeting creating or authorising the same, the Board is generally and unconditionally authorised to allot or grant options over, offer or otherwise deal with or dispose of any shares in the capital of the Company or right to subscribe for or convert any security into shares to such persons, at such times and for such consideration and generally on such terms and conditions as it may determine.
- 6.2 Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

## **7. COMMISSIONS**

The Company may exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Subject to the Statutes and the requirements of AIM or the London Stock Exchange (as the case may be), any such commission or brokerage may be satisfied in cash or by the allotment of fully or partly paid shares in the Company or the grant of an option to call for an allotment of shares or any combination of such or other methods as the Board may determine.

## **8. TRUSTS NOT RECOGNISED**

Save as provided by the Articles or as ordered by a court of competent jurisdiction or otherwise required by law, no person shall be recognised (even when notice is given) by the Company as holding any share upon any trust and the Company shall not be bound by or required to recognise any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share, other than an absolute right to the whole of the share in the holder.

## **9. REDEEMABLE SHARES**

The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the Member and the Directors may determine the terms, conditions and manner of redemption of any such shares.



## 10. VARIATION OF CLASS RIGHTS

- 10.1 Subject to the Statutes, the rights attached to any class of shares may, whether or not the Company is being wound up, be modified, varied or abrogated:
- 10.1.1 in such manner (if any) as may be provided by those rights; or
- 10.1.2 in the absence of any such provision, either with the consent in writing of the holders of at least three quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of that class and then only subject to section 633 of the Companies Act.
- 10.2 The rights attached to any class of share are not, unless otherwise expressly provided by the Articles or in the rights attaching to the shares of that class, deemed to be modified, varied or abrogated by the creation or issue of further shares ranking pari passu (save as to the date from which such further shares shall rank for dividend) with every other share of that class or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Statutes and the Articles.

## 11. CLASS MEETINGS

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as a general meeting except that the necessary quorum (other than at an adjourned meeting) is two persons, present in person or by proxy, holding or representing by proxy at least one third in nominal value of the capital paid up on the issued shares of the class (excluding any shares of that class held as treasury shares) and, at an adjourned meeting, one person holding shares of the class in question present in person or by proxy and any holder of shares of the class in question present in person or by proxy and entitled to vote at the meeting may demand a poll and shall be entitled on a poll to one vote for every share of that class of which he is the holder. No Member, other than a Director, is entitled to notice of a separate class meeting or to attend unless he is a holder of shares of that class and no vote may be given except in respect of a share of that class.

## UNCERTIFICATED SHARES

### 12. UNCERTIFICATED SHARES

- 12.1 Subject to the Uncertificated Securities Regulations, the Board may permit shares of any class to be held in uncertificated form and to be transferred by means of a relevant system and may determine that any class of shares shall cease to be a participating security. Where the Board permits shares to be held in uncertificated form, **Articles** 12.4 and 12.5 shall commence to have effect immediately prior to the time at which the operator of the relevant system concerned permits the class of shares to be a participating security.
- 12.2 Conversion of shares held in certificated form into shares held in uncertificated form, and vice versa, may be made in such manner as the Board may in its absolute discretion think fit (subject to the Uncertificated Securities Regulations and the facilities and requirements of the relevant system).

- 12.3 Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class is held in uncertificated form or is permitted in accordance with the Uncertificated Securities Regulations to become a participating security.
- 12.4 In relation to any class of shares which is at the relevant time a participating security, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:
- 12.4.1 the holding of shares of that class in uncertificated form;
- 12.4.2 the transfer of title to shares of that class by means of a relevant system; or
- 12.4.3 the provisions of the Uncertificated Securities Regulations,
- and, without prejudice to the generality of this Article, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the operator of the relevant system, so long as that is permitted or required by the Uncertificated Securities Regulations, of an operator register of securities in respect of shares of that class in uncertificated form.
- 12.5 Without prejudice to the generality of **Article 12.4** and notwithstanding anything contained in these Articles, where any class of shares is, for the time being, a participating security (such class being the "**Relevant Class**"):
- 12.5.1 the register relating to the Relevant Class shall be maintained at all times in the United Kingdom; and
- 12.5.2 unless the Board otherwise determines, shares of the Relevant Class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings.

### **13. COMPANY'S RIGHTS IN RESPECT OF UNCERTIFICATED SHARES**

Where any class of shares is a participating security and the Company is entitled under the Statutes or the Articles to sell, transfer, dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the Statutes and the Articles and the facilities and requirements of the relevant system:

- 13.1 to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;
- 13.2 to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice;
- 13.3 to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice;

- 13.4 to take any action that the Board considers appropriate to achieve the sale, transfer, disposal of, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of it; and
- 13.5 to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations and regularly reconciled with the relevant operator register of securities are a complete and accurate reproduction of the particulars entered in the operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance upon such assumption; in particular, any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on such information.

## SHARE CERTIFICATES

### 14. RIGHT TO SHARE CERTIFICATE

- 14.1 Subject to the Statutes, a person (except a financial institution in respect of which the Company is not required to complete and have ready for delivery a certificate) on becoming the holder of a share is entitled to receive, within two months after allotment (or such longer period as the terms of issue shall provide) or the lodgement of transfer, without payment, one certificate for all the certificated shares of each class registered in his name. In the case of joint holders, the Company shall not be bound to issue more than one certificate to all the joint holders and the receipt of a certificate by whichever of them is named first in the Register shall be sufficient in respect of all of them. Where part of the shares comprised in a certificate are transferred, the Member transferring is entitled, without payment, to a certificate for his retained holding. Certificated shares of different classes may not be included in the same certificate.
- 14.2 Every certificate shall be issued under the seal or in accordance with **Article** 128 or 129 or with such other form of authentication as the Board may determine having regard to the terms of issue and the requirements of the AIM Rules and the London Stock Exchange (as the case may be) and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up on them.
- 14.3 No Member shall be entitled to more than one certificate in respect of any one share held by him.

### 15. REPLACEMENT CERTIFICATES

- 15.1 Where a Member holds two or more certificates for certificated shares of one class, the Board may at his request, on surrender of the original certificates and without payment, cancel the certificates and issue a single replacement certificate.
- 15.2 At the request of a Member, the Board may cancel a certificate and issue two or more in its place (representing certificated shares in such proportions as the Member may specify) on surrender of the original certificate and on payment of such reasonable sum as the Board may determine.

- 15.3 If any share certificate is worn out, defaced, destroyed or lost, the Board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity (with or without security) and to payment of exceptional out-of-pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity and security as the Board may decide, but otherwise without charge and, where it is worn out or defaced, on delivery up of the old certificate.

## **CALLS ON SHARES**

### **16. CALLS**

- 16.1 The Board may, subject to the Articles and to any conditions of allotment, make such calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or premium) as it thinks fit and each Member shall (subject to receiving at least 14 clear days' notice specifying the time and place of payment) pay the amount of every call so made upon his shares to the Company at the time and place so specified.
- 16.2 A call may be made payable by instalments.
- 16.3 A call is deemed made as soon as the resolution of the Board authorising such call is passed and an entry in the minute book of a resolution of the Board making the call is conclusive evidence of the making of the call.
- 16.4 A call may be revoked or postponed in whole or in part as the Board may determine.
- 16.5 The joint holders of a share are jointly and severally liable to pay all calls in respect of the share. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made.

### **17. INTEREST ON UNPAID CALLS**

If any amount in respect of any call or instalment of a call is not paid on or before the day appointed for payment, the person from whom the amount of the call or instalment is due shall pay interest from day to day on such amount at the Prescribed Rate from and including that date until but excluding the date of actual payment and all costs, charges and expenses that may have been incurred by reason of such non-payment. The Board may, if it thinks fit, waive payment of such interest or costs, charges or expenses in whole or in part.

### **18. AMOUNTS DUE ON ALLOTMENT TREATED AS CALLS**

Any amount which by the terms of allotment of a share is made payable upon allotment or at any fixed date whether on account of the nominal amount of the share or premium for all purposes of the Articles is deemed to be a call duly made, notified and payable on the date fixed for payment and, in case of non-payment, the provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such amount were a call duly made and notified.

**19. POWER TO DIFFERENTIATE**

The Board may, if it thinks fit, on the issue of shares differentiate between the holders of such shares as to the amount of calls to be paid and the time of payment of such calls.

**20. PAYMENT IN ADVANCE**

The Board may receive from any Member willing to advance the same, all or any part of the amounts uncalled and unpaid on shares held by him. The Board may pay interest from day to day on the amount paid in advance (until the same would, but for such advance, become presently payable) not exceeding, without the consent of the Company in general meeting, the Prescribed Rate.

**FORFEITURE**

**21. NOTICE IF CALL NOT PAID**

If a Member fails to pay in full any call or instalment of a call on or before the day appointed for payment, the Board may send a notice to him or to a person entitled by transmission to the share in respect of which the call was made requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all costs, charges and expenses incurred by the Company by reason of such non-payment.

**22. SHARES LIABLE TO BE FORFEITED**

The notice shall name a further day (not being less than 14 clear days following the date on which the notice is deemed received) on or before which, and the place where, the payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

**23. FORFEITURE**

If the notice referred to in the previous Article is not complied with, any share in respect of which it has been given may, at any time before payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends declared or other amounts payable in respect of the forfeited share and not actually paid before forfeiture.

**24. NOTICE AFTER FORFEITURE**

When a share has been forfeited, the Company shall send notice of the forfeiture to the person who was before forfeiture the holder of the share or the person entitled by transmission to the share. An entry of the fact and date of forfeiture shall be made in the Register. No forfeiture is invalidated by an omission to send such notice or to make those entries.

## **25. DISPOSAL OF FORFEITED SHARE**

Subject to the Statutes, a forfeited share and all rights attaching to it shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was its holder before such forfeiture or to any other person on such terms and in such manner as the Board shall think fit. At any time before a sale, re-allotment or disposal, the forfeiture may be cancelled on such terms as the Board may think fit. Where a forfeited share held in certificated form is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of a forfeited share to the transferee. Where a forfeited share held in uncertificated form is to be transferred to any person, the Board may exercise any of the Company's powers under **Article 13.3** to effect the transfer of the share to that person. The Company may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.

## **26. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

A Member whose shares have been forfeited shall cease to be a Member in respect of such shares and shall, if the share is a certificated share, surrender to the Company the certificate for the forfeited shares. He remains liable to pay and shall immediately pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with daily interest from the time of forfeiture until payment at the Prescribed Rate.

## **27. EVIDENCE OF FORFEITURE**

A statutory declaration that the declarant is the Secretary or a Director and that a share has been forfeited on a date stated in the declaration is conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share and such declaration shall (subject, if necessary, to the execution of an instrument of transfer or transfer by means of the relevant system, as the case may be) constitute good title to the share. The person to whom the share is disposed of shall be registered as the holder of the share and is not bound to see to the application of the purchase money (if any) and his title to the share is not affected by any irregularity in or invalidity of the proceedings with reference to the forfeiture or disposal of the share.

## **28. SURRENDER**

The Board may accept a surrender of any share liable to be forfeited under this Article and in that case references in the Articles to forfeiture shall include surrender.

## **LIEN**

### **29. LIEN ON SHARES NOT FULLY PAID**

The Company has a first and paramount lien on every share (not being a share which is fully paid up) registered in the name of any Member, either alone or jointly with any other person, for all moneys payable in respect of the share, whether the due date for the payment has arrived or

not. The lien extends to all dividends from time to time declared or other moneys payable in respect of the share but the Board may at any time declare any share to be exempt, in whole or in part, from this Article.

### **30. ENFORCEMENT OF LIEN BY SALE**

For the purposes of enforcing the lien the Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 clear days after a notice in writing stating and demanding payment of the amounts presently payable and giving notice of intention to sell in default, has been given to the holder of the share or the person entitled by transmission to the share. To give effect to a sale, the Board may, if the shares are certificated shares, authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder or the person entitled by transmission to, or in accordance with the directions of, the purchaser. If the shares are uncertificated shares the Board may exercise any of the Company's powers under **Article 13.3** to effect the transfer of the shares to, or in accordance with the directions of, the purchaser. The purchaser is not bound to see to the application of the purchase money and his title to the share is not affected by any irregularity in or invalidity of the proceedings connected with the sale.

### **31. APPLICATION OF PROCEEDS OF SALE**

The net proceeds of a sale effected by the preceding Article, after payment of the costs of the sale, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable. Any residue shall (whether the shares sold are certificated shares or uncertificated shares, subject to a like lien for any moneys not presently payable as existed upon the shares prior to the sale and, if the shares sold are certificated shares, on surrender to the Company for cancellation of the certificate for the shares sold or the provision of an indemnity (with or without security) as to any lost or destroyed certificate required by the Board) be paid to the holder of or the person entitled by transmission to the shares immediately prior to the sale.

## **TRANSFER OF SHARES**

### **32. FORM OF TRANSFER**

Subject to the Articles, any Member may transfer all or any of his certificated shares by instrument of transfer in any usual form or in such other form as the Board may approve and the instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it. Transfers of shares in uncertificated form shall be effected by means of the relevant system in accordance with the Statutes and the Articles.

### **33. RIGHT TO REFUSE REGISTRATION**

- 33.1 Subject to **Article 41**, the Board may refuse to register a transfer of a certificated share unless the instrument of transfer:
- 33.1.1 is in respect of only one class of shares;
  - 33.1.2 is in favour of not more than four joint transferees;
  - 33.1.3 is duly stamped (if required);
  - 33.1.4 is not in favour of a minor, infant, bankrupt or person with mental disorder; and
  - 33.1.5 is lodged at the Office or such other place as the Board may decide accompanied by the certificate for the shares to which it relates (save in the case of a transfer by a recognised person to whom no certificate was issued) and such other evidence (if any) as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- 33.2 The Board may in its absolute discretion and without assigning any reasons therefor, refuse to register any transfer of a certificated share which is not fully paid, provided that this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.
- 33.3 The Board may, in circumstances permitted by the UKLA and the London Stock Exchange, disapprove the transfer of a certificated share provided that exercise of such powers does not disturb the market in the shares.
- 33.4 The Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the UKLA, the London Stock Exchange, the Uncertificated Securities Regulations and the rules and practices of the operator of the relevant system provided that exercise of such powers does not disturb the market in the shares.

### **34. NOTICE OF REFUSAL TO REGISTER**

If the Board refuses to register a transfer of any share it shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company or the operator instruction was received, as the case may be, send to the transferee notice of the refusal together with reasons for the refusal. The Directors shall send to the transferee such further information about the reasons for the refusal as the transferee may reasonably request.

### **35. FEES ON REGISTRATION**

No fee shall be charged for the registration of a transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

### **36. RETENTION OF INSTRUMENTS OF TRANSFER**

Subject to **Article 37**, all instruments of transfer which are registered may be retained by the Company but any instrument of transfer which the Board refuses to register shall (except in the



case of suspected fraud) be returned to the person depositing it when notice of the refusal is given.

### **37. DESTRUCTION OF DOCUMENTS**

- 37.1 The Company may destroy:
- 37.1.1 all instruments of transfer of shares which have been registered or operator instructions for the transfer of shares, and all other documents on the basis of which any entry is made in the Register, at any time after the expiration of six years following the date of registration;
  - 37.1.2 all dividend mandates or any variation or cancellation of them or notifications of change of address (including an electronic address) or name at any time after the expiration of two years from the date of recording them; and
  - 37.1.3 all cancelled share certificates at any time after the expiration of one year from the date of cancellation.
- 37.2 It shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company.
- 37.3 This **Article 37** shall apply only to the destruction of documents in good faith and without notice of any claim to the Company (regardless of the parties to the claim) that the document might be relevant to the claim.
- 37.4 Nothing in this **Article 37** imposes on the Company any liability in respect of the destruction of any such document earlier than provided for in this **Article 37** or in any case where the conditions of this **Article 37** are not fulfilled.
- 37.5 References in this **Article 37** to the destruction of any document include references to its disposal in any manner.

### **TRANSMISSION OF SHARES**

#### **38. ON DEATH**

If a Member dies, the survivor or survivors (where the deceased was a joint holder) and the executors or administrators of the deceased (where he was a sole or only surviving holder) shall be the only persons recognised by the Company as having any title to his interest in the shares. Nothing in the Articles releases the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

#### **39. ELECTION OF PERSON ENTITLED BY TRANSMISSION**

- 39.1 Any person becoming entitled by transmission to a share may, upon such evidence as to title being provided as the Board may require and subject to these Articles, elect either to be

registered himself as holder of the share or have a person nominated by him registered as holder. All the Articles relating to the transfer of shares apply to any such election as if the death or bankruptcy or other event giving rise to transmission had not occurred and the election was a transfer by the Member.

- 39.2 If any person becoming entitled by transmission to a certificated share elects to be registered himself he shall give notice in writing to the Company to that effect. If he elects to have another person registered, and the share is a certificated share, he shall execute an instrument of transfer of the share to that person. If he elects to become holder or have another person registered and the share is an uncertificated share, he shall take any action the Board may require (including without limitation the execution of any document and the giving of any instruction by means of a relevant system) to enable himself or that person to be registered as the holder of the share.
- 39.3 The Board may give notice requiring a person to make the election referred to in this **Article 39**. If that notice is not complied with within 60 days the Board may withhold payment of all dividends and other amounts payable in respect of the share until the election has been made.

#### **40. RIGHTS ON TRANSMISSION**

Subject to the Articles, a person becoming entitled by transmission to a share shall be entitled to receive, and may give a good discharge for, all benefits arising or accruing on or in respect of the share and the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the person entitled by transmission is not entitled to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a Member in respect of the share. Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease.

#### **DISCLOSURE OF INTERESTS IN SHARES**

##### **41. SANCTIONS FOR FAILURE TO DISCLOSE INTEREST IN SHARES**

Where notice is served by the Company under section 793 of the Companies Act (a "**section 793 notice**") on a Member, or another person whom the Company knows or has reasonable cause to believe to be interested in shares held by that Member, and the Member or other person has failed in relation to any shares (the "**default shares**", which expression includes any shares issued to such Member after the date of the section 793 notice in respect of those shares) to give the Company the information required within 14 days following the date of service of the section 793 notice, the Board may serve on the holder of such default shares a notice (a "**disenfranchisement notice**") whereupon the following sanctions apply, unless the Board otherwise decides:

- 41.1 the Member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll; and

- 41.2 where the default shares represent at least 0.25 per cent in nominal value of the issued shares of their class (calculated exclusive of any shares held as treasury shares):
- 41.2.1 a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the Member is not entitled to elect, under **Article 146**, to receive shares instead of a dividend; and
- 41.2.2 no transfer of any of the default shares shall be registered unless:
- (a) the transfer is an excepted transfer; or
  - (b) the Member is not himself in default in supplying the information required and the Member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer; or
  - (c) registration of the transfer is required by the Uncertificated Securities Regulations,
- (and, for the purpose of ensuring this **Article 41.2.2** can apply to all shares held by the holder, the Company may, in accordance with the Uncertificated Securities Regulations, issue written notification to the operator of the relevant system requiring the conversion into certificated form of any shares held by the holder in uncertificated form).

## **42. REMOVAL OF SANCTIONS**

The sanctions under **Article 41** cease to apply seven days after the earlier of receipt by the Company of:

- 42.1 notice of registration of an excepted transfer, in relation to the default shares the subject of the excepted transfer; and
- 43.2 all information required by the section 793 notice, in a form satisfactory to the Board, in relation to any default shares.

## **43. NOTICE TO PERSON OTHER THAN A MEMBER**

Where, on the basis of information obtained from a Member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 notice to the Member, but the accidental omission to do so, or the non-receipt by the Member of the copy, does not invalidate or otherwise affect the application of **Article 41**.

## **44. INTEREST IN SHARES, FAILURE TO GIVE INFORMATION AND EXCEPTED TRANSFERS**

- 44.1 For the purpose of **Articles 41** to **43**:
- 44.1.1 "**interested**" has the meaning given to it in sections 820 to 825 of the Companies Act;
- 44.1.2 reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes:
- (a) reference to his having failed or refused to give all or any part of it; and

- (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

44.1.3 **"excepted transfer"** means, in relation to shares held by a Member:

- (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Companies Act); or
- (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or
- (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the Member and with any other person appearing to be interested in the shares.

44.2 **Articles 41 to 44** are in addition to and without prejudice to the Statutes.

## **ALTERATIONS TO CAPITAL**

### **45. CONSOLIDATION AND SUB-DIVISION**

Subject to the Companies Act, the Company may by ordinary resolution:

- 45.1 consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; and
- 45.2 sub-divide all or any of its shares into shares of a smaller amount (provided that the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived) and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

### **46. FRACTIONS**

If, as the result of consolidation and division or sub-division of shares, Members become entitled to fractions of a share, the Board may on behalf of the Members deal with the fractions as it thinks fit. In particular, the Board may:

- 46.1 sell fractions of a share to a person (including, subject to the Statutes, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than five pounds (£5), or such other sum as the Board may decide, the sum may be retained for the benefit of the Company). Where certificated shares are to be sold, the Board may authorise a person to execute an instrument of transfer of shares to, or in accordance with the directions of, the purchaser and may cause the name of the purchaser or transferee to be entered in the Register as the holder of the shares. Where uncertificated shares are to be

sold, the Board may do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the purchaser. The purchaser need not be further concerned with the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or

- 46.2 subject to the Statutes, issue to a Member credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the Board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the Board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company under **Article 147**. In relation to the capitalisation the Board may exercise all the powers conferred on it by **Article 147** without an ordinary resolution of the Company.

## **GENERAL MEETINGS**

### **47. ANNUAL GENERAL MEETING**

An annual general meeting of the Company shall be held in each year (in addition to any other meetings which may be held in that year) and such meeting shall be specified as the annual general meeting in the notice calling it. Subject to this Article and the Statutes, the annual general meeting shall be held at such time and place as the Board shall decide.

### **48. CONVENING OF GENERAL MEETINGS**

The Board may convene general meetings. The Board must convene a general meeting on receipt of a requisition in accordance with the Statutes or, in default, a general meeting may be convened by such requisitionists, as provided by the Statutes. If at any time there are not sufficient Directors capable of acting to form a quorum of the Board, any Director may convene a general meeting. If there is no Director, any Member may convene a general meeting. In the case of a general meeting convened on a requisition or by requisitionists, no business other than that stated in the requisition or proposed by the Board shall be transacted.

### **49. LENGTH AND FORM OF NOTICE**

An annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed for public companies under the Companies Act. Notice shall be given to such Members as are, under the Articles, or the terms of issue of shares, entitled to receive such notices from the Company and to the Directors and the Auditors. Every notice of meeting shall specify the place, date and time of the meeting and the general nature of the business to be transacted and, if a meeting is convened to pass a special resolution, the intention to propose the resolution as a special resolution. Where the

Company has given an electronic address in any notice of meeting, any documents or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice.

#### **50. OMISSION TO SEND NOTICE**

The accidental omission to send notice of any general meeting or, in cases where it is sent out with the notice, an invitation to appoint a proxy, to, or the failure to send either due to circumstances beyond the Company's control to, or the non-receipt of either by, any person entitled to receive notice does not invalidate any resolution passed or proceedings held at that meeting

### **PROCEEDINGS AT GENERAL MEETINGS**

#### **51. QUORUM**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two persons entitled to vote, each being a Member or a proxy for a Member or a duly authorised representative of a corporation which is a Member (including for this purpose two persons who are proxies or corporate representatives of the same Member), shall be a quorum at any general meeting including, without limitation, any adjourned general meetings. The absence of a quorum does not prevent the appointment of a chairman in accordance with the Articles, which is not treated as part of the business of the meeting.

#### **52. CHAIRMAN**

The chairman of the Board or, in his absence, the deputy chairman shall preside at every general meeting; but if there is no chairman or deputy chairman or neither is willing or able to preside or if neither is present within 15 minutes after the time fixed for the start of the meeting, the Directors present shall choose a Director or, if only one Director is present and willing to act, he shall be chairman. In default, the Members present in person or by proxy shall choose one of their number to be chairman of the meeting.

#### **53. QUORUM NOT PRESENT**

- 53.1 If within 15 minutes (or such longer period as the chairman in his absolute discretion may decide) from the time fixed for the start of a general meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting, if convened by or on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time and place as the chairman of the meeting may decide.
- 53.2 At an adjourned meeting if a quorum is not present within 15 minutes (or such longer period as the chairman in his absolute discretion may decide) from the time fixed for the start of the meeting or if during the adjourned meeting a quorum ceases to be present the adjourned meeting shall be dissolved.

- 53.3 The Company shall give not less than 10 clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

#### **54. ADJOURNED MEETING**

- 54.1 The chairman of the meeting may, with the consent of the meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place or for an indefinite period. Without prejudice to any other power which he may have under the Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to:
- 54.1.1 secure the proper and orderly conduct of the meeting; or
  - 54.1.2 give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or
  - 54.1.3 ensure that the business of the meeting is properly dealt with.
- 54.2 Whenever a meeting is adjourned for 14 days or more or for an indefinite period, at least seven clear days' notice, specifying the place, date and time of the adjourned meeting shall be given as in the case of an original meeting and the general nature of the business to be transacted.
- 54.3 Except in the circumstances set out in **Articles** 53.3 and 54.2, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

#### **55. ACCOMMODATION OF MEMBERS AT MEETING**

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all Members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a Member who is unable to be accommodated is able:

- 55.1 to participate in the business for which the meeting has been convened;
- 55.2 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
- 55.3 to be heard and seen by all other persons present in the same way.

#### **56. SECURITY**

The Board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that may be taken into the meeting place. The Board is entitled to refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions.

## **57. ORDER OF MEETING**

Subject to the Statutes, the chairman shall take such action as he thinks fit to promote the orderly conduct of general meetings. The decision of the chairman on points of order, matters of procedure or arising incidentally out of the business of the meeting shall be final and conclusive, as shall be his determination, in good faith, whether any point or matter is of such a nature.

## **58. AMENDMENT OF RESOLUTIONS**

58.1 A special resolution may be amended by ordinary resolution if:

58.1.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

58.1.2 the amendment does not go beyond what is necessary to correct a clear error in the resolution.

58.2 An ordinary resolution may be amended if:

58.2.1 written notice of the terms of the proposed amendment and of the intention to move the amendment have been delivered to the Company at the Office at least 48 hours before the time for holding the meeting or the adjourned meeting at which the ordinary resolution in question is proposed and the proposed amendment does not, in the reasonable opinion of the chairman, materially alter the scope of the resolution; or

58.2.2 the chairman of the meeting, in his absolute discretion, decides that the proposed amendment may be considered or voted on.

58.3 With the consent of the chairman, an amendment may be withdrawn by its proposer before it is voted on. If an amendment proposed to any resolution under consideration is ruled out of order by the chairman, the proceedings on the resolution shall not be invalidated by any error in the ruling.

## **VOTING**

### **59. METHOD OF VOTING**

59.1 At a general meeting, a resolution put to the vote of the meeting is decided on a show of hands unless, before a vote on a show of hands on that resolution or immediately after the declaration of the result of the show of hands, a poll is demanded by:

59.1.1 the chairman of the meeting; or

59.1.2 the Directors; or

59.1.3 no fewer than five Members present in person or by proxy and entitled to vote at the meeting; or

59.1.4 a Member or Members present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or



59.1.5 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.

59.2 Unless a poll is demanded and the demand is not withdrawn a declaration by the chairman of the meeting that a resolution has, on a show of hands, 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 of the Company, is conclusive evidence of the fact without proof of the votes recorded in favour of or against such resolution.

## **60. PROCEDURE ON A POLL**

60.1 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time (not being more than 30 days from the date of the meeting or the adjourned meeting at which such poll is demanded) and place and in such manner as the chairman of the meeting directs and the result of the poll is deemed to be the resolution of the meeting at which the poll is demanded. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

60.2 If a poll is properly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be Members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.

60.3 The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. In the case of a poll demanded before the declaration of the result of a show of hands, where the demand is subsequently duly withdrawn, the meeting shall continue as if the demand had not been made.

60.4 The demand for a poll (other than on the election of the chairman or on a question of adjournment) does not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

## **61. CASTING VOTE**

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting is entitled to a further or casting vote in addition to the votes to which he may be entitled as a Member.

## **62. OBJECTION TO AND ERROR IN VOTING**

Any objection raised to the qualification of any voter, or to the counting of or failure to count any vote, does not invalidate the decision of the meeting on any resolution unless it is raised at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error

occurs. Any objection or error raised in due time shall be referred to the chairman of the meeting and only invalidates the decision of the meeting on any resolution if the chairman decides that the same is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman on such matters is final and conclusive.

### 63. VOTES OF MEMBERS

63.1 Subject to Article 5 and any special terms as to voting upon which any share may be issued, or may be held, on a show of hands every Member present in person and entitled to vote has one vote, and on a poll every Member present in person or by proxy and entitled to vote has one vote for every share of which he is the holder.

63.2 Subject to **Articles** 5, 63.3 and 63.4, on a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more Members entitled to vote on the resolution has one vote.

63.3 On a vote on a resolution on a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if:

63.3.1 the proxy has been duly appointed by more than one Member entitled to vote on the resolution, and

63.3.2 the proxy has been instructed by one or more of those Members to vote for the resolution and by one or more other of those Members to vote against it.

63.4 On a vote on a resolution on a show of hands at a meeting, if:

63.4.1 a proxy has been duly appointed by more than one Member entitled to vote on the resolution; and

63.4.2 the proxy has been instructed by one or more Members ("**Member(s) A**") to vote in a certain manner and has been given discretionary authority by one or more other Members ("**Member(s) B**") to vote in relation to the resolution in the manner such proxy deems fit,

such proxy is entitled, pursuant to the discretionary authority granted by Member(s) B, to cast a second vote which is contrary to the manner in which such proxy voted in accordance with the instructions of Member(s) A.

63.5 If any Member is a person with mental disorder or is otherwise incapacitated he may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court either personally or by proxy if such evidence as the Board may reasonably require of the authority of the person claiming to exercise the right to vote is received at the Office (or other place or electronic address specified in accordance with the Articles for the receipt of appointments of proxy) within the time limits prescribed by the Articles for the receipt of appointments of proxy for use at the meeting or adjourned meeting or poll at which such person is to vote.

63.6 If two or more persons are jointly entitled to 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 holders of the share and seniority is determined by the order in which the names stand in the Register.

#### **64. RESTRICTION ON VOTING RIGHTS**

No Member is entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll, unless all calls or other moneys due and payable in respect of the Member's share or shares have been paid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of non-payment.

#### **65. VOTING BY PROXY**

A proxy need not be a Member and a Member may appoint one or more than one person to act as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. References in the Articles to the appointment of a proxy include references to the appointment of multiple proxies. On a poll votes may be given in person or by proxy and a Member entitled to more than one vote need not, if he votes, use all of his votes or cast all the votes he uses in the same way. The appointment of a proxy does not prevent a Member from attending and voting in person at the meeting or an adjournment or on a poll. The appointment of a proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. The appointment of a proxy is valid for 12 months following the date of execution unless terminated earlier.

#### **66. APPOINTMENT OF MORE THAN ONE PROXY**

If a Member appoints more than one person to act as his proxy, the appointment of each proxy shall specify the shares held by the Member in respect of which each proxy is to vote and no Member may appoint more than one proxy (save in the alternate) to vote in respect of any one share held by that Member. When two or more valid appointments of proxy are received for the same share for use at the same meeting, the one which is last validly received (regardless of its date or 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 of any of such two or more valid instruments of proxy was last received, none of them shall be treated as valid in respect of that share.

#### **67. EXECUTION OF PROXY**

The appointment of a proxy shall be in any usual form or in such other form as the Board may approve executed by the appointor or his attorney who is authorised so to execute, or if the appointor is a corporation, executed under its seal or signed by an officer of the corporation or an attorney or other person authorised so to sign. The Board may require reasonable evidence of authority of such officer or attorney or other person in accordance with the Companies Act.

#### **68. PROXIES SENT OR SUPPLIED IN ELECTRONIC FORM**

The Board may allow an appointment of proxy to be sent or supplied in electronic form subject to any conditions or limitations as the Board may specify, and where the Company has given an electronic address in any instrument of proxy or invitation to appoint a proxy, any document or

information relating to proxies for the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

## **69. PROXY VALID THOUGH AUTHORITY REVOKED**

A vote given or poll demanded by a proxy or authorised representative of a company is valid notwithstanding termination of his authority unless notice of the termination is received at the Office (or at such other place at which the instrument of proxy was duly received or, where the appointment of the proxy was in electronic form, at the electronic address at which such appointment was duly received) at least 24 hours (or such shorter time as the Board may determine) before the time fixed for holding the meeting or adjourned meeting at which the vote is given or the poll demanded or (where the poll is taken other than on the same day as the meeting or adjourned meeting) the time fixed for the taking of the poll at which the vote is cast.

## **70. PROXY CAN DEMAND A POLL**

The appointment of a proxy is deemed also to confer authority (in accordance with section 329 of the Companies Act) to demand or join in demanding a poll and to vote on a resolution or other business which may properly come before the meeting or meetings for which it is given as the proxy thinks fit.

## **71. RECEIPT OF APPOINTMENTS OF PROXY**

71.1 The appointment of a proxy and the power of attorney or other authority, if any, under which it is executed, or a copy of the authority notarially certified, or certified in some other way approved by the Board, shall be:

71.1.1 in the case of an appointment in hard copy form, received at such place as may be specified for that purpose in the notice convening the meeting or in any form of appointment of proxy sent out by the Company in relation to the meeting or if no place is so specified at the Office not less than 48 hours before the time fixed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote; or

71.1.2 in the case of an appointment in electronic form, where an electronic address has been specified:

- (a) in the notice convening the meeting; or
- (b) in any form of appointment of proxy sent out by the Company in relation to the meeting; or
- (c) in any invitation to appoint a proxy issued by the Company in relation to the meeting,

received at such electronic address not less than 48 hours before the time fixed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the appointment proposes to vote; or

71.1.3 in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, received as required by

Articles 71.1.1 and 71.1.2 at least 24 hours before the time fixed for the holding of the adjourned meeting or the taking of the poll; or

- 71.1.4 in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, received at the adjourned meeting or at the meeting at which the poll was demanded by the chairman of the meeting or by the Secretary or by a Director.
- 71.2 The appointment of a proxy not delivered or received in accordance with this **Article 71** is invalid. The Board may specify in the notice convening the meeting that in determining the time for receipt of proxies under this Article, no account shall be taken of any part of a day that is not a working day.
- 71.3 In **Article 71.1.2**, "electronic address" includes, in the case of any Uncertificated Proxy Instructions permitted pursuant to **Article 71.4**, an identification number of a participant in the relevant system concerned.
- 71.4 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made in an Uncertificated Proxy Instruction, (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Board (subject always to the facilities and requirements of the relevant system concerned)); and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The Board may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The Board may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

## **72. SENDING INVITATIONS TO APPOINT A PROXY**

Subject to the Statutes, the Board may, at the expense of the Company, send or make available to all or none of the persons entitled to receive notice of and to vote at a meeting, invitations to appoint as proxy (with or without provision for their return prepaid) either in blank or nominating in the alternative any one or more of the Directors or the chairman of the meeting or any other person or persons. If sent the form of appointment shall provide for two-way voting (without prejudice to a right to abstain) on all resolutions set out in the notice of meeting.

## **73. COMPANY ACTING BY AUTHORISED REPRESENTATIVE**

Subject to the provisions of the Companies Act, a company which is a Member may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the Company or at any separate meeting of the holders of a class of shares. That company is, for the purposes of the Articles, treated as being present in person at a meeting if a person or persons so authorised is present. All references to attending and voting in person shall be construed accordingly, except that the

voting rights of persons so authorised shall be as set out in the Companies Act. A Director, the Secretary or any other person authorised for the purpose by the Secretary may require a person or persons so authorised to produce a certified copy of the resolution of authorisation before permitting him or them to exercise their powers.

## **APPOINTMENT OF DIRECTORS**

### **74. POWER OF COMPANY TO APPOINT DIRECTORS**

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

### **75. NUMBER OF DIRECTORS**

Unless and until otherwise determined by the Company by ordinary resolution the number of Directors is not subject to a maximum but must not be fewer than four.

### **76. POWER OF THE BOARD TO APPOINT DIRECTORS**

The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board, but the total number of Directors may not exceed a maximum number fixed in accordance with the Articles. A Director so appointed shall hold office only until the dissolution of the annual general meeting following next after his appointment, unless he is reappointed during the meeting. A Director so retiring shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

### **77. NO SHARE QUALIFICATION**

A Director shall not require a share qualification, but shall (whether he holds shares or not) be entitled to attend and speak at any general meeting of, or at any separate meeting of the holders of any class of shares in, the Company.

## **EXECUTIVE DIRECTORS**

### **78. APPOINTMENT OF EXECUTIVE DIRECTORS**

The Board may appoint one or more of its body to hold executive office, including the office of managing or joint or assistant managing director or to any other office (save that of auditor) or employment in the Company. Any such appointments shall be on such terms (including remuneration) and for such period as the Board may determine, subject to the Statutes.

## **79. TERMINATION OF EXECUTIVE OFFICE**

The appointment of any Director to any executive office may be terminated by the Board, without prejudice to any claim he may have for damages for breach of contract. A Director appointed to any executive office shall not automatically cease to be a Director if he ceases from any cause to hold that executive office.

## **80. POWERS OF EXECUTIVE DIRECTOR**

The Board may delegate to a Director holding any executive office any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit. The Board may revoke or alter the terms and conditions of the delegation and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the executive Director.

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

### **81. VACATION OF OFFICE BY DIRECTOR**

81.1 The office of a Director shall be vacated if:

- 81.1.1 he ceases to be a Director by virtue of any provision of the Statutes, is removed from office pursuant to any provision of the Articles or he becomes prohibited by law from being a Director; or
- 81.1.2 he becomes bankrupt, has an interim receiving order made against him 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 or an analogous event occurs in another jurisdiction; or
- 81.1.3 he is a person with mental disorder and the Board resolves that his office be vacated; or
- 81.1.4 he resigns by notice to the Company sent to the Secretary at the Office or tendered at a Board meeting; or
- 81.1.5 he does not attend any Board meetings for a period of six months without the Board's permission and the Board resolves that his office be vacated; or
- 81.1.6 he is removed from office by notice to him signed by or on behalf of all the other Directors which removal shall be treated as an act of the Company and shall have effect without prejudice to any claim he may have for damages for breach of contract.

81.2 A resolution of the Board declaring a Director to have vacated office under the terms of this **Article 81** is conclusive as to the fact and grounds of vacation stated in the resolution.

### **82. RETIREMENT BY ROTATION**

Each Director shall retire from office at the third annual general meeting after that at which he was last elected.

### **83. DIRECTORS SUBJECT TO RETIREMENT**

Subject to the Statutes and the Articles, the Directors to retire by rotation at the annual general meeting in every year shall be in addition to any Director who wishes to retire and not to offer himself for reappointment and any Director to retire under **Article 76**.

### **84. POSITION OF RETIRING DIRECTOR**

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

### **85. DEEMED REAPPOINTMENT**

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

### **86. ELIGIBILITY OF NEW DIRECTORS**

No person other than a Director retiring at the meeting is eligible for appointment or reappointment as a Director at any general meeting unless he is recommended by the Board for election, or, not less than seven nor more than 42 days before the day fixed for the meeting, notice in writing to the Secretary at the Office executed by a Member qualified to be present and vote at the meeting has been sent of his intention to propose such person for appointment or reappointment, accompanied by notice in writing, executed by the person to be proposed, of his willingness to be appointed or reappointed. The notice from the Member shall give the particulars in respect of that person which would (if he were appointed or reappointed) be required to be included in the Company's register of Directors.

### **87. VOTING ON RESOLUTION FOR APPOINTMENT**

Every resolution of a general meeting for the appointment or reappointment of a Director shall relate to one named person and a single resolution for the appointment or reappointment of two or more persons as Directors is void, unless an ordinary resolution that the resolution is proposed in this way has first been agreed to by the meeting without any vote being given against it.

### **88. REMOVAL BY ORDINARY RESOLUTION**

In addition to any power of the Company under the Statutes to remove a Director, the Company may by ordinary resolution remove any Director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract) and may, subject to the Articles, by ordinary resolution appoint another Director, who is willing to act, in his place. Special notice in accordance with section 312 of the Companies Act shall be given of such



resolution to remove a Director or appoint a replacement. A person appointed in place of a Director so removed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director.

## **DIRECTORS' REMUNERATION, EXPENSES AND BENEFITS**

### **89. DIRECTORS' FEES**

There shall be available to be paid out of the funds of the Company to the Directors as fees in each year an aggregate sum not exceeding £100,000 as the Board may determine, such sum to be divided among such Directors in such proportions as the Board may decide or, in default of agreement, equally. Any Director holding the office of director for part of a year shall, unless otherwise agreed, be entitled only to a proportionate part of such fee. The Company may by ordinary resolution increase the amount of the fees payable under this Article. A fee payable pursuant to this Article is distinct from any salary, remuneration or other amount payable to him under any other Article and accrues from day to day.

### **90. EXPENSES**

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in the performance of their duties as Directors, including their expenses of travelling to and from meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of a class of shares and any expenses incurred by them in obtaining independent professional advice.

### **91. REMUNERATION OF EXECUTIVE DIRECTORS**

The remuneration of a Director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money or in whole or in part by participation in profits or otherwise as the Board may determine and may be in addition to or instead of a fee payable to him for his services as Director pursuant to the Articles.

### **92. ADDITIONAL REMUNERATION**

The Board may grant reasonable additional remuneration and expenses to any Director who, at the request of the Board, goes or resides abroad or renders any special or extra services to the Company, which may be paid by way of a lump sum, participation in profits or otherwise as the Board may determine.

### **93. DIRECTORS' PENSIONS AND OTHER BENEFITS**

93.1 The Board may establish, maintain, participate in or contribute to or procure the establishment or maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations,

gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of or who have at any time been Directors of the Company or of any company which is or was a member of the Group or any of their predecessors in business (and for any member of his family, including a spouse or civil partner or former spouse or former civil partner or a person who is or was dependent on him). Any Director or former Director shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments. The Board may arrange for this to be done by the Company either alone or in conjunction with any other person.

- 93.2 Subject to the Statutes, the Board may establish and maintain any employees' share scheme, share option or share incentive scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer, allotment or issue to trustees of shares in the Company or its holding company to be held for the benefit of employees (including Directors) of the Company and lend money to such trustees or employees to enable them to purchase such shares.

## CONFLICTS

### 94. AUTHORISATION OF CONFLICTS

- 94.1 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

94.1.1 any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and

94.1.2 a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of **Article 94.1.1** may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that the authorisation is only effective if:

94.1.3 any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

94.1.4 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

94.2 If a matter, or office, employment or position, has been authorised by the Directors in accordance with this Article then (subject to such terms and conditions, if any, as the Directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below):

94.2.1 the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a

disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;

94.2.2 the Director may absent himself from discussions, whether in meetings of the Directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position;

94.2.3 a Director shall not, by reason of his office as a Director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

## **INTERESTS OF DIRECTORS**

### **95. PERMITTED INTERESTS**

Subject to the Statutes and to **Article 97**, a Director, notwithstanding his office:

95.1 may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director and on such terms as to remuneration and otherwise as the Board may arrange. Any Director may act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for such professional services;

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

95.3 may be a member or director or other officer of or employed by or a party to a contract, transaction, arrangement or proposal with or be otherwise interested in a company promoted by the Company or in which the Company is otherwise interested;

95.4 unless otherwise agreed, is not liable to account to the Company for any remuneration, profit or other benefit received by him by virtue of such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit;

95.5 shall not infringe his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such office, employment, contract, arrangement, transaction or proposal or interest.

### **96. DECLARATION OF DIRECTOR'S INTEREST**

Without prejudice to the requirements of the Statutes, a Director who is in any way, directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration, if he knows his interest then exists, or, in any other case, at the next meeting of the Board after he knows that he is or has become interested. For the purposes of this Article, a general notice given to the Board by a Director to the effect that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, arrangement, transaction or

proposal in which a specified person or class of persons is interested is a sufficient declaration of interest in relation to that contract, transaction, arrangement or proposal. An interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.

## 97. LIMITATIONS ON VOTING OF INTERESTED DIRECTOR

Except as provided in this Article, a Director may not vote in respect of any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is, to his knowledge, materially interested, directly or indirectly, otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. This prohibition does not apply to any resolution concerning any of the following matters namely:

- 97.1 the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its Subsidiary Undertakings;
- 97.2 the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its Subsidiary Undertakings for which he himself has assumed responsibility, in whole or in part, under a guarantee or indemnity or by the giving of security;
- 97.3 a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its Subsidiary Undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- 97.4 a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise ("**relevant company**"), if he is not, directly or indirectly, the holder of or beneficially interested in one per cent or more of a class of equity share capital of the relevant company (calculated exclusive of any shares of that class in that relevant company held as treasury shares) or of the voting rights available to members of the relevant company or able to cause one per cent or more of those voting rights to be cast at his direction (and for the purposes of this Article, shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, shares comprised in a trust and in which the Director's interest is in reversion or is in remainder, if and so long as another person is entitled to receive the income from the trust, and shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder are disregarded);
- 97.5 a contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or personal pension plan or employees' share scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of HM Revenue & Customs for taxation purposes or which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the scheme or fund relates;

- 97.6 a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its Subsidiary Undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom it relates; or
- 97.7 a contract, arrangement, transaction or proposal concerning the maintenance or purchase of any insurance policy which the Company is empowered to purchase and/or maintain for the benefit of Directors or for the benefit of persons including Directors provided that "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him as referred to in **Article 164** or any other insurance for the benefit of persons including Directors.

## **98. RESTRICTIONS ON VOTING**

A Director may not vote or be counted in the quorum on a resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such cases each of the Directors concerned (if not otherwise debarred from voting under the Articles) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

## **99. MATERIALITY OF DIRECTOR'S INTEREST**

If any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in a quorum, the question shall be decided by a resolution of the remaining Directors or committee members present at the meeting and in the case of an equality of votes the chairman (unless he is the Director the materiality of whose interest or entitlement to vote is in issue) shall have a second or casting vote which shall be conclusive and binding.

## **100. DIRECTORS' INTEREST EXTENDS TO CONNECTED PERSONS**

For the purposes of **Articles 95 to 99**, the interest of a person who is for the purposes of the Statutes connected (within the meaning of section 252 of the Companies Act) with a Director is treated as the interest of the Director and, in relation to an alternate director, the interest of the Director appointing him shall be treated as the interest of the alternate director in addition to any interest which the alternative director otherwise has. **Articles 95 to 99** apply to an alternate director as if he were a Director otherwise appointed.

## **POWERS AND DUTIES OF DIRECTORS**

### **101. POWERS OF THE BOARD**

Subject to the Statutes, the memorandum of association of the Company and the Articles and to directions given by the Company in general meeting, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. No alteration of the Company's constitution and no direction made by the Company in general meeting invalidates any prior act of the Board which would have been valid if the alteration or direction had not been made. The general powers given by this Article shall not be limited by any special authority or power given to the Directors by any other Article.

### **102. DELEGATION TO COMMITTEES**

The Board may delegate any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more Directors and (if it thinks fit) one or more other persons, but only if a majority of the members of the committee are Directors or alternate directors 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 or alternate directors. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the delegation or discharge the committee in whole or in part and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the committee. Where the Articles refer to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to a committee, those Articles shall be construed as permitting the exercise of the power, authority or discretion by the committee.

### **103. LOCAL MANAGEMENT**

The Board may establish local or divisional boards or agencies for managing the affairs of the Company in a specified locality and may appoint any persons to be members of a local or divisional board or agency and may fix their remuneration and may delegate to any local or divisional board or agency any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the appointment or delegation and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional board or agency and may authorise the members of any local or divisional board or agency (or any of them) to fill any vacancy and to act notwithstanding any vacancy. Subject to any terms and conditions imposed by the Board, the proceedings of a local or divisional board or agency with two or more members are governed by those Articles that regulate the proceedings of the Board, so far as applicable.

### **104. POWER OF ATTORNEY**

The Board may by power of attorney or otherwise appoint any company, firm or person to be the agent or attorney of the Company and may delegate to that company, firm or person any of the powers, authorities and discretions exercisable by the Board for such purposes and for such

time and on such terms and conditions as it thinks fit. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the appointment or delegation and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the attorney or agent.

#### **105. EXERCISE OF VOTING POWERS**

The Board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of such power in favour of the appointment of a Director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

#### **106. PROVISION FOR EMPLOYEES ON CESSATION OR TRANSFER OF BUSINESS**

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

### **BORROWING POWERS**

#### **107. BORROWING POWERS**

107.1 Subject to this **Article** 107, the Board may exercise all the powers of the Company to borrow money.

107.2 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 Subsidiary Undertakings so as to secure (as regards Subsidiary Undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) remaining undischarged of all moneys borrowed by the Group does not at any time without the previous sanction of an ordinary resolution exceed a sum equal to twenty times the adjusted capital and reserves.

107.3 "**adjusted capital and reserves**" means a sum equal to the aggregate of:

107.3.1 the amount paid up on the allotted or issued share capital of the Company; and

107.3.2 the amount standing to the credit of the consolidated capital and revenue reserves of the Group (including any share premium account and capital redemption reserve) plus or minus the credit or debit balance, as the case may be, of the consolidated profit and loss account all as shown in the then latest audited consolidated balance sheet of the Group but adjusted as may be appropriate to reflect any variation since the date of that balance sheet in the amounts referred to in **Article** 107.3.1 and in the consolidated capital and revenue reserves of the Group 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) , including, without limitation:

- (a) any alteration resulting from any company becoming or ceasing to be a Subsidiary Undertaking since the date of the latest audited consolidated balance sheet of the Group and any variation in the interests of the Company in its Subsidiary Undertakings since such date; and
- (b) any alteration which would result from any transaction contemplated at the time when the adjusted total of the share capital and reserves is being computed or from any transaction carried out contemporaneously;

107.3.3 after deducting any amounts attributable to goodwill (but after adding back goodwill arising on consolidation);

107.3.4 after adding back any sums set aside or providing for taxation;

107.3.5 after deducting the amount of all dividends declared, recommended, made or paid by a member of the Group to a person other than a member of the Group out of profits accrued up to and including the date of, but not provided for in, the latest audited consolidated balance sheet;

107.3.6 after making such other adjustments (if any) as the Auditors consider appropriate.

107.4 For the purposes of this **Article** 107, the following (if not otherwise taken into account) are deemed to be moneys borrowed:

107.4.1 the principal amount outstanding in respect of any debentures or of any loan capital (whether secured or unsecured) of any member of the Group which are not beneficially owned within the Group;

107.4.2 the principal amount outstanding under any acceptance credit (not being an acceptance in relation to the purchase or sale of goods or services in the ordinary course of trading) opened by any bank or accepting house on behalf of or in favour of any member of the Group;

107.4.3 the nominal amount of any issued share capital and the principal amount of any debentures or other borrowed moneys of any person outside the Group the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by any member of the Group and the beneficial interest in which redemption or repayment is not owned by a member of the Group;

107.4.4 any fixed or minimum premium payable on final redemption or repayment of any borrowings which constitute moneys borrowed for the purposes of this **Article** 107;

107.4.5 the principal amount of any preference share capital of any Subsidiary Undertaking owned otherwise than by a member of the Group; and

107.4.6 the amounts which would be shown as outstanding in respect of any hire purchase commitments or finance lease obligations in an audited consolidated balance sheet for the Group, if such a balance sheet had been prepared in accordance with relevant generally accepted accounting principles or international accounting standards.



- 107.5 For the purpose of this **Article** 107 the following are not and are treated as not moneys borrowed:
- 107.5.1 all intra Group borrowings;
  - 107.5.2 amounts borrowed for the purpose of and applied within six months following being made in repaying (with or without any premium) any borrowings which constitute moneys borrowed for the purposes of this **Article** 107;
  - 107.5.3 the proportion of the borrowings which constitute moneys borrowed for the purpose of this **Article** 107 of a partly owned Subsidiary Undertaking which corresponds to the proportion of its equity share capital that is not beneficially owned, directly or indirectly, by another member of the Group;
  - 107.5.4 amounts borrowed for the purpose of financing any contract to the extent that any part of the price receivable by any member of the Group is guaranteed or insured by the Export Credits Guarantee Department 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;
  - 107.5.5 temporary debit balances with the bankers of any member of the Group or shown in a member's own books of account, in each case, arising by virtue of delay in clearing funds not exceeding 10 days;
  - 107.5.6 for a period of 12 months after the date on which a company becomes a member of the Group, moneys borrowed equal to the amount of borrowings outstanding of such a company at the date when it becomes a member to the extent that they exceed any increase in the limit referred to **Article** 107.2 arising out of the adjustments made to the adjusted capital and reserves on account of the transaction whereby such company becomes a member of the Group and of any other transaction effected during such period of a 12 months whereby the minority interest (if any) in such member is reduced;
  - 107.5.7 moneys advanced or paid to any member of the Group (or its agents or nominees) by customers of any member of the Group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Group;
  - 107.5.8 moneys held by any member of the Group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants;
  - 107.5.9 amounts due to trade creditors.
- 107.6 No lender or other person dealing with the Company shall be concerned to see or inquire whether the limit set out in this **Article** 107 is observed. No debt incurred or security given in excess of such limit is invalid or ineffectual except in the case of express notice given to the lender or the recipient of the security at the time when the debt is incurred or security given that the limit imposed by the Articles has been or will be exceeded.
- 107.7 A report or certificate of the Auditors as to the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed or to the effect that the limit imposed by this **Article** 107 has not been or will not be exceeded at any particular time or times is conclusive and binding on all concerned. Nevertheless the Board may at any time act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed and if in consequence the limit on moneys borrowed set out in this **Article** 107 is inadvertently exceeded, the amount of moneys borrowed equal to the

excess may be disregarded for 60 days after the date on which by reason of a determination of the Auditors or otherwise the Board becomes aware that this situation has or may have arisen.

- 107.8 Borrowed moneys of the Company or any one or more of its Subsidiary Undertakings expressed in or calculated by reference to a currency other than Sterling shall be translated into Sterling by reference either to the rate of exchange specified in a forward purchase contract, back to back loan, swap or other arrangement taken out or entered into to reduce the risk associated with fluctuations in rates of exchange or, if there is no such agreement, to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group or, if no such conversion was required or has yet taken place, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve.

## **108. POWERS TO MORTGAGE**

The Board may exercise all the powers of the Company to mortgage or charge all or part of the Company's undertaking, property and assets, both present and future, including uncalled capital and, subject to the Statutes, may issue or sell any bonds, loan notes, debentures and other securities for such purposes and on such terms as it thinks fit and whether outright or as collateral security for a debt, liability or obligation of the Company or a third party.

## **PROCEEDINGS OF THE BOARD**

### **109. BOARD MEETINGS**

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

### **110. QUORUM**

The quorum necessary for the transaction of business may be decided by the Board and until decided otherwise is four persons present in person or by alternate director. 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 but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting.

### **111. NOTICE OF BOARD MEETINGS**

A Director may, and on the request of a Director the Secretary shall, at any time call a meeting of the Board. It shall be necessary to send notice of a meeting of the Board to all the Directors and notice is treated as duly given to a Director if it is given to him personally or by word of mouth or sent to him by whatever means at his last known address or at another address or an electronic address from time to time notified by him to the Company for this purpose. A Director may waive the requirement that notice be sent to him of a Board meeting either prospectively or retrospectively. It shall not be necessary to send notice of a meeting of the Board to any Director absent from the United Kingdom save in any case where such absent Director leaves

an address (either inside or outside the United Kingdom) or an electronic address for the purpose in which case a notice sent to that address or in electronic form sent to such electronic address shall be deemed to constitute notice to the Director at the time when it is sent. Neither the accidental failure to send notice of a meeting of the Board to any Director nor the non-receipt in any case of such notice if sent shall invalidate the meeting or any resolution passed or business transacted at the meeting.

## **112. VOTING**

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

## **113. CHAIRMAN OF THE BOARD**

The Board may elect a chairman or deputy chairman, who shall preside at its meetings, but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor deputy chairman is present within five minutes after the time fixed for the start of the meeting or if neither of them is willing to act as chairman, the Board shall choose one of its number to be chairman of such meeting. The Board may decide the period for which he is or they are to hold office and may at any time remove him or them from office.

## **114. PROCEEDINGS OF A COMMITTEE**

114.1 Proceedings of a committee of the Board shall be conducted in accordance with any regulations that may from time to time be imposed upon it by the Board. Subject to those regulations and this **Article** 114, proceedings of a committee shall be governed by the Articles regulating the proceedings of the Board, so far as applicable.

114.2 Where the Board resolves to delegate any of its powers, authorities and discretions to a committee of one or more unnamed Directors, notice of a meeting of that committee need only be sent to the Director or Directors who form the committee.

## **115. VALIDITY OF PROCEEDINGS OF BOARD OR COMMITTEE**

All acts done in good faith by any meeting of the Board or of a committee of the Board or by any person acting as a Director, alternate director or committee are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or person acting or that they or any of them were disqualified from holding office or had ceased to hold office or were not entitled to vote, as valid as if every such person had been duly appointed and was qualified to be and had continued to be a Director, alternate director or member of a committee and entitled to vote.

## **116. MINUTES OF PROCEEDINGS**

116.1 The Board shall cause minutes to be made of all appointments of officers and committees made by the Board and of any remuneration fixed by the Board and the names of the Directors present at all meetings of the Board and committees of the Board, the Company or

the holders of a class of shares or debentures and all orders, resolutions and proceedings of such meetings and any such minutes of any meeting, if purporting to be signed by the chairman of the meeting, or by the chairman of the next succeeding meeting shall be conclusive evidence without any further proof of the matters stated in them.

- 116.2 Minutes shall be retained for at least 10 years from the date of the appointment or meeting and shall be kept available for inspection in accordance with the Companies Act.

#### **117. PARTICIPATION BY TELEPHONE, ETC.**

A Director or his alternate director or a member of a committee of the Board may participate in a meeting of the Board or of a committee of the Board through the medium of conference telephone or video conference or similar form of communication equipment notwithstanding that the persons participating may not all be meeting in one particular place if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

#### **118. BOARD RESOLUTION IN WRITING**

A resolution in writing executed by or on behalf of all the Directors entitled to receive notice of a Board meeting and not being less than a quorum or by all members of a committee of the Board is as valid and effective as a resolution passed at a Board meeting (or committee meeting, as the case may be) and may consist of several documents in the same form each duly executed by or on behalf of one or more of the Directors (or members of the committee) and any such resolution need not be executed by an alternate director if it is executed by the Director appointing him and a resolution executed by an alternate director need not be executed by the Director appointing him.

#### **119. NUMBER OF DIRECTORS LESS THAN MINIMUM**

If the number of Directors is reduced below the minimum number fixed in accordance with the Articles, the continuing Directors or Director may act only for the purpose of appointing an additional Director or Directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no Director or Directors is or are able or willing to act, two Members may convene a general meeting for the purpose of appointing Directors. An additional Director appointed in this way holds office (subject to the Articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

## **ALTERNATE DIRECTORS**

### **120. APPOINTMENT**

A Director (other than an alternate director) may, by notice executed by the appointing Director sent to the Secretary at the Office, or in any other manner approved by the Board, appoint another Director or any other person approved by the Board and willing to act to be his alternate director. No appointment of an alternate director who is not already a Director is effective until his consent to act as a Director in the form prescribed by the Statutes is received at the Office. An alternate director need not be a Member and is not counted in reckoning the number of Directors for the purpose of **Article 75**.

### **121. PARTICIPATION IN BOARD MEETINGS**

An alternate director is (subject to his giving to the Company an address within the United Kingdom or electronic address at which notice may be sent to him) entitled to notice of meetings of the Board and all committees of the Board of which the Director appointing him is a member and to attend and vote as a Director at any such meeting at which the Director appointing him is absent and to exercise all the powers, rights, duties and authorities of the Director appointing him except that it shall not be necessary to give notice of such meetings to an alternate director who is absent from the United Kingdom save in any case where such absent alternate director leaves an address or an electronic address for the purpose in which case a notice sent to that address or in electronic form sent to such electronic address shall be deemed to constitute notice to the alternate director at the time when it is dispatched or sent. A Director acting as alternate director has, in addition to his own vote, a separate vote at meetings of the Board and committees of the Board for each Director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

### **122. REMUNERATION AND EXPENSES**

The fee payable to an alternate director shall be payable out of the fee payable to the Director appointing him and shall consist of such portion (if any) of the fee as shall be agreed between the alternate director and the Director appointing him. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him had he been a Director. An alternate director is entitled to be indemnified by the Company to the same extent as if he were a Director.

### **123. REVOCATION OF APPOINTMENT**

A Director may, by notice sent to the Secretary at the Office, revoke the appointment of his alternate director. If a Director dies or ceases to hold the office of Director, the appointment of his alternate director ceases automatically. If a Director retires at any meeting (whether by rotation or otherwise) but is reappointed by the meeting at which such retirement took effect, any appointment made by him under this Article which was in force immediately prior to his retirement shall continue to operate after his reappointment as if he had not so retired. The

appointment of an alternate director ceases on the happening of an event which, if he were a Director otherwise appointed, would cause him to vacate office.

#### **124. RESPONSIBILITY**

An alternate director is not deemed to be the agent of the Director appointing him but is responsible for his own acts and defaults and is deemed to be an officer of the Company.

### **ASSOCIATE DIRECTORS**

#### **125. APPOINTMENT OF ASSOCIATE DIRECTOR**

The Board may appoint any person, not being a Director, to be an associate director of the Company or to an office or employment having a designation or title including the word "director" or may attach to an existing office or employment that designation or title and, subject to the provisions of any contract between him and the Company and rights attaching thereto, may terminate the appointment or use of that designation or title.

#### **126. EFFECT OF APPOINTMENT**

The appointment of a person to be an associate director or the inclusion of the word "director" in the designation or title of an office or employment shall not, save as otherwise agreed between him and the Company, affect the terms and conditions of his employment and shall not imply that the person has power to act as a Director or is entitled to receive notice of or attend or vote at meetings of the Directors and he is not deemed to be a Director for any of the purposes of the Articles.

#### **127. POWERS, DUTIES AND REMUNERATION**

The powers, duties and remuneration of an associate director or of any person having a designation or title including the word "director" shall be determined by the Board and the Board shall have the right to enter into any contract on behalf of the Company or transact any business of any description without the knowledge or approval of such persons, except that no act shall be done that would impose any personal liability on any or all of such persons except with his or their knowledge and consent.

### **SEALS**

#### **128. APPLICATION OF SEALS**

A seal may be used only by the authority of a resolution of the Board or a committee of the Board. The Board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share or other security certificate, on which the seal may be printed) either generally or in relation to a particular instrument or type of instrument. The Board may also decide, either

generally or in a particular case, that a signature may be dispensed with or applied by mechanical means.

#### **129. SIGNING OF SEALED DOCUMENTS**

Unless otherwise decided by the Board, certificates for shares or debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed and every other instrument to which a seal is affixed shall be signed by two authorised persons or by a Director in the presence of a witness who attests the signature, and for this purpose an authorised person is any Director or the Secretary.

#### **130. SEAL FOR USE FOR SHARE CERTIFICATES AND ABROAD**

The Board may exercise all the powers of the Company conferred by the Statutes with regard to having an official seal kept by virtue of section 50 of the Companies Act and an official seal for use abroad.

### **SECRETARY**

#### **131. APPOINTMENT AND REMOVAL OF SECRETARY**

Subject to the Statutes, the Board shall appoint and may remove a Secretary or joint secretaries and may appoint and remove one or more assistant or deputy secretaries on such terms and conditions as it thinks fit.

#### **132. AUTHORITY OF OTHER PERSON TO ACT AS SECRETARY**

Anything by the Statutes or the Articles required or authorised to be done by or to the Secretary may, if the office is vacant or there is no Secretary capable of acting, be done by or to any joint assistant or deputy secretary or, if there is no joint, assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board. Any provision of the Statutes or of the Articles requiring or authorising a thing to be done by or to a Director and the Secretary is not satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

#### **133. AUTHENTICATION OF DOCUMENTS**

133.1 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 holders of a class of shares or the Board or any committee of the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts.

133.2 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 of the Board which is certified

as such in accordance with **Article** 133.1 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.

- 133.3 The Board may decide the terms and conditions upon which a document in electronic form which is required to be executed or signed is to be treated as validly executed or signed.

#### **134. REGISTERS**

The register of Directors and Secretaries, the register of charges, the Register, the register of interests in shares, any overseas branch register and all other associated registers and indices shall be kept in accordance with the Statutes and the fee to be paid by a person other than a creditor or Member for each inspection of any register is the maximum sum prescribed by the Statutes or, failing which, decided by the Board.

#### **DIVIDENDS**

#### **135. RECORD DATES**

Notwithstanding any other Article, but subject to the Statutes and any preferential or other special rights attached to shares, the Company or the Board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time within six months before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

#### **136. ENTITLEMENT TO DIVIDENDS**

Except as otherwise provided by these Articles or the rights attaching to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid. Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. If any share is issued on terms that it shall rank for dividend as from a particular date then it shall rank for dividend as from that date. No amount paid up on a share in advance of the date on which a call is payable may be treated as paid up for the purpose of this Article.

#### **137. DECLARATION OF DIVIDENDS**

Subject to the Statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the Members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.



### 138. INTERIM DIVIDENDS

Subject to the Statutes, the Board may in its absolute discretion declare and pay to the Members such interim dividends (including a dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution and the Company's financial and trading position. If the share capital of the Company is divided into different classes, the Board may pay interim dividends in respect of shares which rank after shares conferring preferred rights, unless at the time of payment a preferential dividend is in arrears. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss that they may suffer by reason of the lawful payment of an interim dividend on any shares ranking after those with preferred rights.

### 139. PAYMENT OF DIVIDENDS IN KIND

The Board may, with the prior authority of an ordinary resolution of the Company, direct that dividends may be satisfied in whole or in part by the distribution of specific assets including paid up shares, debentures or other securities of any other company. The Board may make all such valuations, adjustments and arrangements and issue all certificates or documents of title as may seem to it to be expedient with a view to facilitating the distribution and may vest assets in trustees on trust for the persons entitled to the dividend as may seem to the Board to be expedient. Where any difficulty arises in respect of such distribution, the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether.

### 140. METHOD OF PAYMENT

- 140.1 The Company may pay any dividend, interest or other amount payable in cash in respect of any share by cheque, dividend warrant or money order or by direct debit or a bank or other funds transfer system or by such other method as the holder or joint holders of the share in respect of which the payment is made may by notice direct. In respect of uncertificated shares, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Board shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other amount and send electronic tax vouchers in respect of any such dividend interest or other amount by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system).
- 140.2 Any joint holder may give an effective receipt for a dividend, interest or other amount paid in respect of the share.
- 140.3 The Company may send a cheque, warrant or order by post:
- 140.3.1 in the case of a sole holder, to his registered address; or
- 140.3.2 in the case of joint holders, to the registered address of the person whose name stands first in the Register; or
- 140.3.3 in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with **Article 161**; or
- 140.3.4 in any case, to a person and address that the person or persons entitled to the payment may by notice direct.

- 140.4 Payment of the cheque, warrant or order, the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank or other transfer or, in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the relevant system concerned shall be a good discharge to the Company.
- 140.5 Every cheque, warrant or order is sent at the risk of the person entitled to the payment and shall be made payable to or to the order of the person or persons entitled or to such other person as the holder or joint holders may by notice direct.
- 140.6 Every such payment made by direct debit or a bank or other funds transfer or by another method at the direction of the holder or joint holders shall be made to the holder or joint holders or to or through such other person as the holder or joint holders may by notice in writing direct. In respect of uncertificated shares, every such payment or delivery of electronic tax vouchers made by means of the relevant system concerned shall be made in such manner as may be consistent with the facilities and requirements of the relevant system concerned. Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may by notice direct.
- 140.7 The Company shall not be responsible for any loss of any such cheque, warrant or order and any payment or delivery of any electronic tax voucher made by direct debit, bank or other funds transfer system or such other method shall be at the sole risk of the holder or joint holders. Without prejudice to the generality of the foregoing, if any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Board may, on request of the person entitled to it, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit.

#### **141. CESSATION OF PAYMENT OF DIVIDEND**

If a cheque, warrant or order in respect of a dividend, or other amount payable in respect of a share, is returned undelivered or left uncashed or transfer made by a bank or other funds transfer systems is not accepted on:

- 141.1 two consecutive occasions; or
- 141.2 one occasion and the Board, on making reasonable enquiries, has failed to establish any new address or account of the person concerned,

then the Board may determine that the Company shall cease sending or transferring a dividend, or other amount payable in respect of that share, to the person concerned until he notifies the Company of an address or account to be used for that purpose.

#### **142. DIVIDENDS DO NOT BEAR INTEREST**

No unpaid dividend, or other amount payable in respect of a share, bears interest as against the Company unless otherwise provided by the rights attached to the share.

#### 143. DEDUCTION FROM DIVIDEND

The Board may deduct from any dividend or other amounts payable to a person in respect of a share, either alone or jointly with any other person, all amounts due from him, either alone or jointly with any other person, to the Company on account of calls or otherwise in respect of a share.

#### 144. UNCLAIMED DIVIDENDS

All unclaimed dividends, interest or other amounts payable by the Company in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the payment of any unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account or the investment of it does not constitute the Company a trustee in respect of it. Any dividend which has remained unclaimed for a period of 12 years from the date it became due for payment is forfeited and ceases to remain owing by the Company.

#### 145. DIVIDEND MAY BE WITHHELD

Without prejudice to **Articles** 41 to 44, the Board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the Board may reasonably require.

#### 146. PAYMENT OF SCRIP DIVIDENDS

146.1 Subject to the Statutes, but without prejudice to **Article** 41, the Board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or ordinary shares, in either case paid up ("**new shares**"), instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the Board may in its absolute discretion consider necessary or expedient to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory.

146.2 Where a resolution under **Article** 146.1 is to be proposed at a general meeting and the resolution relates wholly or partly to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting.

146.3 A resolution under **Article** 146.1 may relate to a particular dividend or to all or any dividends declared or paid within a specified period, but that period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed.

146.4 The Board may make any provision it considers appropriate in relation to an allotment made under this **Article** 146, including but not limited to:

146.4.1 the giving of notice to holders of the right of election offered to them;

146.4.2 the provision of forms of election (whether in respect of a particular dividend or dividends generally);

- 146.4.3 determination of the procedure for making and revoking elections;
- 146.4.4 the place or address or electronic address at which, and the latest time by which, forms of election and other relevant documents must be received in order to be effective; and
- 146.4.5 the disregarding or rounding up or down or carrying forward of fractional entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the Members concerned).
- 146.5 The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made ("**electd shares**"); instead new shares are allotted to the holders of the elected shares on the basis of allotment calculated as in **Article** 146.4. For that purpose, the Board may resolve to capitalise out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares. A resolution of the Board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to **Article** 148. In relation to the capitalisation the Board may exercise all the powers conferred on it by **Article** 148 without an ordinary resolution of the Company.
- 146.6 The new shares will rank equally with each other and with every other paid ordinary share in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other distribution or entitlement which has been declared or paid by reference to that record date.
- 146.7 The entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of such new ordinary shares shall in aggregate be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) that such holder 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 AIM 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, 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.

## RESERVES

### 147. PROVISION OF RESERVES

The Board may, before recommending any dividend, set aside out of the profits of the Company (including any premiums received upon the issue of debentures or other securities or rights of the Company) such amounts as it thinks proper as a reserve fund or funds which shall at the discretion of the Board be applicable for any purpose for which the profits of the Company may lawfully be applied. The Board may employ the amounts in the business of the Company or invest the same in such securities (other than the shares of the Company or its holding

company) as it may select. The Board may also from time to time carry forward such amounts as it may deem expedient not to distribute.

#### **148. CAPITALISATION OF PROFITS AND RESERVES**

- 148.1 Subject to the Statutes, the Board may, with the authority of an ordinary resolution of the Company:
- 148.1.1 resolve to capitalise an amount standing to the credit of reserves or to the credit of the profit and loss account and whether or not available for distribution and appropriate the sum resolved to be capitalised to the Members in proportion to the nominal amount of ordinary shares (whether or not paid up) held by them respectively and to apply that sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively or in paying up in full unissued shares, debentures of the Company of a nominal amount equal to such sum and allot such shares or debentures, paid up, to and amongst such Members in those proportions or partly in one way and partly in the other. Any sums standing to the credit of a share premium account and a capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members credited as paid up;
- 148.1.2 make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and, in particular, where shares or debentures become distributable in fractions, the Board may deal with the fractions as it thinks fit, including by the issue of certificates in respect of fractional entitlements, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the Members (except that if the amount due to a Member is less than three pounds (£3), or such other amount as the Board may decide, the amount may be retained for the benefit of the Company);
- 148.1.3 authorise a person to enter into, on behalf of all the Members concerned, an agreement with the Company providing for either the allotment to the Members, paid up, of shares or debentures to which they may be entitled on the capitalisation or the payment by the Company on behalf of the Members, by applying their respective proportions of the reserves resolved to be capitalised, of the amounts remaining unpaid on their existing shares. An agreement entered into under this Article is effective and binding on all affected Members; and
- 148.1.4 generally do all acts and things required to give effect to the resolution.
- 148.2 The Company in general meeting may resolve that any shares allotted pursuant to this **Article 148** 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.

## ACCOUNTS

### 149. INSPECTION OF ACCOUNTS

No Member (not being a Director or other officer) has any right of inspecting any account or book or document of the Company, except as conferred by the law, by order of an applicable court, authorised by the Board or by an ordinary resolution of the Company.

### 150. PREPARATION OF ACCOUNTS

The Board shall, in accordance with the Statutes, 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 referred to in the Statutes. The Board shall in its report state the amount which it recommends to be paid by way of dividend.

### 151. SENDING ACCOUNTS

151.1 Subject to the Statutes, either:

151.1.1 a copy of every Directors' report, Directors' remuneration report and Auditors' report accompanied by the Company's annual accounts and every other document required by law to be attached to them; or

151.1.2 a summary financial statement derived from the Company's annual accounts and Directors' remuneration report, prepared in accordance with the Statutes,

shall, not less than 21 clear days before the date of the meeting at which copies of the documents listed in **Article** 151.1.1 are to be laid, be sent to every Member (whether or not entitled to receive notices of general meetings) and to every holder of debentures of the Company (whether or not entitled to receive notices of general meetings) and to the Auditors and to every other person who is entitled to receive notices of general meetings from the Company. This Article does not require such documents to be sent to any Member or holder of debentures of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures.

151.2 The accidental omission to send any document required to be sent to any person under this **Article** 151 or the non-receipt of any document by any person entitled to receive it does not invalidate any such document or the proceedings at any general meeting.

## UNTRACED SHAREHOLDERS

### 152. POWER OF SALE

152.1 The Company is entitled to sell at the best price reasonably obtainable any share of a Member or any share to which a person is entitled by transmission if:

152.1.1 during a period of 12 years prior to the date of the publication of the advertisements referred to in **Article** 152.1.2 (or, if published on different dates, the earlier date) at least three dividends (whether interim or final) in respect of the share in question have been

paid and all warrants, orders and cheques in respect of the share sent in the manner authorised by the Articles have been returned undelivered or remained uncashed and no communication has been received by the Company from the Member or person entitled by transmission;

152.1.2 the Company, on expiry of the period of 12 years, has inserted advertisements in a United Kingdom national daily newspaper and in a newspaper circulating in the area which includes the address held by the Company for sending notices relating to the share in question or the last known address of the Member or other person entitled by transmission, giving notice of its intention to sell the share; and

152.1.3 during the period of three months following the publication of the advertisements (or, if published on different dates, the later of the two advertisements) and prior to the date of sale the Company has not received any communication from the Member or person entitled by transmission.

152.2 If, during the period of 12 years or a further period ending on the date when all the requirements of **Article** 152.1 have been satisfied, an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods and all the requirements of **Article** 152.1 are satisfied in respect of the additional share, the Company is entitled to sell the additional share.

152.3 To give effect to any such sale, the Board may:

152.3.1 in relation to certificated shares, appoint any person to execute as transferor an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser and such instrument of transfer shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, such shares; and

152.3.2 in relation to uncertificated shares, in accordance with the Statutes, issue a written notification to the operator of the relevant system requiring conversion of the shares into certificated form and exercise any of the Company's powers under **Article** 13.3 to effect the transfer of the shares to, or in accordance with the directions of, the purchaser and the exercise of such powers shall be as effective as if exercised by the registered holder of, or person entitled by transmission to, such shares,

and the transferee is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity or invalidity in the proceedings relating to the sale.

### **153. APPLICATION OF PROCEEDS OF SALE**

The net proceeds of sale shall belong to the Company which shall be obliged to account to the Member or other person entitled by transmission for an amount equal to such proceeds and shall enter the name of such Member or other person in the books of the Company as a creditor for such amount. No trust is created and no interest is payable in respect of the debt and the Company is not required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested as the Board decides.

## **NOTICES**

### **154. FORM OF NOTICES**

A notice or other document or information to be sent to or by any person under the Articles shall be in writing (other than a notice calling a meeting of the Board or of a committee of the Board which need not be in writing).

### **155. SENDING NOTICES OR OTHER DOCUMENTS OR INFORMATION TO MEMBERS AND OTHERS**

- 155.1 A notice or other document or information may be given, sent or supplied to a Member or another person by the Company personally or by letter. Any letter shall be sent by post in a prepaid envelope first class or second class and addressed to such Member or other person at the postal address in the Register (or at another address within the United Kingdom notified for the purpose) or shall be left at that address in an envelope addressed to that Member or other person. Electronic means may be used (if appropriate) for sending a notice or other document or information to a Member or other person where that Member or other person has agreed to receive the notice or other document or information by electronic means and has specified an electronic address for this purpose. A notice or other document or information may be sent or supplied to a Member or other person by the Company by placing it on a website and sending the Member or other person concerned notification of the availability of the notice, document or information on the website, where the Member or other person has agreed, or is taken to have agreed, to having such notices, documents or information sent to him in such manner.
- 155.2 Without limiting the generality of the foregoing, the Company may send or supply a notice or any other document or information that is required or authorised to be sent or supplied to a Member or any other person by the Company by any provision of the Companies Act, or pursuant to the Articles or to any other rule or regulation to which the Company may be subject, in electronic form or by making it available on a website, and the provisions of Schedule 5 to the Companies Act shall apply whether or not any such notice, document or information is required or authorised by the Companies Acts (as so defined) to be sent or supplied.
- 155.3 Any notice or other document or information to be sent to a Member may be sent by reference to the Register or the Company's other records as they stand at any time within the period of 15 days before the notice or other document or information is sent and no change in the Register or the Company's other records after that time shall invalidate the sending of the notice or other document or information.

### **156. NOTICE OR DOCUMENT TO JOINT HOLDERS**

In the case of joint holders of a share, a notice or other document or information shall be sent to whichever of them is named first in the Register and a notice or other document or information sent in this way is sufficiently sent to all the joint holders.



## **157. ADDRESS OUTSIDE THE UNITED KINGDOM**

If any Member or other person (or, in the case of joint holders, the person first named in the Register) has a registered address not within the United Kingdom but (at least 14 days before the notice or other document or information is sent) has given to the Company an address within the United Kingdom at which notices or other documents or information may be sent to him or an electronic address to which notices or other documents or information may (if appropriate) be sent by electronic means, he is entitled to have notices or other such documents or information sent to him at that address or electronic address, but otherwise no such Member or other person is entitled to receive any notice or other document or information from the Company.

## **158. UNDELIVERED NOTICES OR DOCUMENTS**

If, on three consecutive occasions, a notice or other document or information sent to a Member or other person has been returned undelivered, such Member or other person shall not thereafter be entitled to receive notices or other documents or information from the Company until he shall have communicated with the Company and supplied in writing to the Office a new postal address within the United Kingdom for the service of notices or other documents or information or shall have informed the Company, in such manner as may be specified by the Company, of an electronic address for the service of notices or other documents or information by electronic means. For these purposes, a notice or other documents or information sent by post shall be treated as returned undelivered if the notice or other documents or information is sent back to the Company (or its agents) and a notice or other documents or information sent by electronic means shall be treated as returned undelivered if the Company (or its agents) receive(s) notification that the notice or other documents or information was not delivered to the address to which it was sent.

## **159. WHEN NOTICE DEEMED RECEIVED**

- 159.1 Any notice or other document or information sent addressed to a Member or another person at his registered address (or another address within the United Kingdom or an electronic address notified for the purpose) is deemed to be received, if personally delivered, at the time of delivery or, if sent by first class post, 24 hours after the letter is posted or, if sent by second class post, 48 hours after the letter is posted or, in the case of a notice or other document or information in electronic form, on the same day it is sent. A notice or other document or information left at such an address within the United Kingdom is deemed to be received on the day it is left. In proving service it is sufficient to prove that the letter was properly addressed and, if sent by post, prepaid or stamped and posted. Proof that a notice or other document or information sent or supplied by electronic means was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators (in issue at the time the notice or other document or information was sent) shall be conclusive evidence that the notice or other document or information was received.
- 159.2 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.

## **160. NOTICE BINDING ON TRANSFEREES ETC.**

A person who becomes entitled by transmission, transfer or otherwise to a share is bound by a notice in respect of that share (other than a notice served by the Company under section 793 of the Companies Act) which, before his name is entered in the Register, has been properly sent to a person from whom he derives his title.

## **161. NOTICE IN CASE OF ENTITLEMENT BY TRANSMISSION**

Where a person is entitled by transmission to a share, the Company may send a notice or other document or information to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt Member (or by similar designation) at an address in the United Kingdom or electronic address supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document or information may be sent in any manner in which it might have been sent if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this Article is sufficient notice to all other persons interested in the share.

## **162. NOTICE BY ADVERTISEMENT**

Subject to the Companies Act, if by reason of the suspension or curtailment of postal services in the United Kingdom, the Company is unable effectively to convene a general meeting, the Board may, if it thinks fit and as an alternative to any other method of service permitted by the Articles, send notice of the meeting to Members affected by the suspension or curtailment by a notice advertised in at least two United Kingdom national daily newspapers and such notice or other document or information shall be deemed to have been duly received by affected Members who are entitled to receive it at 12 noon on the day when the advertisement appears, or at 12 noon on the last of the days when they appear. In any such case the Company shall send confirmatory copies of the notice or other document or information by post or by electronic means, as appropriate, to such affected Members if at least five days prior to the meeting, or any other appropriate date in connection with the document or information, the posting of notices or other documents or information again becomes practicable.

## **WINDING UP**

### **163. WINDING UP**

- 163.1 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 purposes of carrying out the sale.
- 163.2 If the Company shall be wound up voluntarily, the liquidator may, with the authority of a special resolution and any sanction required by law, divide among the Members (excluding any Members holding shares as treasury shares) in kind the whole or any part of the assets of the Company and whether or not the assets consist of property of one kind or of different kinds and may for this purpose set such value as he deems fair on any class or classes of property and may determine on the basis of that valuation and in accordance with the then

existing rights of Members how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator shall think fit but so that no Member shall be compelled to accept any asset in respect of which there is a liability or potential liability.

## **INDEMNITY**

### **164. INDEMNITY TO DIRECTORS**

Subject to the provisions of the Companies Act, the Company may:

- 164.1 indemnify any person who is or was a Director, or a director of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
- 164.2 indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by him in connection with the company's activities as trustee of an occupational pension scheme; and/or
- 164.3 purchase and maintain insurance for any person who is or was a Director, or a director of any associated company, against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

### **165. INDEMNITY AGAINST CLAIMS IN RESPECT OF SHARES**

- 165.1 Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any Member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by the Company on or in respect of any shares registered as aforesaid or for or on account or in respect of any Member and whether in consequence of:
  - 165.1.1 a transmission event;
  - 165.1.2 the non-payment of any income tax or other tax by such Member;
  - 165.1.3 the non-payment of inheritance tax or any estate, probate, succession, death, stamp or other duty by the executors or administrators or other legal personal representatives of such Member or by or out of his estate; or
  - 165.1.4 any other act or thing;

the Company in every such case:

- 165.1.5 shall be fully indemnified by such member or his executors or administrators or his other legal representatives from all liability; and
- 165.1.6 may recover as a debt due from such Member or his executors or administrators or his other legal personal representatives wherever constituted or residing any moneys paid by the Company under or in consequence of any such law together with interest thereon at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent per annum) as the Board may determine from the date of payment by the Company to the date of repayment by the Member or his executors or administrators or his other legal personal representatives.
- 165.2 Nothing contained in the Articles shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and, as between the Company and every such Member as referred to in this **Article** 165, his executors, administrators or other legal personal representatives and estate wheresoever constituted or situated, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

## TAKEOVERS

### 166. TAKEOVER PROVISIONS

- 166.1 A person must not (other than solely as custodian or depositary (or nominee thereof) under any arrangements implemented and/or approved by the Directors):
  - 166.1.1 whether by himself, or with persons determined by the Board to be acting in concert with him, acquire after the date that this Article shall come into effect (for purposes of this **Article** 166, the "Effective Date"), an interest in Ordinary Shares which, taken together with interests in shares in which he together with persons determined by the Board to be acting in concert with him are, after the Effective Date interested, carry 30 per cent. or more of the voting rights attributable to the Ordinary Shares; or
  - 166.1.2 whilst he, together with persons determined by the Board to be acting in concert with him, is interested in Ordinary Shares carrying not less than 30 per cent. of the voting rights attributable to Ordinary Shares but does not hold shares of the Company carrying more than 50 per cent of such voting rights, acquires after the Effective Date, whether by himself or with persons determined by the Board to be acting in concert with him, an interest in additional shares of the Company which, taken together with interests in shares held by persons determined by the Board to be acting in concert with him, increases the percentage of shares carrying voting rights attributable to Ordinary Shares in which he, together with persons deemed by the Board to be acting in concert with him, is interested, (each of (a) and (b) for purposes of this **Article** 166, a "Limit"),  
  
except as a result of a "Permitted Acquisition", as hereinafter defined; or
- 166.1.3 effect or purport to effect a "Prohibited Acquisition", as hereinafter defined.
- 166.2 Where any person breaches any Limit, except as a result of a Permitted Acquisition, or becomes interested in any Ordinary Shares as a result of a Prohibited Acquisition that person is in breach of these Articles and, except with the consent of the Board, such person

(the "Offeror") shall extend an offer, on the basis set out in these Articles, to all the Members of the Company to acquire the entire issued share capital of the Company. Any such offer shall be:

- 166.2.1 in cash (or together with a cash alternative);
  - 166.2.2 at a price not less than the highest price at which the Offeror (or any person acting in concert with it) has acquired or been issued Ordinary Shares in the 12 month period prior to such offer being made;
  - 166.2.3 conditional on, but only on, the Offeror receiving sufficient acceptances which, together with any Ordinary Shares in the Company already owned or agreed to be acquired by the Offeror, together with persons deemed by the Board to be acting in concert with him, would result in the Offeror (or any persons deemed by the Board to be acting in concert with the Offeror) owning or being interested in Ordinary Shares carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Company, including, for this purpose, any such voting rights attaching to Ordinary Shares that are unconditionally allotted or issued before the offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise and, for the purposes of any such condition, shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights they will carry on issue;
  - 166.2.4 open for acceptances for 14 days after such offer becomes or is declared unconditional as to acceptances; and
  - 166.2.5 otherwise, extended to all Members on similar terms, where relevant, as if the City Code applied to the Company.
- 166.3 In exercising its powers on behalf of the Company, the Board shall comply, and shall procure (so far as it is within its power to do so) compliance, with the spirit of Rule 16 (Special Deals with Favourable Conditions) and Rule 21 (Restrictions on Frustrating Action) of the City Code.
- 166.4 Notwithstanding the provisions of **Article** 166.2, the Board may do all or any of the following where it has reason to believe that any Limit is or may be breached or any Prohibited Acquisition has been or may be effected:
- 166.4.1 require any Member or person appearing or purporting to be interested in any shares of the Company to provide such information as the Board considers appropriate to determine any of the matters under this **Article** 166;
  - 166.4.2 have regard to such public filings as it considers appropriate to determine any of the matters under this **Article** 166;
  - 166.4.3 make such determinations under this **Article** 166 as it thinks fit, either after calling for submissions from affected Members or other persons or without calling for such submissions;
  - 166.4.4 determine that the voting rights attached to such number of shares held by such persons as the Board may determine to be held, or in which such persons are or may be interested, in breach of these Articles (for purposes of this **Article** 166, "Excess Shares") are from a particular time incapable of being exercised for a definite or indefinite period;
  - 166.4.5 determine that some or all of the Excess Shares must be sold;

- 166.4.6 determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and
- (a) take such other action as it thinks fit for the purposes of this **Article** 166 including:
  - (b) prescribing rules (not inconsistent with this **Article** 166);
  - (c) setting deadlines for the provision of information;
  - (d) drawing adverse inferences where information requested is not provided;
  - (e) making determinations or interim determinations;
  - (f) executing documents on behalf of a Member;
  - (g) converting any Excess Shares held in uncertificated form into certificated form, or vice-versa;
  - (h) paying costs and expenses out of proceeds of sale; and
  - (i) changing any decision or determination or rule previously made.
- 166.5 An acquisition is a "Permitted Acquisition" if:
- 166.5.1 the Board consents to the acquisition (even if, in the absence of such consent, the acquisition would be a Prohibited Acquisition), or
- 166.5.2 the acquisition is made in accordance with the provisions of **Article** 166.2; or
- 166.5.3 if the acquisition arises from repayment of a stock borrowing arrangement (on arm's length commercial terms).
- 166.5.4 a person breaches a Limit only as a result of the circumstances referred to in **Article** 166.9.
- 166.6 An acquisition is a "Prohibited Acquisition" if Rules 4, 5, 6 or 8 of the City Code, would in whole or part apply to the acquisition if the Company was subject to the City Code and the acquisition was made (or, if not yet made, would if and when made be) in breach of or otherwise not comply with Rules 4, 5, 6 or 8 of the City Code.
- 166.7 Any determination regarding the percentage of voting rights attributable to the Ordinary Shares in this **Article** 166 will be made by the Board after allowing for any Ordinary Shares in which a person (together with any person with persons determined by the Board to be acting in concert with him) holds an interest and in respect of which such person has given an undertaking to the Company not to exercise such voting rights or to exercise them in a certain manner.
- 166.8 The Board has full authority to determine the application of this **Article** 166, including as to the deemed application of the whole or any part of the City Code. Such authority shall include all discretion vested in the Panel as if the whole or any part of the City Code applied including, without limitation, the determination of conditions and consents, the consideration to be offered and any restrictions on the exercise of control. Any resolution or determination of, or decision or exercise of any discretion or power by, the Board acting in good faith under or pursuant to the provisions of this **Article** 166 shall be final and conclusive; and anything done by, or on behalf of, or on the authority of, the Board acting in good faith pursuant to the provisions of this **Article** 166 shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this **Article** 166.

- 166.9 Any one or more of the Directors may act as the attorney(s) of any Member in relation to the execution of documents and other actions to be taken for the sale of Excess Shares determined by the Board under this **Article** 166.
- 166.10 If, as a consequence of the Company redeeming or purchasing its own Shares there is a resulting increase in the percentage of the voting rights attributable to the Shares held by a person or persons determined by the Board to be acting in concert and such an increase would constitute a breach of any Limit, such an increase shall be deemed a Permitted Acquisition.
- 166.11 If a director is affiliated with any offeror under this Article, he or she shall forthwith vacate his or her office if his or her resignation is requested by notice tendered at a meeting of the Board by all other directors who are not so affiliated. For purposes hereof, like notices signed by each such director shall be effective as a single notice signed by all such directors.
- 166.12 If any provision of this **Article** 166 or any part of any such provision is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (c) the invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this **Article** 166 each provision of this **Article** 166 is separable from every other provision of this **Article** 166, and each part of each provision of this **Article** 166 is separable from every other part of such provision.
- 166.13 This **Article** 166 shall only have effect during such times as the City Code does not apply to the Company.