

Company No: 427958, England and Wales

The Companies Act 1985  
Public Company Limited by Shares

**SPECIAL RESOLUTION  
OF  
GARTMORE EUROPEAN INVESTMENT TRUST p.l.c.**

Passed on 24<sup>th</sup> January 2005

At the Annual General Meeting of Gartmore European Investment Trust p.l.c. held at Gartmore House, 8 Fenchurch Street, London EC3M 4PB, on 24<sup>th</sup> January 2005, the following Special Resolution was proposed and passed:

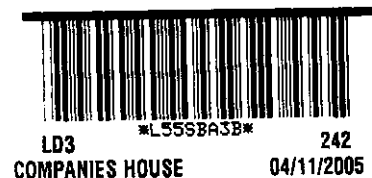
**SPECIAL RESOLUTION**

THAT:

- 1 The Articles set out in the printed document produced to the meeting be approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, all the existing Articles thereof.



P Griggs  
for and on behalf of  
Gartmore Investment Limited  
Secretaries



**Articles of Association**  
**of**  
**Gartmore European Investment Trust p.l.c.**  
**(Articles adopted 24 January 2005)**

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**Part 1**  
**(Particular Provisions)**

**1 Share capital**

The authorised share capital of the Company at the date of adoption of this paragraph of this article is £100,000,000 divided into 100,000,000 Ordinary Shares of 50p each.

**2 Borrowing powers**

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

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 (if any) so as to secure (but as regards subsidiary undertakings only in so far as by the exercise of the rights or powers of control the board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the group (exclusive of borrowings owing by one member of the group to another member of the group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the adjusted capital and reserves.

For the purposes of this paragraph of this article:-

**2.1 "the adjusted capital and reserves" means the aggregate from time to time of:-**

**2.1.1 the amount paid up on the issued share capital of the Company and**

**2.1.2 the amount standing to the credit of the reserves**

including any share premium account, capital redemption reserve and credit balance on profit and loss account all as shown by the then latest audited balance sheet but after

- 2.1.3 deducting from the aggregate any debit balance on profit and loss account subsisting at the date of that audited balance sheet except to the extent that a deduction has already been made on that account and
- 2.1.4 making such adjustments as may be appropriate to reflect any variation in the amount of the paid up share capital, share premium account or capital redemption reserve since the date of the audited balance sheet;

**2.2 "borrowings"** include not only borrowings but also the following except in so far as otherwise taken into account:-

- 2.2.1 the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which is not for the time being owned by a member of the group, of any person and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the group,
- 2.2.2 the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the group,
- 2.2.3 the principal amount of any debenture (whether secured or unsecured) of a member of the group owned otherwise than by a member of the group,
- 2.2.4 the principal amount of any preference share capital of any subsidiary undertaking owned otherwise than by a member of the group, and
- 2.2.5 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but do not include:-

- 2.2.6 borrowings incurred by any member of the group for the purpose of repaying within six months of the borrowing the whole or any part of any borrowing of that or any other member of the group for the time being outstanding, pending their application for that purpose within that period, or
- 2.2.7 borrowings incurred by any member of the group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured;
- 2.2.8 borrowings of an undertaking which become a subsidiary undertaking of the Company after the date as at which the last audited balance sheet was prepared, to the extent the amount of those borrowings does not exceed their amount immediately after it became such a subsidiary undertaking.

**2.3** when the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowings then outstanding which is denominated or repayable in a currency other than sterling shall be notionally converted into sterling at the rate of exchange prevailing in London on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the last business day six months before that date and so that for these purposes the

rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank, selected by the board, as being the most appropriate rate for the purchase by the Company of the currency in question for sterling on the day in question;

- 2.4 where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of the borrowing in full if it fell to be repaid by reason of an event of default on the date as at which the calculation is being made is less than the amount that would otherwise be taken into account in respect of that borrowing, the amount of that borrowing to be taken into account shall be the smaller amount;
- 2.5 “**audited balance sheet**” means the audited balance sheet of the Company prepared for the purposes of the Companies Acts for a financial year unless an audited consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings required to be dealt with in group accounts has been prepared for those purposes for the same financial year, in which case it means that audited consolidated balance sheet, and in that case all references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and any amounts attributable to outside interests in subsidiary undertakings shall be excluded;
- 2.6 the Company may from time to time change the accounting convention on which the audited balance sheet is based provided that any new convention adopted complies with the requirements of the Companies Acts: if the Company should prepare its main audited balance sheet on the basis of one convention, but a supplementary audited balance sheet on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet;
- 2.7 “**the group**” means the Company and its subsidiary undertakings (if any);
- 2.8 a certificate or report by the auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by this paragraph of this article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of that amount or of that fact; and
- 2.9 a subsidiary undertaking (except in this sentence) means a subsidiary (and likewise in the plural) until an audited consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings required to be dealt with in group accounts has been prepared for the purposes of the Companies Acts, when it shall mean a subsidiary undertaking with the meaning given to that expression by the Companies Acts then in force.

### **3 Votes of members**

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of these articles, on a show of hands every member who is present in person at a general meeting of the Company shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

### **4 Suspension of rights where non-disclosure of interest**

- 4.1 Where the holder of any shares in the Company, or any other person appearing to be interested in those shares, fails to comply within the relevant period with any statutory

notice in respect of those shares, the Company may give the holder of those shares a further notice (a "**restriction notice**") to the effect that from the service of the restriction notice those shares will be subject to some or all of the relevant restrictions, and from service of the restriction notice those shares shall, notwithstanding any other provisions of these articles, be subject to those relevant restrictions accordingly provided that, in the case of shares in uncertificated form the board may only exercise its discretion not to register a transfer if permitted to do so by the CREST Regulations.

Any direction notice may treat shares of a member in certificated and uncertificated form as separate holdings and either apply only to the former or to the latter or make different provision for the former and the latter.

- 4.2** If after the service of a restriction notice in respect of any shares the board is satisfied that all information required by any statutory notice relating to those shares or any of them from their holder or any other person appearing to be interested in the shares the subject of the restriction notice has been supplied, the Company shall, within seven days, cancel the restriction notice. The Company may at any time at its discretion cancel or suspend any restriction notice or exclude any shares from it. A restriction notice shall automatically cease to have effect in respect of any shares transferred where the transfer has been shown to the Company to be pursuant to an arm's length sale of those shares.
- 4.3** Where any restriction notice is cancelled or ceases to have effect, any moneys withheld by reason of that notice shall be paid without interest to the person who would but for the notice have been entitled to them or as he may direct.
- 4.4** Any new shares in the Company issued in right of any shares subject to a restriction notice shall also be subject to the restriction notice, and the board may make any right to an allotment of the new shares subject to restrictions corresponding to those which will apply to those shares by reason of the restriction notice when such shares are issued.
- 4.5** Any holder of shares on whom a restriction notice has been served may at any time request the Company to give in writing the reason why the restriction notice has been served, or why it remains uncanceled, and within 14 days of receipt of such a notice the Company shall give that information accordingly.
- 4.6** This article is in addition to, and shall not in any way prejudice or affect the statutory rights of the Company arising from any failure by any person to give any information required by a statutory notice within the time specified in it. For the purpose of this article a statutory notice need not specify the relevant period, and may require any information to be given before the expiry of the relevant period.
- 4.7** In this article:
- 4.7.1** "**arm's length sale**" means a sale of the entire interest in the shares the subject of the sale on a recognised stock exchange or a stock exchange on which shares in the Company of that description are normally traded, or a sale of such an entire interest otherwise than on such a stock exchange to a person who had no interest in those shares at the time the relevant statutory notice was served and who is not an associate (within the definition of that expression in any statute relating to insolvency in force at the date of adoption of this article) of a person who had such an interest and who is not acting in concert (within the definition of that expression in any code on take-overs and mergers generally applicable in the United Kingdom at the date of adoption of this article) with a person who had such an interest.

- 4.7.2 **"person appearing to be interested"** in any shares shall mean any person named in a response to a statutory notice as being so interested or shown in any register kept by the Company under the Companies Acts as so interested or, taking into account a response or failure to respond in the light of the response to any other statutory notice and any other relevant information, any person whom the Company has reasonable cause to believe is so interested.
- 4.7.3 **"person with a 0.25 per cent interest"** means a person who holds, or is shown in any register kept by the Company under the Companies Acts as having an interest in, shares in the Company which comprise in total at least 0.25 per cent in number or nominal value of the shares of the Company, or of any class of such shares, in issue at the date of service of the statutory notice or the restriction notice (as the case may be).
- 4.7.4 **"relevant period"** means in the case of a statutory notice served on a person with a 0.25 per cent interest, 14 days, and in any other case 28 days.
- 4.7.5 **"relevant restrictions"** means in the case of a restriction notice served on a person with a 0.25 per cent interest that:-
- (i) the shares shall not confer on the holder any right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company;
  - (ii) the board may withhold payment of all or any part of any dividends or other moneys payable in respect of the shares; and
  - (iii) the board may decline to register a transfer of the shares or any of them unless such a transfer is shown to the board to be pursuant to an arm's length sale
- and in any other case mean only the restriction specified in paragraph (i) of this definition.
- 4.7.6 **"statutory notice"** means a notice served by the Company under the Companies Acts requiring particulars of interests in shares or of the identity of persons interested in shares.

## 5 Number of directors

Unless otherwise determined by ordinary resolution of the Company, the directors (disregarding alternate directors) shall be not less than two or more than six eight in number.

## 6 Directors' fees

Each of the directors shall be paid a fee at such rate as may from time to time be determined by the board provided that the aggregate of all fees so paid to directors (excluding amounts payable under any other provision of these articles) shall not exceed £150,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the Company.

## **7 Vacation of office by directors**

Without prejudice to any of the provisions for disqualification of directors or for retirement by rotation contained in these articles, the office of a director shall be vacated if, by notice in writing delivered to the office or tendered at a meeting of the board, his resignation is requested by all of the other directors and all of the other directors are not less than three in number.

## **8 Summary financial statements**

- 8.1** Copies of the full accounts and reports which are to be laid before the Company in general meeting shall be sent to each person entitled thereto in accordance with the requirements of the statutes or these articles at least 21 days prior to the general meeting.
- 8.2** Copies of the documents referred to at article 8.1 above need not be sent to any member to whom summary financial statements are sent in accordance with the statutes nor to more than one of joint holders nor to any person of whose postal address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office. To the extent permitted by the statutes and agreed by the member, the documents referred to in this article may be sent by electronic communication.

## **9 Closing of the register**

- 9.1** The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the board may from time to time determine and either generally or in respect of any class of shares, except that, in respect of any shares which are participating securities, the register shall not be closed without the consent of the operator.

## Part 2

### (General Provisions)

#### Interpretation

##### 1 Exclusion of Table A

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the Company.

##### 2 Definitions

In these articles unless the context other requires:-

**"these articles"** means these articles of association as altered from time to time by special resolution and the expression **"this article"** shall be construed accordingly;

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

**"the board"** means the board of directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present;

**"business day"** means a day on which banks are open for business in London (excluding Saturdays, Sundays and public holidays);

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

**"the Companies Acts"** means unless the context otherwise requires the Companies Act 1985, including any statutory modifications or re-enactment for the time being in force;

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

**"the holder"** in relation to any shares means the member whose name is entered in the register as the holder of those shares;

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

**"member"** means a member of the Company;

**"the office"** means the registered office of the Company;

**"the operator"** means CRESTCo Limited or such other person as may for the time being be approved by H.M. Treasury as operator under the CREST Regulations;

**"operator-instruction"** means a properly authenticated dematerialised instruction attributable to the operator;

**"paid up"** means paid up or credited as paid up;

**"participating security"** means a security title to units of which is permitted by the operator to be transferred by means of a relevant system;



**"person entitled by transmission"** means in relation to a share a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the register;

**"the register"** means the register of members of the Company;

**"relevant system"** means a computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument pursuant to the CREST Regulations;

**"seal"** means any common or official seal that the Company may be permitted to have under the Companies Acts;

**"securities seal"** means an official seal kept by the Company by virtue of Section 40 of the Companies Act;

**"the secretary"** means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the Company and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary;

**"statutes"** means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company;

**"the transfer office"** means the place where the register is situate for the time being;

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

**"UK Listing Authority"** means the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000;

reference to **"in writing"** means written or produced by any substitute for writing or partly one and partly another including (but only to the extent that (a) the board so resolves, either generally or in relation to particular categories of document, and (b) the recipient (if not the Company) has requested or agreed) electronic communication;

the words **"share"** and **"member"** shall include the meanings assigned to them by article 11.4;

the expressions **"recognised clearing house"** and **"recognised investment exchange"** shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services and Markets Act 2000;

the expression **"officer"** shall include a director, manager and the secretary, but shall not include an auditor;

the expressions **"communication"** and **"electronic communication"** shall have the same respective meanings as in the Electronic Communications Act 2000, the latter including, without limitation, e-mail, facsimile, CD-Rom, audio tape and telephone transmission and (in the case of electronic communication by the Company in accordance with article 137.1) publication on a web site;

except where the context otherwise requires, any reference to issued shares of any class (whether of the Company or of any other company) shall not include any shares of that class held as treasury shares.

references to a document being "**executed**" include references to its being executed under hand or under seal or by any other method;

words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear the same meaning in these articles or that part (as the case may be) save that the word "**company**" shall include any body corporate;

references to a share (or to a holding of shares) being in "**certificated**" or "**uncertificated**" form are references, respectively, to that share being a certificated or an uncertificated unit of a security for the purposes of the CREST Regulations; and

references to 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.

**Headings and notes** are included only for convenience and shall not affect meaning.

In the event of any conflict between part 1 and part 2 of these articles, part 1 shall prevail.

### **3 Form of resolution**

- 3.1** Subject to the statutes, where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective.
- 3.2** A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members.

## **Share Capital**

### **4 Rights attached to shares**

Subject to the provisions of the statutes and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the board may decide.

### **5 Redemption and purchase of own shares**

- 5.1** Subject to the provisions of the statutes and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the Company or the holder.
- 5.2** Subject to the provisions of the statutes, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class (including any redeemable shares) but so that if there shall be in issue any shares convertible into equity share capital of the Company of the class proposed to be purchased, then the Company shall not purchase, or enter into a contract under which it will or may purchase, such equity shares unless either:

- 5.2.1 the terms of issue of such convertible shares include provisions permitting the Company to purchase its own equity shares or providing for adjustment to the conversion terms upon such a purchase; or
- 5.2.2 the purchase, or the contract, has first been approved by an extraordinary resolution passed at a separate meeting of the holders of such convertible shares.
- 5.3 The Company may not exercise any right in respect of treasury shares held by it, including any right to attend or vote at meetings, to participate in any offer by the Company to shareholders or to receive any distribution (including in a winding-up), but without prejudice to its right to sell the treasury shares, to transfer the shares for the purposes of or pursuant to an employees' share scheme, to receive an allotment of shares as fully paid bonus shares in respect of the treasury shares or to receive any amount payable on redemption of any redeemable treasury shares.

## **6 Variation of rights**

Subject to the provisions of the statutes, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these articles as to general meetings of the Company shall mutatis mutandis apply to any such separate general meeting, but so that the necessary quorum shall be a person or persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of the holder one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

## **7 Matters not constituting variation of rights**

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by (a) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto or (b) the purchase or redemption by the Company of any of its own shares.

## **8 Unissued shares**

Subject to the provisions of the statutes and these articles and otherwise of any resolution of the Company in general meeting, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the board which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms as the board may decide.

## **9 Payment of commission**

The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the statutes.

## **10 Trusts not recognised**

Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice of it) any interest in any share other than an absolute right to the whole of the share in the holder.

## **11 Conversion of shares into stock**

- 11.1** The Company may, from time to time, by ordinary resolution, convert all or any of its paid-up shares into stock, and may, from time to time, in like manner, re-convert such stock into paid-up shares of any denomination.
- 11.2** When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein or any part of such interests, in the same manner and subject to the same regulations and restrictions as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will permit.
- 11.3** A holder of stock shall, according to the amount of stock held by him, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings and other matters as if he held the shares from which the stock arose, but so that no rights of receiving notices of, or attending or voting at general meetings shall be conferred by an amount of stock which, if existing in shares, would not have conferred such rights. No such conversion shall affect or prejudice any preference or other special privilege.
- 11.4** Subject as aforesaid, all the provisions of these articles applicable to paid-up shares shall apply to stock, and in all such provisions the words "**share**" and "**member**" shall respectively include "**stock**" and "**stockholder**".

## **Certificates**

## **12 Right to share certificate**

Every person, (except a person to whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered in the register as a holder of any shares in certificated form shall be entitled, without payment (in the case of an issue), to receive within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully paid shares) within five business days after lodgement of the transfer OR (in the case of a transfer of partly paid shares) within two months after lodgement of the transfer one certificate for all those shares of any one class or several certificates each for one or more of the shares of the class in question upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the board may from time to time decide. In the case of a share held in certificated form jointly by several persons, delivery of a certificate to one of several joint

holders shall be sufficient delivery to all. A member (except such a nominee) who transfers some but not all of the shares comprised in a certificate shall be entitled to a certificate for the balance without charge.

### **13 Replacement of share certificates**

- 13.1** Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- 13.2** If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the board may, if it thinks fit, comply with such request.
- 13.3** If a share certificate is defaced, worn out, lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating the evidence and preparing the indemnity as the board may decide and, where it is defaced or worn out, after delivery of the old certificate to the Company.

### **14 Sealing of certificates**

Every share certificate shall be executed by the Company in such manner as the board may decide (which may include use of the seal or the securities seal and/or manual or facsimile signatures by one or more directors) having regard to the terms of issue and any listing requirements may authorise, and shall specify the number and class of the shares to which it relates and the amount of respective amounts paid up on the shares. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

## **Lien**

### **15 Company's lien on shares not fully paid**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the Company (whether presently or not) in respect of that share. The Company's lien on a share shall extend to every amount payable in respect of it. The board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this article.

### **16 Enforcing lien by sale**

The Company may sell, in such manner as the board may decide, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been served on the holder of the shares, demanding payment and stating that if the notice is not complied with the shares may be sold. For giving effect to the sale the board may authorise some person to execute an instrument of transfer of the shares sold to or in accordance with the directions

of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in reference to the sale.

#### **17 Application of proceeds of sale**

The net proceeds, after payment of the costs, of the sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the shares sold) be paid to the holder immediately before the sale.

### **Calls on shares**

#### **18 Calls**

Subject to the terms of issue, the board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the Company serving upon him at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be wholly or partly revoked or postponed as the board may decide. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

#### **19 Payment on calls**

A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

#### **20 Liability of joint holders**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

#### **21 Interest due on non-payment**

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the board may decide, but the board shall be at liberty to waive payment of the interest *wholly or in part*.

#### **22 Sums due on allotment treated as calls**

Any amount which becomes payable in respect of a share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the share or by way of premium or as an instalment of a call, shall be deemed to

be a call and, if it is not paid, all the provisions of these articles shall apply as if the sum had become due and payable by virtue of a call.

**23 Power to differentiate**

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

**24 Payment of calls in advance**

The board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the company by ordinary resolution shall otherwise direct) 15 per cent per annum, as the board may decide.

**Forfeiture of shares**

**25 Notice if call or instalment not paid**

If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

**26 Form of notice**

The notice shall name a further day (not being less than fourteen clear days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The board may accept the surrender of any share liable to be forfeited and, in that event, references in these articles to forfeiture shall include surrender.

**27 Forfeiture if non compliance with notice**

If the notice is not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest due in respect of it has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

**28 Notice after forfeiture**

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by any omission or neglect to give the notice.

## **29 Sale of forfeited shares**

Until cancelled in accordance with the requirements of the statutes, a forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person upon such terms and in such manner as the board shall decide. The board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The Company may receive the consideration (if any) given for the share on its disposal and if the share is in registered form may register the transferee as the holder of the share. At any time before a sale, re-allotment or disposition the forfeiture may be cancelled by the board on such terms as the board may decide.

## **30 Arrears to be paid notwithstanding forfeitures**

A person whose shares have been forfeited shall cease to be a member in respect of them and shall in the case of shares held in certificated form surrender to the Company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the Company all moneys which at the date of the forfeiture were payable by him to the Company in respect of those shares with interest thereon at the rate of 15 per cent per annum (or such lower rate as the board may decide) from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal.

## **31 Statutory declaration as for forfeiture**

A statutory declaration that the declarant is a director of the Company or the secretary and that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject to the relevant share transfer being made, if the same be required) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal.

## **Transfer of shares**

### **32 Form of transfer**

- 32.1** Subject to such of the restrictions of these articles as may be applicable, any member may transfer all or any of his shares which are in certificated form by an instrument of transfer in writing in any usual form or in any other form which the board may approve. The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the Company.
- 32.2** All transfers of shares which are in uncertificated form shall, unless the CREST Regulations otherwise provide, be effected by means of a relevant system.



### **33 Balance certificate**

- 33.1** Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and, to the extent that the balance is to be held in certificated form, a new certificate for the balance of such shares issued in lieu without charge.

### **34 Right to decline registration of partly paid shares**

The board may, in the issue of shares in certificated form, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any share which is not a fully paid share provided that where any such shares are admitted to the Official List the UK Listing Authority, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

### **35 Other rights to decline registration**

The board may also decline to register any transfer unless:-

- 35.1** the instrument of transfer relating to shares in certificated form is lodged (duly stamped if required) at the transfer office accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so;
- 35.2** the instrument of transfer is in respect of only one class of share, and
- 35.3** in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

In the case of a transfer of shares in certificated form by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgment of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

### **36 Notice of refusal**

If the board declines to register a transfer it shall, within two months after the date on which

- 36.1** the letter of allotment or instrument of transfer was lodged with the Company (in the case of shares held in certificated form); or
- 36.2** the operator-instruction was received by the Company (in the case of shares held in uncertificated form), send to the allottee or transferee notice in writing of the refusal.

### **37 No fee for registration**

No fee shall be charged by the Company for registering any transfer or other document relating to or affecting the title to any share or for making any other entry in the register.

### **38 Further provisions on shares in uncertificated form**

- 38.1** Subject to the statutes and the rules (as defined in the CREST Regulations), and apart from any class of wholly dematerialised security, the board may determine that any class of shares may be held in uncertificated form and that title to such shares may be transferred

by means of a relevant system or that shares of any class should cease to be held and transferred as aforesaid.

**38.2** The provisions of these articles shall not apply to shares of any class which are in uncertificated form to the extent that such articles are inconsistent with:

**38.2.1** the holding of shares of that class in uncertificated form;

**38.2.2** the transfer of title to shares of that class by means of a relevant system; or

**38.2.3** any provision of the CREST Regulations.

## **39 Untraced shareholders**

**39.1** The Company may sell any shares in the Company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a member of the London Stock Exchange to sell them at best if:-

**39.1.1** the shares have been in issue throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period,

**39.1.2** no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relative cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares at any time during the relevant period,

**39.1.3** so far as any director of the Company at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares, and

**39.1.4** the Company has caused two advertisements to be published, one in a daily newspaper with a national circulation and the other in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the shares shown in the register, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates.

**39.2** For the purpose of this paragraph of this article:

**39.2.1** **"the qualifying period"** means the period of six years immediately preceding the date of publication of the advertisements referred to in sub-paragraph 39.1.4 above or of the first of the two advertisements to be published if they are published on different dates; and

**39.2.2** **"the relevant period"** means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of sub-paragraphs 39.1.1 to 39.1.4 above have been satisfied.

If, after the publication of either or both of the advertisements referred to in sub-paragraph 39.1.4 above but before the Company has become entitled to sell the shares pursuant to this paragraph of this article, the requirements of sub-paragraph 39.1.2 or 39.1.3 above cease to be satisfied, the Company may nevertheless sell those shares after the requirements of sub-paragraphs 39.1.1 to 39.1.4 above have been satisfied afresh in relation to them.

If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements of sub-paragraphs 39.1.2 to 39.1.4 above have been satisfied in regard to the further shares, the Company may also sell the further shares.

To give effect to any sale of shares pursuant to this paragraph of this article the board may authorise some person to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and the Company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the Company or as it thinks fit.

- 39.3** In the case of shares in uncertificated form, the foregoing provisions of this article are subject to any restrictions applicable under the CREST Regulations.

## **Transmission of Shares**

### **40 Transmission on death**

If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares; but nothing contained in these articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.

### **41 Entry of transmission in register**

Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the board, the board shall within one month after proof cause the entitlement of that person to be noted in the register.

### **42 Election of person entitled by transmission**

Any person entitled by transmission to a share may, subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share in favour of that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was a of transfer made by the member.

### **43 Rights of person entitled by transmission**

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company. The board may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

### **Alteration of share capital**

#### **44 Increase, consolidation, sub-division and cancellation**

The Company may from time to time by ordinary resolution:-

- 44.1** increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- 44.2** consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 44.3** subject to the provisions of the statutes, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and
- 44.4** cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

#### **45 Fractions**

Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions to any person (including, subject to the provisions of the Companies Acts, the Company) and distribute the net proceeds of sale in due proportion among those members and the board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale. So far as the statutes allow, the board may treat shares of a member in certificated form and in uncertificated form as separate holdings in giving effect to subdivisions and/or consolidations and may cause any shares arising on consolidation or subdivision and representing fractional entitlements to be entered in the register as shares in certificated form where this is desirable to facilitate the sale thereof.

#### **46 Reduction of capital**

Subject to the provisions of the Companies Acts, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or other undistributable reserve in any way.

### **General meetings**

#### **47 Extraordinary general meetings**

Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.

#### **48 Annual general meetings**

The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

#### **49 Calling of extraordinary general meetings**

The board may convene an extraordinary general meeting whenever it thinks fit.

### **Notice of general meetings**

#### **50 Length of notice**

- 50.1** An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or (save as provided by the statutes) a resolution of which special notice has been given to the Company or a resolution appointing a person as a director, shall be called by not less than twenty-one clear days' notice in writing. All other extraordinary general meetings shall be called by not less than fourteen clear days' notice in writing. The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted. Notice of every general meeting shall be given to all members other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors or, if more than one, each of them. Provided that the Company may determine that only those persons entered on the register at the close of business on a day determined by the Company, such day being no more than 21 days before the day that notice of the meeting is sent, shall be entitled to receive such a notice.
- 50.2** For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend or vote at the meeting.
- 50.3** Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this article, it shall be deemed to have been properly called if it is so agreed:-
- 50.3.1** in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting and

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

## **51 Omission or non-receipt of notice**

The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive the notice shall not invalidate the proceedings at that meeting.

## **Proceedings at General Meetings**

## **52 Quorum**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

## **53 Procedure if quorum not present**

If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the commencement of the meeting a quorum is not present, the meeting shall stand adjourned to such other day (not being less than ten nor more than twenty-eight days later) and at such time or place as the chairman of the meeting may decide and at such adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum. The Company shall give not less than seven clear days' notice in writing of any meeting adjourned through want of a quorum and the notice shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

## **54 Chairman of general meeting**

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.

## **55 Directors' right to attend and speak**

Each director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the Company.

## **56 Adjournments**

The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to him that (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting to another time or place. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

## **57 Notice of adjournment**

When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where these articles otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

## **58 Amendments to resolutions**

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

# **Voting**

## **59 Method of voting**

**59.1** At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. Subject to the Companies Acts, a poll may be demanded by:-

**59.1.1** the chairman of the meeting, or

**59.1.2** at least five members present in person or by proxy and entitled to vote, or

**59.1.3** any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting, or

**59.1.4** any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate 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 so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular

majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

**60 Procedure if poll demanded**

If a poll is properly demanded it shall be taken in such manner (including by use of ballot or voting papers or electronic means or any other combination thereof) as the chairman shall direct and he may appoint scrutineers who need not be members. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

**61 When poll to be taken**

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 either forthwith or on such date (being not later than thirty days after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

**62 Continuance of other business after poll demand**

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

**63 Votes on a poll**

On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Unless his appointment otherwise provides, the proxy may vote or abstain at his discretion on any matter coming before the meeting on which proxies are entitled to vote.

**64 Casting vote of chairman**

In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional or casting vote.

**65 Votes of joint holders**

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

**66 Voting on behalf of incapable member**

A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so on his behalf and that person may vote on a poll



by proxy, provided that evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote has been delivered at the office (or at such other place as may be specified in accordance with these articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

#### **67 No right to vote where sums overdue on shares**

No member shall, unless the board otherwise decides, be entitled to vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

#### **68 Objections or errors in voting**

If:-

- 68.1** any objection shall be raised to the qualification of any voter; or
- 68.2** any votes have been counted which ought not to have been counted or which might have been rejected; or
- 68.3** any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

### **Proxies**

#### **69 Form of proxy**

The appointment of a proxy must be in writing in any usual or common form or in any other form which the board may approve and:

- (a) in the case of an individual must either be signed by the appointor or his attorney or comply with article 136; and
- (b) in the case of a corporation must be either given under its common seal or be signed on its behalf by an attorney or a duly authorised officer of the corporation or comply with article 136.

The signature on such appointment need not be witnessed. Where appointment of a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a copy thereof certified notarially or in some other way approved by the board must (failing previous registration with the Company) be submitted to the Company, failing which the appointment may be treated as invalid.

## **70 Delivery of proxies**

The appointment of a proxy must be received at such address or one of such addresses (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no address is so specified, must be left at the transfer office) not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for taking of the poll at which it is to be used, and in default shall not be treated as valid. The appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Without limiting the foregoing, in relation to any shares in uncertificated form the board may permit a proxy to be appointed by means of an electronic communication in the form of an uncertificated proxy instruction (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, sent by means of a relevant system to 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)); and may permit any supplement to, or amendment or revocation of, any such uncertificated proxy instruction to be made by a further uncertificated proxy instruction. The board may in addition prescribe the method of determining the time at which any such instruction or notification is to be treated as received by the Company. The board may treat any such instruction or notification purporting or expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending the instruction to send it on behalf of that holder.

When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share: if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

## **71 Revocation of proxy**

A vote cast or demand for a poll made by proxy shall not be invalidated by the previous death or insanity of the member or by the revocation of the appointment of the proxy or of the authority under which the appointment was made unless notice in writing of such death, insanity or revocation shall have been received by the Company at the transfer office, at least one hour before the start of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

## **72 Corporations acting by representatives**

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any shareholders' meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these

articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

### **Appointment, retirement and removal of directors**

#### **73 Age of directors**

- 73.1** No person shall be capable of being appointed a director if at the time of his appointment he has attained the age of seventy.
- 73.2** A director shall vacate his office at the conclusion of the annual general meeting commencing next after he attains the age of seventy.

#### **74 Directors' shareholding qualification**

No shareholding qualification for directors shall be required.

#### **75 Power of Company to appoint directors**

Subject to the provisions of these articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles.

#### **76 Power of board to appoint directors**

Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of these articles to appoint any person to be a director, the board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting.

#### **77 Retirement at annual general meetings**

- 77.1** Each director shall retire at the annual general meeting held in the third calendar year following the year in which he was elected or last re-elected but, unless he falls within article 77.2 below, he shall be eligible for re-election.
- 77.2** A director shall also retire at any annual general meeting if he has agreed to do so (whether in accordance with the terms of his appointment or otherwise) and, unless the board has agreed otherwise, he shall not be eligible for re-election.

#### **78 Re-election of retiring director**

The Company at the meeting at which a director retires under any provision of these articles may by ordinary resolution fill the office being vacated by electing thereto the retiring director (if eligible for re-election) or some other person eligible for election. In the absence of such a resolution the retiring director shall nevertheless be deemed to have been re-elected except in any of the following cases:

- 78.1** where at such meeting a resolution for the re-election of such director is put to the meeting and lost, or it is expressly resolved not to fill the office being vacated;

- 78.2** where such director is ineligible for re-election or has given notice in writing to the Company that he is unwilling to be re-elected; or
- 78.3** where a resolution to elect such director is void by reason of contravention of the next following article; or
- 78.4** where such director has attained any retiring age applicable to him as director.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

**79 Election of two or more directors**

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

**80 Nomination of director for election**

No person other than a director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a director at any general meeting unless not less than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

**81 Election or appointment of additional director**

The Company may by ordinary resolution elect, and without prejudice thereto the board shall have power at any time to appoint, any person to be a director either to fill a casual vacancy or as an additional director, but so that the total number of directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these articles. Any person so appointed by the directors shall hold office only until the next annual general meeting and shall then be eligible for election.

**82 Removal of director**

The Company may in accordance with and subject to the provisions of the statutes by ordinary resolution of which special notice has been given remove any director from office (notwithstanding any provision of these articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement) and elect another person in place of a director so removed from office.

### **83 Vacation of office by directors**

Without prejudice to the provisions for retirement by rotation or otherwise contained in these articles, the office of a director shall be vacated if:-

- 83.1** he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board, or
- 83.2** he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the board resolves that his office is vacated, or
- 83.3** he is absent without the permission of the board from meetings of the board (whether or not an alternate director appointed by him attends) for six consecutive months and the board resolves that his office is vacated, or
- 83.4** he becomes bankrupt or compounds with his creditors generally, or
- 83.5** he is prohibited by law from being a director, or
- 83.6** he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

### **84 Alternate directors**

- 84.1** Each director may appoint any person to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a director, the appointment, unless previously approved by the board, shall have effect only upon and subject to its being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointor and delivered to the office or tendered at a meeting of the board, or in any other manner approved by the board. If his appointor so requests, an alternate director shall be entitled to receive notice of all meetings of the board or of committees of the board of which his appointor is a member. He shall also be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of these articles shall apply as if he were a director.
- 84.2** Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these articles relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director.
- 84.3** Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director if he shall be himself a director his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. Execution by an alternate director of any resolution in writing of the board or a committee of the board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.

- 84.4** An alternate director shall automatically cease to be an alternate director if his appointor ceases for any reason to be a director except that, if at any meeting any director retires by rotation or otherwise but is reappointed or deemed to be reappointed at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired.

**85 Executive directors**

The board or any committee authorised by the board may from time to time appoint one or more directors to hold any employment or executive office with the Company (including that of a managing director) for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board or any committee authorised by the board may in its discretion decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the Company or the Company may have against the director for any breach of any contract of service between him and the Company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide, and either in addition to or in lieu of his remuneration as a director.

**Additional remuneration expenses and pensions**

**86 Additional remuneration**

Any director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may in its discretion decide in addition to any remuneration provided for by or pursuant to any other article.

**87 Expenses**

Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the board or committees of the board or general meetings of the Company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a director.

**88 Pensions and gratuities for directors**

The board or any committee authorised by the board may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director provided that no benefits (except such as may be provided for by any other article) may be granted to or in respect of a director or former director who has not been employed by, or held an executive or other office or place of profit under, the Company or any body corporate which is or has been its subsidiary or any predecessor in business of the Company or any such body corporate without the approval of an ordinary resolution of the

Company. No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

### **Directors' interests**

#### **89 Permitted interests and voting**

- 89.1** Subject to the provisions of the statutes and of article 89.12, no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any director is in any way interested be liable to be avoided, nor shall any director who is so interested be liable to account to the Company or the members for any remuneration, profit or other benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship thereby established.
- 89.2** A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period (subject to the provisions of the statutes) and upon such other terms as the board may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other article.
- 89.3** A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in the other company. The board may also cause any voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company.
- 89.4** A director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- 89.5** A director shall not vote on or be counted in the quorum in relation to any resolution of the board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, or two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each director and in that case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to

an office or place of profit with a company in which the Company is interested and the director seeking to vote or be counted in the quorum owns one per cent or more of it.

**89.6** Save as otherwise provided by these articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the board in respect of any contract in which he is to his knowledge materially interested and, if he shall do so, his vote shall not be counted, but his prohibition shall not apply to any resolution where that material interest arises only from one or more of the following matters:-

**89.6.1** the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him for the benefit of the Company or any of its subsidiaries,

**89.6.2** the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security,

**89.6.3** the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of the public,

**89.6.4** the underwriting by him of any shares, debentures or other securities of the Company or any of its subsidiaries,

**89.6.5** any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company,

**89.6.6** any contract concerning any other company (not being a company in which the director owns one per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever,

**89.6.7** any contract concerning the adoption, modification or operation of a pension fund or retirement death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates,

**89.6.8** any contract for the benefit of employees of the Company or of any of its subsidiaries under which he benefits in a similar manner to the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom the contract relates, and

**89.6.9** any contract for the purchase or maintenance for any director or directors of insurance against any liability.

**89.7** A company shall be deemed to be one in which a director owns one per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in one per cent or more of the class of the equity share capital of that company or of the voting rights available to members of that company. For the purpose of this paragraph of this article there shall be disregarded any shares held by the director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which his interest is in reversion or remainder if and so long as



some other person is entitled to receive the income of the trust and any shares comprised in an authorised unit trust scheme in which he is interested only as a unit holder.

- 89.8** Where a company in which a director owns one per cent or more is materially interested in a contract, he also shall be deemed materially interested in that contract.
- 89.9** If any question shall arise at any meeting of the board as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director (other than the chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be conclusive except in a case where the nature or extent of his interest (so far as it is known to him) has not been fairly disclosed to the board. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the board (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman (so far as it is known to him) has not been fairly disclosed to the board.
- 89.10** A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract 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 is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the board after he knows that he is or has become so interested. For the purposes of this article, a general notice to the board by a director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this article in relation to any such contract; provided that no such notice shall be effective unless either it is given at a meeting of the board or the director takes reasonable steps to secure that it is brought up and read at the next board meeting after it is given.
- 89.11** References in this article to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.
- 89.12** Subject to the statutes, the Company may by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any contract not properly authorised by reason or a contravention of this article.

## **Powers and duties of the board**

### **90 General powers of Company vested in board**

Subject to the provisions of the statutes, the memorandum of association of the Company and these articles and to any directions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the board which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. No alteration of the memorandum of association or these articles and no special resolution shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that resolution had not been

passed. The powers given by this article shall not be limited by any special power given to the board by any other article.

## **91 Local boards**

The board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any manager or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of its powers, authorities and discretions (with power to sub-delegate) and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this article may be made upon such terms and subject to such conditions as the board may decide and the board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

## **92 Powers of attorney**

The board may, by power of attorney or otherwise, appoint any person to be the agent of the Company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to sub-delegate). The board may remove any person appointed under this article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

## **93 Delegations to individual directors**

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

## **94 Official seals**

The Company may exercise all the powers conferred by the statutes with regard to having official seals, and those powers shall be vested in the board.

## **95 Registers**

Subject to the provisions of the statutes, the Company may keep an overseas or local or other register in any place, and the board may make and vary such regulations as it may think fit respecting the keeping of the register.

## **96 Provision for employees**

The board may exercise any power conferred by the statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

## **Proceedings of the board**

### **97 Board meetings**

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary on the requisition of a director at any time shall, summon a board meeting.

### **98 Notice of board meetings**

Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during his absence be sent in writing to him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and if no request is made to the board it shall not be necessary to give notice of a board meeting to any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

### **99 Quorum**

The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, shall be two. Subject to the provisions of these articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.

### **100 Directors below minimum through vacancies**

The continuing directors or a sole continuing director may act notwithstanding any vacancy in their number but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these articles, the continuing directors or director, notwithstanding that the number of directors is below the number fixed by or in accordance with these articles as the quorum or that there is only one continuing director, may act for the purpose of filling vacancies or of summoning general meetings of the Company but not for any other purpose. If there be no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

### **101 Appointment of chairman**

The board may appoint a director to be the chairman or the deputy chairman of the board, and may at any time remove him from that office. Unless he is unwilling to do so, the chairman or failing him the deputy chairman shall act as chairman at every meeting of the board. But if no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting and willing to act, the directors present may choose one of their number to be chairman of the meeting.

## **102 Competence of meetings**

A meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the board.

## **103 Voting**

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

## **104 Delegation to committees**

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit, provided that the majority of the members of the committee are directors of the Company and that no meeting of the committee shall be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are directors of the Company. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the board. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these articles for regulating the meetings and proceedings of the board so far as the same are applicable and are not superseded by any regulations imposed by the board.

## **105 Participation in meetings by telephone**

All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be 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.

## **106 Resolution in writing**

A resolution in writing executed by all the directors for the time being entitled to receive notice of a meeting of the board (if that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the board or, as the case may be, of the committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned.

## **107 Validity of acts of board or committee**

All acts done by the board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board or committee or person so acting or that they or any of them were disqualified or had vacated office, be as valid as

if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee.

#### **108 Signature on cheques etc.**

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

#### **109 Secretary**

The secretary shall be appointed by the board on such terms and for such period as it may think fit. Any secretary so appointed may at any time be removed from office by the board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint secretaries. The board may also appoint from time to time on such terms as it may think fit one or more deputy and/or assistant secretaries.

#### **110 Authentication of documents**

Any director or the secretary or any person appointed by the directors for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed at a shareholders' meeting or at a meeting of the directors or any committee, and any book, record, document or account relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any book, record, document or account is elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the board as aforesaid. A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

### **Seals**

#### **111 Use of seals**

The board shall provide for the custody of every seal of the Company. A seal shall only be used by the authority of the board or of a committee of the board authorised by the board in that behalf. The securities seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Subject as otherwise provided in these articles, any instrument to which the common seal or the securities seal is applied shall be signed by at least one director and the secretary or by at least two directors, and any instrument to which an official seal is applied need not, unless the board for the time being otherwise decides or the law otherwise requires, be signed by any person.

- 111.1** Any instrument signed by one director and the secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under the seal,

provided that no instrument which makes it clear on its face that it is intended to have effect as a deed shall be so signed without the authority of the directors or of a committee authorised by the directors in that behalf.

## **Dividends and other payments**

### **112 Declaration of dividends by company**

Subject to the provisions of the Companies Acts, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board.

### **113 Capital profits**

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the statutes. Any surplus over the book value derived from the sale or realisation of any capital asset and any other sums representing capital profits within the meaning of Section 265 of the Companies Act 1985 or other accretions to capital assets, including in particular any sums resulting from the writing up of the book values of any capital assets, shall not be available for dividend or any other distribution within the meaning ascribed thereto by Section 263(2) of the Companies Act 1985 otherwise than by way of the redemption or purchase of any of the Company's own shares in accordance with Section 160 and 162 of the Companies Act.

### **114 Payment of interim and fixed dividends by board**

Subject to the provisions of the Companies Acts, the board may pay such interim dividends as appear to the board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the Company, in the opinion of the board, justifies its payment. If the board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

### **115 Calculation and currency of dividends**

#### **115.1** Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:-

**115.1.1** all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share,

**115.1.2** all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, and

**115.1.3** dividends may be declared or paid in any currency.

#### **115.2** The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the

amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

#### **116 Amounts due on shares may be deducted from dividends**

The board may deduct from any dividend or other moneys payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

#### **117 No interest on dividends**

No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

#### **118 Payment procedure**

Any dividend or other sum payable by the Company in respect of a share may be paid to the holder whose name stands first in the register in respect of the shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Such dividend or other moneys may be paid (i) by cheque sent by post to the payee; (ii) by inter-bank transfer to such account as the payee or payees shall in writing direct; or (iii) (if so authorised by the holder of shares in uncertificated form) using the facilities of a relevant system); or (iv) by such other method of payment as the member (or in the case of the joint holders of a share) all of them may agree to. Every cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of the shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the Company in respect of the share may be paid as if he were a holder of the share and his address noted in the register were his registered address.

#### **119 Uncashed dividends**

The Company may cease to send any cheque or warrant through the post or employ any other means of payment for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed or that means of payment has failed but, subject to the provisions of these articles, may recommence sending cheques or warrants or employing such means in respect of dividends payable on those shares if the holder or person entitled by transmission requests such recommencement in writing.

## **120 Forfeiture of unclaimed dividends**

Any dividend unclaimed after a period of six years from the date when it became due for payment shall be forfeited and shall revert to the Company and the payment by the board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it.

## **121 Dividends not in cash**

Any general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the 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, and may fix the value for distribution purposes of any assets to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the board.

## **122 Scrip dividends**

The board may, if authorised by an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the board) of any dividend specified by the ordinary resolution. The following provisions shall apply:-

- 122.1** An ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the annual general meeting next following the date of the meeting at which the ordinary resolution is passed.
- 122.2** The entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the Daily Official List, 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. 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 and in giving such a certificate or report the auditors may rely on advice or information from brokers or other sources of information as they think fit.
- 122.3** On or as soon as practicable after announcing that it is to declare or recommend any dividend, the board, if it intends to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment, if it decides to proceed with the offer, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which elections must be lodged in order for elections to be effective.



- 122.4** The board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- 122.5** The board may exclude from any offer any holders of ordinary shares where the board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- 122.6** The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made ("the elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose the board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis.
- 122.7** The additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully-paid ordinary shares then in issue except that they will not be entitled to participation in the relevant dividend.
- 122.8** The board may also from time to time establish or vary a procedure for election mandates, under which a holder of ordinary shares may elect in respect of future rights to elect offered to that holder under this article until the election mandate is revoked in accordance with the procedure.

### **Capitalisation of reserves**

#### **123 Power to capitalise reserves and funds**

Subject to the statutes, the Company may upon the recommendation of the board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by those members respectively or in paying up in full unissued shares debentures or other obligations of the Company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, for the purposes of this article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company. The board may authorise any person to enter into an agreement with the Company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any shares, debentures or other obligations of the Company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

## **124 Settlement of difficulties in distribution**

Where any difficulty arises in regard to any distribution of any capitalised reserve or fund the board may settle the matter as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the board.

## **Record dates**

### **125 Power to choose any record date**

Notwithstanding any other provision of these articles the Company or the board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.

### **126 Investment powers**

**126.1** The Company shall procure that no shares or securities (whether of one class or more than one class) in any one company shall be acquired which on acquisition and together with any shares or securities (as aforesaid) in the same company held at the time the new acquisition is made represent more than 10 per cent by market value of the total assets of the Company provided that:-

**126.1.1** this restriction shall not prevent the acquisition of shares or securities:-

- (i) in an investment trust or a company which would be an investment trust if shares or securities therein, or a class of them, were quoted on a recognised stock exchange in the United Kingdom; nor
- (ii) in any government securities of the United Kingdom or Canada or the United States of America or guaranteed by the governments of any such countries; nor
- (iii) by allotment without the Company becoming liable to give any consideration;

**126.1.2** for the purposes of this restriction:-

- (i) where in connection with a scheme of reconstruction or amalgamation, a company issues shares or securities to persons holding shares or securities in a second company in respect of and in proportion to (or as nearly as may be in proportion to) their holdings in the second company, without those persons becoming liable to give any consideration, the holding of shares or securities in the second company and a corresponding holding of the shares or securities so issued shall be regarded as the same holding, and
- (ii) words and phrases shall bear the same meaning as they bear in Section 842 of the Income and Corporation Taxes Act 1988;

- (iii) no persons dealing with the Company shall by reason of this restriction be concerned to see or enquire whether the limit hereby imposed is observed, and no acquisition of shares or securities shall as a result of this restriction be invalid or ineffectual as regards any third party.

### **Accounting records**

#### **127 Records to be kept**

The board shall cause to be kept accounting records sufficient to show and explain the Company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the Company at that time, and which accord with the statutes.

#### **128 Inspection of records**

No member in his capacity as such shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the board or by ordinary resolution of the Company.

### **Service of notices and other documents**

#### **129 Service of notices**

**129.1** Any notice to be given to or by any person pursuant to these articles shall be in writing, except that a notice calling a meeting of the directors need not be in writing.

**129.2** Any notice or other document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post addressed to the member at his registered address or by leaving it at that address addressed to the member or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

**129.3** Any document or notice which, in accordance with these articles, may be sent by the Company by electronic communication shall, if so sent, be deemed to be received at the expiration of 24 hours after the time it was sent. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators) that an electronic communication was sent by the Company shall be conclusive evidence of such sending.

#### **130 Record date for service**

Any notice or other document may be served or delivered by the Company by reference to the register as it stands at any time not more than 15 days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or other document is served on or delivered to any person in respect of a share in accordance with these articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.

### **131 Members resident abroad**

Any member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at that address but, unless he does so, shall not be entitled to receive any notice from the Company.

### **132 Service of notice on person entitled by transmission**

Where a person is entitled by transmission to a share, any notice or other document shall be served upon or delivered to him, as if he were the holder of that share and his address noted in the register were his registered address. Otherwise, any notice or other document served on or delivered to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly served or delivered in respect of any share registered in the name of that member as sole or joint holder.

### **133 When notice deemed served**

Any notice or other document, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or other document not sent by post but left at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or other document served or delivered by any other means authorised in writing by the member concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose.

### **134 Notice when post not available**

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by a notice advertised in one newspaper with a national circulation and in that event the notice shall be deemed to have been served on all members and persons entitled by transmission, who are entitled to have notice of the meeting served upon them, on the day when the advertisement has appeared in at least two such papers. If at least six clear days prior to the meeting the posting of notices to addresses throughout the United Kingdom has again become practicable, the Company shall send confirmatory copies of the notice by post to the members to whom it was not sent by electronic communication.

### **135 Statutory requirements as to notices**

Nothing in any of the preceding six articles shall affect any requirement of the statutes that any particular offer, notice or other document be served in any particular manner.

### **136 Signature of documents**

Where under these articles a document requires to be signed by a member or other person then, if in the form of an electronic communication, it must to be valid incorporate the

electronic signature or personal identification details (which may be details previously allocated by the Company) of that member or other person, in such form as the board may approve, or be accompanied by such other evidence as the board may require to satisfy itself that the document is genuine. The Company may designate mechanisms for validating any such document, and any such document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

### **137 Electronic communication**

**137.1** Any member may notify the Company of an address for the purpose of his receiving electronic communications from the Company, and having done so shall be deemed to have agreed to receive notices and other documents from the Company by electronic communication of the kind to which the address relates. In addition, if a member notifies the Company of his e-mail address, the Company may satisfy its obligation to send him any notice or other document by:

**137.1.1** publishing such notice or document on a web site; and

**137.1.2** notifying him by e-mail to that e-mail address that such notice or document has been so published, specifying the address of the web site on which it has been published, the place on the web site where it may be accessed, how it may be accessed and (if it is a notice relating to a shareholders' meeting) stating (i) that the notice concerns a notice of a company meeting served in accordance with the Act, (ii) the place, date and time of the meeting, (iii) whether the meeting is to be an annual or extraordinary general meeting and (iv) such other information as the statutes may prescribe.

**137.2** Any amendment or revocation of a notification given to the Company under this article shall only take effect if in writing, signed by the member and on actual receipt by the Company thereof.

**137.3** An electronic communication shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.

### **Destruction of documents**

### **138 Destruction of Documents**

Subject to compliance with the rules (as defined in the CREST Regulations) applicable to shares of the Company in uncertificated form, the Company shall be entitled to destroy all instruments of transfer or other documents which have been registered or on the basis of which registration was made at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned

so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company Provided always that:

- 138.1** the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- 138.1.1** nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this article;
- 138.1.2** any document referred to above may, subject to the statutes, be destroyed before the end of the relevant period so long as a copy of such document (whether made electronically, by microfilm, by digital imaging or by any other means) has been made and is retained until the end of the relevant period; and
- 138.1.3** references herein to the destruction of any document include references to the disposal thereof in any manner.

### **Winding up**

#### **139 Distribution of assets otherwise than in cash**

If the Company commences liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the statutes:

- 139.1** divide among the members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, or
- 139.2** vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit,
- but no member shall be compelled to accept any shares or other assets upon which there is any liability.

### **Indemnity**

#### **140 Indemnity of officers**

Subject to the provisions of the Companies Acts, the Company may purchase and maintain for any director or other officer insurance against any liability. Subject to those provisions, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as a director or other officer of the Company, , in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under the Companies Acts in which relief is granted to him by the court.

## **Auditors**

### **141 Validity of auditor's acts**

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

### **142 Auditor's right to attend general meetings**

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