

No. 1345670

*The Companies Acts 1985*

COMPANY LIMITED BY SHARES

Memorandum

AND

Articles of Association



*(Memorandum adopted by Special Resolution passed on 18 May 2000)*  
*(Articles of Association adopted by Special Resolution passed on 20 June 2001*  
*and amended by Special Resolution passed on 15 May 2002)*

OF

**JOHN LAING  
PUBLIC LIMITED COMPANY**

Incorporated 23 December 1977

**Linklaters**

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THE COMPANIES ACTS 1985

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*COMPANY LIMITED BY SHARES*

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**MEMORANDUM OF ASSOCIATION**

**OF**

**JOHN LAING**

**PUBLIC LIMITED COMPANY**

1. The name of the Company is "JOHN LAING PUBLIC LIMITED COMPANY".
2. The Company is to be a public company.
3. The registered office of the Company will be situate in England.
4. The objects for which the Company is established are:-
  - (A) To acquire and hold shares, stocks, debentures, debenture stocks, securities, obligations or other investments, rights or interests of or in any companies.
  - (B) To co-ordinate, finance and manage all or any part of the businesses and operations of any or all companies controlled directly or indirectly by the Company or in which the Company is interested, whether as a shareholder or otherwise.
  - (C) To carry on the business of building and civil engineering contractors and all or any of the businesses which may conveniently or advantageously be carried on in conjunction with or as ancillary to such a principal business, including (without prejudice to the generality of the foregoing) manufacturing and dealing in all kinds of plant, machinery, equipment, building and other materials, articles and things required for the purposes of building, or civil engineering contractors.
  - (D) To build, construct, equip, execute, carry out, improve, work, develop, administer, maintain, manage or control works, plants, factories, wharves, jetties, roads, warehouses, depots, offices and other buildings, structures or facilities of all kinds, whether for the purposes of the Company or for sale, letting or hire to or in return for any consideration from any company, firm or person, and to contribute to or assist in or carry out any part of any such operation.
  - (E) To carry on the business of a property holding and investment company and all or any of the businesses which may conveniently or advantageously be carried on in conjunction with or as ancillary to such a principal business.
  - (F) To carry on any other business of any nature whatsoever which may seem to the Directors to be capable of being conveniently carried on in connection or conjunction with any business of the Company hereinbefore or hereinafter authorised or to be expedient with a

See Note 1

view to rendering profitable or more profitable any of the Company's assets or utilising its know-how or expertise.

- (G) To subscribe, underwrite, purchase, or otherwise acquire, and to hold, dispose of, and deal with, any shares or other securities or investments of any nature whatsoever, and any options or rights in respect thereof, and to buy and sell foreign exchange.
- (H) To draw, make, accept, endorse, discount, negotiate, execute, and issue, and to buy, sell and deal with bills of exchange, promissory notes, and other negotiable or transferable instruments or securities.
- (I) To purchase or otherwise acquire for any estate or interest any property or assets or any concessions, licences, grants, patents, trade marks, copyrights or other exclusive or non-exclusive rights of any kind and to develop and turn to account and deal with the same in such manner as may be thought fit and to make experiments and tests and to carry on all kinds of research work.
- (J) To amalgamate or enter into partnership or any joint venture or profit-sharing arrangement or other association with any company, firm or person.
- (K) To purchase or otherwise acquire and undertake all or any part of the business, property and liabilities of any company, firm or person carrying on any business which the Company is authorised to carry on or possessed of any property suitable for the purposes of the Company.
- (L) To promote, or join in the promotion of, any company, whether or not having objects similar to those of the Company.
- (M) To borrow and raise money and to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgages and charges upon the undertaking and all or any of the property and assets (present and future) and the uncalled capital of the Company, or by the creation and issue of debentures, debenture stock or other securities of any description.
- (N) To lend money to any company, firm or person on such terms as may be thought fit and with or without security and to guarantee or provide security (whether by personal covenant or by mortgage or charge or otherwise howsoever) for the performance of the contracts or obligations of any company, firm or person, and the payment and repayment of the capital and principal of, and dividends, interest or premiums payable on, any shares or other securities of any company, whether having objects similar to those of the Company or not, and to give all kinds of indemnities.
- (O) To issue any securities which the Company has power to issue for any other purpose by way of security or indemnity or in satisfaction of any liability undertaken or agreed to be undertaken by the Company.
- (P) To sell, lease, grant licences, easements and other rights over, and in any other manner deal with or dispose of, the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit, and in particular for shares or other securities, whether fully or partly paid up.
- (Q) To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any purpose which may be considered likely directly or indirectly to further the interests of the Company or of its members.

- (R) To establish and maintain or contribute to any pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any individuals who are or were at any time in the employment or service of the Company or of any company which is or was its holding company or is or was a subsidiary of the Company or any such holding company or otherwise is or was allied to or associated with the Company, or who are or were at any time directors or officers of the Company or of any such other company, and the wives, widows, families and dependants of any such individuals; to establish and subsidise or subscribe to any institutions, associations, clubs or funds which may be considered likely to benefit any such persons or to further the interests of the Company or of any such other company; and to make payments for or towards the insurance of any such persons.
- (S) To establish or contribute to any scheme for the acquisition by trustees of shares in the Company or its holding company to be held by or for the benefit of employees (including any director holding a salaried employment or office) of the Company or (so far as for the time being permitted by law) any of the Company's subsidiaries and to lend money (so far as aforesaid) to any such employees to enable them to acquire shares of the Company or its holding company and to formulate and carry into effect any scheme for sharing profits with any such employees.
- (T) (i) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund; and (ii) to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability; for the purposes of this clause "holding company" and "subsidiary undertaking" shall have the same meanings as in the Companies Act 1989.
- (U) To distribute among members of the Company *in specie* or otherwise, by way of dividend or bonus or by way of reduction of capital, all or any of the property or assets of the Company, or any proceeds of sale or other disposal of any property or assets of the Company, with and subject to any incident authorised and consent required by law.
- (V) To do all or any of the things and matters aforesaid in any part of the world, and either as principals, agents, contracts, trustees or otherwise, and by or through trustees, agents, subsidiary companies or otherwise, and either alone or in conjunction with others.
- (W) To do all such other things as may be considered to be incidental or conducive to any of the above objects.

And it is hereby declared that the objects of the Company as specified in each of the foregoing paragraphs of this clause (except only if and so far as otherwise expressly provided in any paragraph) shall be separate and distinct objects of the Company and shall

not be in any way limited by reference to any other paragraph or the order in which the same occur or the name of the Company.

1. The liability of the members is limited.
2. The share capital of the Company is £2 divided into 8 shares of 25p each.

See Note 2

NOTE 1: Company incorporated 23rd December, 1977 as "JOHN LAING (C.H.) LIMITED". Name changed to "JOHN LAING LIMITED" with effect from 15th June, 1978 and to "JOHN LAING PUBLIC LIMITED COMPANY" with effect from 5th October, 1981.

NOTE 2: By a Special Resolution passed on the 31st day of August, 1978, *inter alia*, the share capital of the Company was increased from £2 divided into 8 Ordinary Shares of 25p each to £13,461,731.50 by the creation of 27,557,356 Ordinary Shares of 25p each and 26,289,562 Ordinary A Shares of 25p each and the said share capital of £13,461,731.50 was further increased to £16,000,000 by the creation of 10,153,074 Unclassified Shares of 25p each.

By an Ordinary Resolution passed on 21st May, 1987 the share capital of the Company was increased to £30,000,000 by the creation of 56,000,000 additional Unclassified Shares of 25p each.

By a Special Resolution passed on 14th June, 1993, *inter alia*, the share capital of the Company was increased from £30,000,000 to £75,000,000 by the creation of 40,151,313 6.4 per cent Convertible Cumulative Preference Shares of £1 each and 19,394,748 Unclassified Shares of 25p each.

NOTE 3 By a Special Resolution passed on the 18 May, 2000, *inter alia*, the Ordinary A (non-voting) Shares of 25p each and Unclassified Shares of 25p each were converted into and redesignated as Ordinary Shares.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
<p>C M SETH Barrington House 59-67 Gresham Street London EC2V 7JA</p> <p><i>Secretary</i></p> <p>J FALLCONI Barrington House 59-67 Gresham Street London EC2V 7JA</p> <p><i>Secretary</i></p>	<p>One</p> <p>One</p>
Total Shares taken..	Two

DATED the 8th day of December, 1977

WITNESS to the above signatures:

GUY SCAMMELL  
Barrington House  
59-67 Gresham Street  
London EC2V 7JA  
*Solicitor*

No. 1345670

*The Companies Acts 1985*

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COMPANY LIMITED BY SHARES

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Articles of Association

*(Adopted by Special Resolution passed on 20 June 2001  
and amended by Special Resolution passed on 15 May 2002))*

OF

**JOHN LAING  
PUBLIC LIMITED COMPANY**

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**The Companies Act 1985**  
**Company Limited by Shares**

**ARTICLES OF ASSOCIATION**

Adopted by Special Resolution passed on 20<sup>th</sup> June 2001  
and amended by Special Resolution passed on 15 May 2002

of

**JOHN LAING PUBLIC LIMITED COMPANY**

**Preliminary**

**1 Table A not to apply**

The regulations in Table A in The Companies (Tables A to F) Regulations 1985 and in any Table A applicable to the Company under any former enactment relating to companies shall not apply to the Company.

**2 Interpretation**

In these Articles (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

the "Act"	The Companies Act 1985.
the "CREST Regulations"	The Uncertificated Securities Regulations 1995.
the "Statutes"	The Act, the CREST Regulations and every other statute for the time being in force applying to or concerning companies and affecting the Company.
"these Articles"	These Articles of Association as from time to time altered.
"Office"	The registered office of the Company for the time being.
"Register"	The register of members of the Company.
"Transfer Office"	The place where the Register is situate for the time being.
"Seal"	The Common Seal of the Company.
"Securities Seal"	An official seal kept by the Company by virtue of Section 40 of the Act.
the "London Stock Exchange"	London Stock Exchange plc.
"Operator"	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"	A properly authenticated dematerialised instruction attributable to the Operator.

<b>"relevant system"</b>	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.
<b>"participating security"</b>	A security title to units of which is permitted by the Operator to be transferred by means of a relevant system.
the <b>"United Kingdom"</b>	The United Kingdom of Great Britain and Northern Ireland.
<b>"month"</b>	Calendar month.
<b>"year"</b>	Calendar year.
<b>"in writing"</b>	Written or produced by any substitute for writing or partly one and partly another.
<b>"paid"</b>	Paid or credited as paid.
the <b>"UK Listing Authority"</b>	The Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986.

The expression "address" or "place" shall include, in relation to electronic communication, any number or address used for the purposes of such communication.

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 146) publication on a web site.

The expressions "**debenture**" and "**debenture holder**" shall respectively include "debenture stock" and "debenture stockholder".

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 Act 1986.

The expression "**Secretary**" shall include any person appointed by the Directors to perform any of the duties of the Secretary including, but not limited to, a joint, assistant or deputy Secretary.

The expression "**officer**" shall include a Director, manager and the Secretary, but shall not include an auditor.

The expression "**shareholders' meeting**" shall include both a General Meeting and a meeting of the holders of any class of shares of the Company.

The expression "show of hands" shall include any form of voting including an electronic communication save to the extent restricted by the Statutes or by the Directors.

All such of the provisions of these Articles as are applicable to paid-up shares shall apply to stock, and the words "**share**" and "**shareholder**" shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force (whether coming into force before or after the adoption of these Articles).

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.

Subject as aforesaid any words or expressions defined in the Act or the CREST Regulations shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

## **Share Capital**

### **3 Amount of share capital**

The share capital of the Company at the date of the adoption of these Articles consists of £75,000,000 divided into 40,151,313 6.4 per cent Convertible Cumulative Redeemable Preference Shares of £1 (the "**Preference Shares**") each and 139,394,748 Ordinary Shares of 25p each (the "**Ordinary Shares**").

### **4 Increase of share capital**

The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

### **5 Income**

Out of the profits available for distribution and resolved to be distributed, the holders of the Preference Shares shall be entitled in priority to any payment of dividend to the holders of any other class of shares to be paid a fixed cumulative preferential dividend ("**preferential dividend**") at the rate of 6.4 per cent per annum (exclusive of any associated tax credit available to shareholders) on the nominal amount for the time being paid up or credited as paid up thereon, such dividend to be paid half-yearly on 1 November and 1 May (or, if any such date shall be a Saturday, Sunday or public holiday in England, on the first business day following such date) ("**fixed dividend dates**") in each year in respect of the half-years ending on those respective dates, and provided that nothing in this paragraph shall prohibit the payment of a dividend on the shares of any other class in the capital of the Company ranking *pari passu* with, or after, the Preference Shares at a rate not exceeding 0.1p per share in any calendar year. Payments of preferential dividends shall be made to holders on the register at any date selected by the Directors up to 42 days prior to the relevant fixed dividend date. The holders of the Preference Shares shall not be entitled to any further right of participation in the profits of the Company.

### **6 Capital**

#### **6.1 The Preference Shares shall not be redeemable.**

- 6.2 On a return of capital on winding-up or otherwise (other than on conversion, redemption or purchase of shares) the holders of the Preference Shares shall be entitled in priority to any payment to the holders of any other class of shares to the repayment of a sum equal to the nominal amount paid up or credited as paid up on the Preference Shares held by them respectively together with a sum equal to all arrears and accruals (if any) of the said *preferential dividend irrespective of whether or not such dividend has been declared or earned or become due and payable*, to be calculated down to and including the date of commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case). The holders of the Preference Shares shall not be entitled to any further or other right of participation in the assets of the Company. If on a return of capital or on a winding-up or otherwise the amounts available for payment are insufficient to cover the amounts payable in full on the Preference Shares, then the holders of such shares will share in the distribution or surplus assets (if any) in proportion to the full respective preferential amounts to which they are entitled.

## **7 Voting and General Meetings - Preference Shareholders**

- 7.1 The holders of the Preference Shares shall, by virtue of and in respect of their holdings of Preference Shares, have the right to receive notice of, but not to attend, speak or vote at, a General Meeting of the Company, unless:

- 7.1.1 at the date of the notice convening such meeting, the preferential dividend on such shares is six months or more in arrears (and so that for this purpose the preferential dividend shall be deemed to be payable half-yearly on the dates and in respect of the periods specified in paragraph 5 above); or
- 7.1.2 a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares or for the winding-up of the Company or for the appointment of an administrator or the approval of a voluntary arrangement or for sanctioning the sale of the undertaking of the Company, in which case they shall only be entitled to vote on such resolution.

- 7.2 Whenever the holders of the Preference Shares are entitled to vote at a General Meeting of the Company, upon any resolution proposed at such a General Meeting, on a show of hands every holder thereof who is present in person or (being a corporation) by a representative duly authorised under section 375 of the Companies Act 1985 shall have one vote and on a poll every holder thereof who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each fully-paid Preference Share registered in the name of such holder.

## **8 Conversion of Preference Shares**

- 8.1 Subject as hereinafter provided, each holder of Preference Shares shall be entitled at the times and in the manner set out in this Article to convert all or (subject as provided below) any of his Preference Shares into fully-paid Ordinary Shares on the basis of 33.7322 Ordinary Shares for every £100 in nominal amount of Preference Shares so converted and so in proportion for any greater or smaller number of Preference Shares (such rate as adjusted from time to time as provided in sub-paragraphs 8.13, 8.14, or 8.15 of this Article being herein called the "**Conversion Rate**") provided that if a Conversion Notice (as described in sub-paragraph 8.3 of this Article) is given in respect of part only of a holding of Preference Shares, treating holdings of the same holder or joint holders in certificated form

and uncertificated form as separate holdings unless the Directors otherwise determine, so that there would following the conversion remain a number of Preference Shares in that holding smaller than that required to convert into one Ordinary Share at the Conversion Rate then applicable, all the Preference Shares in that holding shall be converted notwithstanding the figure inserted in the Conversion Notice.

- 8.2 For the purposes of the following provisions of this Article, a "**Conversion Date**" shall be 31 May annually unless in any year the accounts of the Company for its last preceding financial year shall not have been audited and sent to the holders of the Preference Shares by 3 May in such years, in which case the Conversion Date for that year shall be the date falling 28 days after the date on which such accounts are so despatched providing that, if any Conversion Date would otherwise fall on a weekend or a day which is a public holiday in England, such Conversion Date shall be the first business day following such day, and a "**Conversion Period**" shall be the period of 28 days ending on the Conversion Date.

- 8.3 The right to convert shall be exercisable on any Conversion Date:

8.3.1 as to Preference Shares in certificated form, by completing the Notice of Conversion endorsed on the Share Certificate relating to the Preference Shares to be converted and/or a notice in such other form as may from time to time be prescribed by the Directors and delivering the same to the registrars for the time being of the Company at any time during the Conversion Period together with such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right to convert; and

8.3.2 as to Preference Shares in uncertificated form, by sending to the Company or its agent at any time during the Conversion Period a properly authenticated dematerialised instruction (or other notification specified by the Company) in such form and subject to such terms and conditions as may (subject to the facilities and requirements of the relevant system concerned) from time to time be prescribed by the Directors, who may require that the instruction be such as to divest the holder of the Preference Shares concerned of the power to transfer such Preference Shares to another person;

such notice or instruction being hereinafter called a "**Conversion Notice**". A Conversion Notice once given may not be withdrawn without the consent in writing of the Company. The Company shall in each year in which a Conversion Date falls give to the holders of the Preference Shares not less than four nor more than eight weeks' notice in writing, reminding them of the right to convert and stating the applicable Conversion Rate. The reminder notice shall also:

8.3.3 in relation to Preference Shares in certificated form, give the name and address of the Company's registrars and, if the Directors have prescribed some form of Conversion Notice different from or additional to that endorsed on the certificates relating to the Preference Shares, be accompanied by a copy of the Conversion Notice so prescribed; and

8.3.4 in relation to Preference Shares in uncertificated form, state the form of instruction for the time being prescribed by the Directors;

and may (subject to the said period within which the reminder notice must be given) accompany or form part of the document containing the appropriate accounts referred to in paragraph 8.2.

- 8.4 Conversion of such Preference Shares as may be converted as aforesaid on any Conversion Date (the "**Relevant Shares**") shall be effected in such manner as the Directors shall from time to time determine in accordance with the following provisions of this Article (and the requirements of the relevant system concerned in the case of uncertificated shares) or otherwise as may be authorised by law.
- 8.5 The Directors may subject as herein provided determine to effect conversion by electing to redeem at par the Relevant Shares (or any of them) on any Conversion Date out of the profits of the Company which would otherwise be available for distribution to the holders of any class of shares. The Preference Shares shall confer upon the holders thereof the right and the obligation (in the event that the Preference Shares held by them respectively become Relevant Shares and the Directors determine to redeem the same at par out of profits as aforesaid) to subscribe for the appropriate number of Ordinary Shares at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption monies in respect of the Relevant Shares exceeds the nominal amount of the Ordinary Shares to which the holders are entitled. In any such case, the Conversion Notice given by a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption monies payable to him in subscribing for such Ordinary Shares at such premium (if any) as aforesaid.
- 8.6 The Directors may subject as herein provided determine to effect conversion by electing to redeem at par the Relevant Shares (or any of them) on any Conversion Date out of the proceeds of a fresh issue of Ordinary Shares. The Preference Shares shall confer upon the holders thereof the right and the obligation (in the event that the Preference Shares held by them respectively become Relevant Shares and the Directors determine to redeem the same at par out of the proceeds of a fresh issue as aforesaid) to subscribe, and the holders shall be deemed irrevocably to authorise and instruct the Secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on the holder's behalf, for the appropriate number of Ordinary Shares (which authority shall include the right to borrow money) at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption monies in respect of the Relevant Shares exceeds the nominal amount of the Ordinary Shares to which the holders are so entitled. In any such case, the Conversion Notice given by a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption monies payable to him in payment to his said agent.
- 8.7 The Directors may determine to effect conversion by means of consolidation and sub-division. In such case the requisite consolidation and sub-division shall be effected pursuant to the authority given by the passing in General Meeting of the resolution creating the Preference Shares, by consolidating into one share all the Relevant Shares at any Conversion Date held by any holder or joint holders (treating holdings of the same holder or joint holders in certificated form and uncertificated form as separate holdings, unless the Directors otherwise determine) and sub-dividing such consolidated share into shares of 25p each (or such other amount as may be appropriate as a result of any consolidation, sub-division, repayment or reduction of capital or other event giving rise to an adjustment of the nominal amount of the Ordinary Shares of which 33.7322 shares for each £100 nominal amount of the consolidated share (or such other number of shares as may be appropriate as a result of any adjustment pursuant to the provisions of sub-paragraphs 8.13, 8.14, or 8.15 of this Article) shall be Ordinary Shares (and so in proportion for any other nominal amount of the consolidated share) fractional entitlements being disregarded

- 8.8** In addition to the right to determine to effect conversion by means of consolidation and sub-division in accordance with the foregoing provisions of this paragraph 8, the Directors may consolidate into one share all the Relevant Shares at any Conversion Date held by any holder or joint holders (treating holdings of the same holder or joint holders in certificated form and uncertificated form as separate holdings, unless the Directors otherwise determine) and sub-divide such share into the appropriate number of Ordinary Shares in which event such Ordinary Shares notwithstanding that they may have a different nominal amount from other Ordinary Shares then in issue, shall form a uniform class with all such shares and shall notwithstanding any contrary provision herein for all purposes and in all respects (including without limitation entitlement to dividends or other distributions, participation in offers, voting rights, rights on a liquidation or return of capital) rank *pari passu* with all other fully paid Ordinary Shares for which purpose the nominal amount of each Ordinary Share arising on such consolidation and sub-division shall be deemed to be 25p (or such other amount as may be appropriate as a result of any sub-division, consolidation, repayment or reduction of capital or other event giving rise to an adjustment of the nominal amount of the Ordinary Shares and the nominal amount of the Ordinary Shares into which the Relevant Shares shall convert shall (subject to adjustment as aforesaid) also be deemed to be 25p.
- 8.9** Any fractions of Ordinary Shares arising on conversion shall be aggregated and sold on behalf of such holders of Relevant Shares at the best price reasonably obtainable and the net proceeds of sale shall be distributed pro rata among such holders as would otherwise have been entitled unless, in respect of any holding of the Relevant Shares, the amount to be distributed would be less than £3.00 in which case such amount shall not be so distributed but shall be retained for the benefit of the Company. For the purpose of implementing the provisions of this sub-paragraph 8.9, the Directors may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to any such fractions and generally may make all arrangements which appear to them necessary or appropriate for the settlement and disposal of fractional entitlements.
- 8.10** The preferential dividend on any Preference Shares converted (whatever the manner of conversion) shall cease to accrue with effect from the fixed dividend date last preceding the relevant Conversion Date. The Ordinary Shares arising on such conversion shall rank *pari passu* in all respects with the Ordinary Shares then in issue and shall entitle the holder to all dividends and (unless an adjustment shall have been made in respect thereof under sub-paragraph 8.13 or 8.15 of this Article) other distributions payable on the Ordinary Shares in respect of the financial year of the Company in which the Conversion Date falls, but not any dividends or distributions in respect of any earlier financial year.
- 8.11** Allotments of Ordinary Shares arising from conversion (whatever the manner of conversion) shall be effected within 14 days of the Conversion Date. Unless the Directors otherwise determine, or unless the Regulations or the rules of the relevant system concerned otherwise require, Ordinary Shares arising on the conversion of certificated Preference Shares shall be in certificated form and Ordinary Shares arising on conversion of uncertificated Preference Shares shall be in uncertificated form. Within 28 days after the Conversion Date, the Company shall send to each holder of the Relevant Shares, entitled to certificated Ordinary Shares by post at his own risk, free of charge, a definitive certificate for the appropriate number in each case of fully-paid Ordinary Shares and a new certificate for any unconverted Preference Shares comprised in the certificates surrendered by him together, where relevant, with a cheque in respect of any cash entitlement arising from the

sale of fractions. In the meantime transfers shall be certified against the Register of Members.

- 8.12 If, immediately after any Conversion Date, 75 per cent or more of the Preference Shares shall have been converted, the Company shall be entitled by not more than eight weeks' nor less than four weeks' notice in writing given not later than one month after such Conversion Date (or any subsequent Conversion Date) to require all holders of the Preference Shares to convert, on the expiry of such notice but with effect from the Conversion Date following which the said notice was given, the whole of their holdings of such shares into Ordinary Shares at the Conversion Rate then applicable. Upon the expiry of the said notice the holders of the Preference Shares shall be treated as having exercised the right to convert in respect thereof and the provisions relating to conversion shall apply *mutatis mutandis* as if the date of the expiry of such notice was the Conversion Date and such Preference Shares were Relevant Shares at the Conversion Date following which the said notice was given.
- 8.13 If, whilst any Preference Shares remain capable of being converted into Ordinary Shares the Company shall make any issue (subject as provided below) of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to holders of Ordinary Shares the aggregate number of Ordinary Shares to be issued on any subsequent conversion of Preference Shares shall be increased pro rata to the increase in the aggregate number of Ordinary Shares in issue immediately prior to such issue and if any doubt shall arise as to the number thereof, the certificate of the auditors for the time being of the Company (the "**Auditors**") shall be conclusive and binding on all concerned. No adjustments shall be made in the event of the issue of shares by way of capitalisation of profits or reserves at the option of a holder of Ordinary Shares in lieu of cash dividends.
- 8.14 If, whilst any Preference Shares remain capable of being converted into Ordinary Shares the Ordinary Shares shall be consolidated or sub-divided, the number of Ordinary Shares as the case may be, to be issued on any subsequent conversion of Preference Shares shall be reduced or increased pro rata to the reduction or increase in the aggregate number of Ordinary Shares in issue immediately prior to such reduction or increase and if any doubt shall arise as to the number thereof, the certificate of the Auditors shall be conclusive and binding on all concerned.
- 8.15 If, whilst any Preference Shares remain capable of being converted into Ordinary Shares the Company shall make any capital distribution to the holders of Ordinary Shares, the number of Ordinary Shares to be issued on any subsequent conversion of the Preference Shares shall be increased by an amount determined to be appropriate by the Auditors whose certificate shall be conclusive and binding on all concerned. For the purposes of this sub-paragraph 8.15, "**capital distribution**" means any dividend or other distribution of capital profits (whether realised or not) or capital reserves, or profits or reserves arising after the date of the passing in General Meeting of the resolution creating the Preference Shares from a distribution of capital profits (whether realised or not) or capital reserves by a subsidiary, except by means of a capitalisation issue not contravening sub-paragraph 9.1.1 of this Article, or any repayment of capital or purchase of the Company's own shares (other than a redemption or purchase of redeemable shares in accordance with the terms of issue thereof); for the purposes of this sub-paragraph 8.15, insofar as the relevant audited accounts do not distinguish between capital and revenue profits or reserves, the Company shall be entitled to rely upon a written estimate by the Auditors as to the extent to

which any part of any profit or reserve should be regarded as of a capital nature and, in any case where the Company shall purchase its own shares, the amount of the capital distribution per Ordinary Share shall be that amount which is the gross amount paid on such purchase divided by the number of Ordinary Shares remaining in issue following such purchase.

## **9 Other provisions for Preference Shares**

**9.1** So long as any Preference Shares remain capable of being converted into Ordinary Shares, then save with such consent or sanction on the part of the holders of the Preference Shares as is required for a variation of the rights attached to such shares:

**9.1.1** No shares shall be allotted pursuant to a capitalisation of profits or reserves except Ordinary Shares, credited as fully-paid, to the holders of Ordinary Shares, if there be other equity share capital as defined by section 744 of the Act in issue (other than the Preference Shares, except shares issued credited as fully-paid to the holders of such other equity share capital (other than the Preference Shares) as part of the same capitalisation as is effected to the holders of Ordinary Shares and upon any such allotment to the holders of Ordinary Shares the Conversion Rate shall be adjusted as appropriate under sub-paragraph 8.13 of this Article provided that no such allotment shall be made if, as a result thereof, the aggregate nominal amount of the Ordinary Shares into which any Preference Shares may be converted would exceed the aggregate nominal amount of such Preference Shares.

**9.1.2** If any offer or invitation by way of rights or otherwise (not being either an offer of shares by way of capitalisation of profits or reserves at the option of a holder of Ordinary Shares in lieu of cash dividends or an offer or invitation to which the provisions of sub-paragraph 9.1.7 of this Article apply) is made to the holders of the ordinary share capital of the Company the Company shall make or, so far as it is able, procure that there is made a like offer at the same time to each holder of Preference Shares as if his conversion rights had been exercisable and exercised in full on the record date for such offer or invitation on the basis of the Conversion Rate then applicable. For the purpose of giving effect to this provision, no resolution for the disapplication of section 89(1) of the Companies Act 1985 (or any provision replacing the same) shall be deemed to abrogate, vary or modify the rights attaching to the Preference Shares and in the case of any offer or invitation as aforesaid being made the entitlement of the holders of the Preference Shares to participate therein as set out in this paragraph shall be to the exclusion of any other entitlement or right to which such holders might otherwise be entitled.

**9.1.3** No equity share capital (as defined by section 744 of the Act) (other than the Preference Shares ranking *pari passu* in all respects save as provided in any or all of sub-paragraphs (a), (b) and (c) of paragraph 11.1 of this Article) shall be in issue which is not in all respects uniform with the Ordinary Shares in issue on the date of the passing of the resolution to create the Preference Shares save:

- (a) as to the date from which such capital shall rank for dividends; or
- (b) as to restrictions on voting rights; or
- (c) for equity share capital issued pursuant to an employees' share scheme within the meaning of section 743 of the Act; or

- (d) for equity share capital which has attached thereto rights as to dividend, capital and voting which in no respect are more favourable than those attached to the Ordinary Shares in issue at the date of the passing of the resolution; or
  - (e) for equity share capital issued pursuant to an offer or invitation which is extended to the holders of the Preference Shares pursuant to sub-paragraph 9.1.2 of this Article.
- 9.1.4 The Company shall procure that at all times up to the last Conversion Date there shall be sufficient authorised but unissued ordinary share capital available for the purpose of satisfying the requirements of any Conversion Notice as may be delivered pursuant to paragraph 8 of this Article.
- 9.1.5 The Company shall not make any offer or invitation to the holders of Ordinary Shares nor allot any shares in pursuance of a capitalisation issue or make any capital distribution (as defined in sub-paragraph 8.15 of this Article) in any case during a Conversion Period or by reference to a record date during a Conversion Period, or following a Conversion Period by reference to a record date prior to such Conversion Period.
- (a) The Company shall not do any act or thing resulting in an adjustment to the Conversion Rate if in consequence such rate would involve the issue of Ordinary Shares at a discount.
  - (b) The Company shall not declare or pay any dividends on its Ordinary Shares in respect of any financial year by reference to a record date prior to the Conversion Date in that financial year.
- 9.1.6 If an offer is made to the holders of Ordinary Shares (or all shareholders other than the offeror and/or any associate of the offeror as defined in section 430E(4) of the Act and/or any person acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than 50 per cent of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such associates and/or persons acting in concert as aforesaid, the Company shall give written notice to all holders of Preference Shares of such vesting (or prospective vesting) within 14 days of its becoming so aware. Each such holder shall be entitled within the period of six weeks from the date of such notice (but not thereafter) to convert some or all of his Preference Shares into fully-paid Ordinary Shares at the Conversion Rate on the basis set out in paragraph 8 above except that:
- (a) the Conversion Period shall be the said period of six weeks;
  - (b) the Conversion Date in respect of any particular Preference Shares shall be the day on which the Company shall have received a duly completed Conversion Notice;
  - (c) the preferential dividend shall accrue up to the fixed dividend payment date last preceding such Conversion Date but shall cease to accrue thereafter and the Ordinary Shares arising on conversion shall not rank for any dividend or distribution paid or made before the Conversion Date;

- (d) the Conversion Rate shall be, for every £100 in nominal amount of Preference Shares so converted to Ordinary Shares, the Conversion Rate (as defined in sub-paragraph 8.1 of this Article) in each case adjusted, if appropriate, in accordance with the provisions of paragraph 8.

Subject as aforesaid, the provisions as to conversion in paragraph 8 above shall apply *mutatis mutandis* to such conversion. At the end of the said period of six weeks, any outstanding Preference Shares shall cease to be convertible or capable of becoming convertible or of being treated as convertible.

- 9.1.7 If the Company is wound up, the Company shall forthwith give notice thereof in writing to all holders of Preference Shares. Each holder of Preference Shares in respect of all or any of his Preference Shares shall be entitled within six weeks after the date of the resolution to wind up the Company or (as the case may be) after the date of the Order of the Court for such winding-up (either of such dates being referred to in this sub-paragraph as the "**operative date**") by notice in writing to the Company to elect to be treated as if his conversion rights had been exercisable and had been exercised immediately before the operative date on the basis of conversion as provided above and in that event he shall be entitled to be paid in satisfaction of the amount due in respect of such of his Preference Shares as are to be treated as if converted a sum equal to the amount to which he would have become entitled in such liquidation if he had been the holder of the Ordinary Shares to which he would have become entitled by virtue of such conversion (fractions being disregarded for this purpose), together with any arrears, deficiency or accrual of the preferential dividend on such Preference Shares down to the fixed dividend date last preceding the Conversion Date which immediately preceded such winding-up. At the end of the said period of six weeks, any outstanding Preference Shares shall cease to be convertible or capable of becoming convertible or of being treated as convertible.
- 9.1.8 If the Company shall change its accounting reference date to a date which is more than seven days before or after 31 December, such adjustments shall be made to the conversion rights attached to the Preference Shares as the Auditors shall determine to be fair so as not to prejudice the conversion rights and notification of such change and adjustment shall be given to the holders of the Preference Shares.
- 9.1.9 The Company shall use reasonable endeavours to procure that the Ordinary Shares arising on conversion are admitted to the Official List of the London Stock Exchange.
- 9.1.10 The Company shall send to the holders of the Preference Shares a copy of every document sent to the holders of its Ordinary Shares at the same time as it is sent to the holders of the Ordinary Shares. Notice of any adjustment as referred to in sub-paragraphs 8.13, 8.14, and 8.15 of this Article shall be sent to the holders of the Preference Shares within 28 days of the event giving rise to such adjustment.

## 10 Purchases of Preference Shares

Subject to the provisions of the Act, the Company may at any time purchase Preference Shares (1) in the market, or (2) by tender (available alike to all holders of Preference Shares), or (3) by private treaty, in each case at a price (exclusive of all costs of purchase)

which, if the Preference Shares are then listed on the London Stock Exchange, shall not exceed the average of the middle-market quotations therefor based on the London Stock Exchange Daily Official List during the period of 10 business days immediately prior to the date of such purchase, or, in the case of a purchase on the London Stock Exchange, at the market price thereof provided that such market price is not more than 5 per cent above such average, and if not then so listed, shall not exceed 110 per cent of the nominal value of a Preference Share but not otherwise, and upon such other terms and conditions as the Company may think fit. The Company may exercise its rights and powers of purchase as regards the Preference Shares at its sole discretion and without obligation to maintain the ratio between the nominal amounts for the time being outstanding of any series. On the purchase of any Preference Shares, the nominal amount of such shares comprised in the capital of the Company may thereafter be divided into, and redesignated as, Unclassified Shares without any further resolution or consent.

## **11 Consolidation, subdivision and cancellation**

### **11.1 The Company may by Ordinary Resolution:**

- (aa) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (bb) 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 capital by the amount of the shares so cancelled;
- (cc) subdivide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

### **11.2 Whenever as a result of a consolidation or subdivision of shares any members would become entitled to fractions of a share, the Directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Directors may authorise some person to transfer the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale. So far as the Statutes allow, the Directors 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.**

## **12 Purchase of own shares**

*Subject to the provisions of the Statutes, the Company may at any time 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 which*

are admitted to the official list maintained by the UK Listing Authority and which are 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:

- (a) 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
- (b) 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.

### **13 Reduction of capital**

Subject to the provisions of the Act, the Company may by Special Resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any way.

## **Shares**

### **14 Rights attaching to shares on issue**

Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

### **15 Directors' power to allot**

- 15.1** Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.
- 15.2** The Directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Act to exercise for each Allotment Period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 Amount.
- 15.3** During each Allotment Period the Directors shall be empowered to allot equity securities wholly for cash pursuant to and within the terms of the authority in paragraph 15.2 above:
  - (a) in connection with a Rights Issue; and
  - (b) otherwise than in connection with a Rights Issue, up to an aggregate nominal amount equal to the Section 89 Amount;

as if Section 89(1) of the Act did not apply to any such allotment.

**15.4** By such authority and power the Directors may, during the Allotment Period, make offers or agreements which would or might require securities to be allotted after the expiry of such period.

**15.5** For the purposes of this Article:

- (a) **"Rights Issue"** means an offer of equity securities open for acceptance for a period fixed by the Directors to (i) holders on the register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings) and (ii) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
- (b) **"Allotment Period"** means any period (not exceeding five years on any occasion) for which the authority conferred by paragraph 15.2 above is renewed or extended by Resolution of the Company in General Meeting stating the Section 80 Amount for such period;
- (c) the **"Section 80 Amount"** shall for the first Allotment Period be £10,500,000 and for any other Allotment Period shall be that stated in the relevant Resolution renewing or extending the authority conferred by paragraph 15.2 above for such period or, in either case, any increased amount fixed by Resolution of the Company in General Meeting;
- (d) the **"Section 89 Amount"** shall for the first Allotment Period be £1,209,351 and for any other Allotment Period shall be that stated in the relevant Special Resolution renewing or extending the power conferred by paragraph 15.3 above for such period or, in either case, any increased amount fixed by Special Resolution; and
- (e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

## **16 Commissions on issue of shares**

The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.

## **17 Renunciation of allotment**

The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder:

- (a) recognise a renunciation thereof by the allottee in favour of some other person and accord to any allottee of a share a right to effect such renunciation; and/or
- (b) allow the rights represented thereby to be one or more participating securities;

in each case upon and subject to such terms and conditions as the Directors may think fit to impose.

## **Share Certificates**

### **18 Issue of share certificates**

Every person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the Register in respect of shares in certificated form shall upon the issue or transfer to him of such shares be entitled without payment to a certificate therefor (in the case of issue) 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.

### **19 Form of share certificate**

Every share certificate shall be executed by the Company in such manner as the Directors may decide (which may include use of the Seal or the Securities Seal (or, in the case of shares on a branch register, an official seal for use in the relevant territory) and/or manual or facsimile signatures by one or more Directors) and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

### **20 Joint holders**

In the case of a share held jointly by several persons in certificated form the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

### **21 Replacement of share certificates**

- 21.1** 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.
- 21.2** 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 Directors may, if they think fit, comply with such request.
- 21.3** If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
- 21.4** In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

## **Calls on Shares**

### **22 Power to make calls**

The Directors 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 value of the shares or, when permitted, by way of premium) but subject always to the terms of allotment of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

### **23 Liability for calls**

Each member shall (subject to receiving at least 14 days' notice in writing specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be wholly or partly revoked or postponed as the Directors may determine.

### **24 Interest on overdue amounts**

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 per cent per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

### **25 Other sums due on shares**

Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of allotment of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of allotment the same becomes payable. In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

### **26 Power to differentiate between holders**

The Directors may on the allotment of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

### **27 Payment of calls in advance**

The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding 12 per cent. per annum) as the member paying such sum and the Directors may agree.

## **Forfeiture and Lien**

### **28 Notice on failure to pay a call**

- 28.1** If a member fails to pay in full any call or instalment of a call on or before the due date for payment thereof, the Directors may at any time thereafter serve a notice in writing on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
- 28.2** The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which the payment required by the notice is to be made and the place where it should be made and the notice shall also state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

### **29 Forfeiture for non-compliance**

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

### **30 Disposal of forfeited shares**

A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

### **31 Holder to remain liable despite forfeiture**

A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares (and shall, in the case of shares held in certificated form, surrender to the Company for cancellation the certificate for such shares) but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at 15 per cent per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal or waive payment in whole or in part.

### **32 Lien on partly-paid shares**

The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in

respect of such share and the Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

### **33 Sale of shares subject to lien**

The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing demanding payment of the sum presently payable and giving notice of intention to sell the share in default of payment shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.

### **34 Proceeds of sale of shares subject to lien**

The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the amount in respect whereof the lien exists so far as the same is then payable and any residue shall, upon surrender (in the case of shares held in certificated form) to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares prior to the sale, be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

### **35 Evidence of forfeiture**

A statutory declaration in writing that the declarant is a Director or the Secretary and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Good title of the share shall be constituted by such declaration and the receipt by the Company of each of:

- (a) the consideration (if any) given for the shares on sale, reallocation or disposal thereof: and
- (b) the Share Certificate (if the share is in certificated form) delivered to a purchaser or allottee (subject to the necessary share transfer being made, where relevant).

The person to whom the share is sold, re-allotted or disposed of shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **Variation of Rights**

### **36 Manner of variation of rights**

- 36.1** Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an Extraordinary Resolution

passed at a separate meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

- 36.2** To every such separate meeting all the provisions of these Articles relating to General Meetings and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him.
- 36.3** The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

**37 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.

## **Transfer of Shares**

**38 Form of transfer**

- 38.1** All transfers of shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer which are registered may be retained by the Company.
- 38.2** All transfers of shares which are in uncertificated form may be effected by means of a relevant system.

**39 Balance certificate**

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.

**40 Right to refuse registration**

- 40.1** The Directors may decline to recognise any instrument of transfer relating to shares in certificated form unless it is in respect of only one class of share and is lodged (duly stamped if required) at the Transfer Office accompanied by the relevant share certificate(s)

and such other evidence as the Directors 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 so to do). 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 lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

**40.2** The Directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares (not being fully-paid shares) provided that, where any such shares are admitted to the official list maintained by 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.

**40.3** The Directors may also refuse to register an allotment or transfer of shares (whether fully-paid or not) in favour of more than four persons jointly.

**40.4** If the Directors refuse to register an allotment or transfer of shares they shall within two months after the date on which:

- (a) the letter of allotment or instrument of transfer was lodged with the Company (in the case of shares held in certificated form); or
- (b) 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.

#### **41 No fee on registration**

No fee will be charged by the Company in respect of the registration of any transfer or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

#### **42 Closure of Register**

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors 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.

#### **43 Branch Register**

Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.

#### **44 Retention of transfers**

**44.1** All instruments of transfer which are registered may be retained by the Company.

**44.2** No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making an entry in the Register of Members affecting the title to any shares.

**45 Further provisions on shares in uncertificated form**

**45.1** Subject to the Statutes and the rules (as defined in the CREST Regulations), the Directors 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.

**45.2** 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:

- (a) the holding of shares of that class in uncertificated form;
- (b) the transfer of title to shares of that class by means of a relevant system; or
- (c) any provision of the CREST Regulations.

**Transmission of Shares**

**46 Persons entitled on death**

In case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased member (whether sole or joint) from any liability in respect of any share held by him.

**47 Election by persons entitled by transmission**

A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing to that effect or transfer such share to some other person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the notice or transfer were a transfer made by the member registered as the holder of any such share.

**48 Rights of persons entitled by transmission**

Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the

authority of the Directors) to exercise any right conferred by membership in relation to shareholders' meetings until he shall have been registered as a member in respect of the share.

## **Untraced Shareholders**

### **49 Untraced Shareholders**

- 49.1** The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that:
- (a) during the period of six years prior to the date of the publication of the advertisements referred to in paragraph 49.1(b) below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares have become payable and no dividend in respect of those shares has been claimed; and
  - (b) the Company shall on expiry of such period of six years have inserted advertisements in both a national newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected under these Articles is located giving notice of its *intention to sell the said shares*; and
  - (c) during the period of three months following the publication of such advertisements the Company shall have received no communication from such member or person; and
  - (d) notice shall have been given to the Quotations Department of the London Stock Exchange of its intention to make such sale
- 49.2** To give effect to any such sale the Company may appoint any person to transfer, as transferor, the said shares and such transfer shall be as effective as if it had been carried out by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.
- 49.3** In the case of shares in uncertificated form, the foregoing provisions of this Article are subject to any restrictions applicable under the CREST Regulations.

## **General Meetings**

### **50 Annual and Extraordinary General Meetings**

An Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting)

and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

## **51 Convening of General Meetings**

The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

### **Notice of General Meetings**

## **52 Notice of General Meetings**

An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and any other Extraordinary General Meeting by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company: 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 and: provided also that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

## **53 Contents of notice of General Meetings**

- 53.1** Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
- 53.2** In the case of any General Meeting at which business other than routine business is to be transacted the notice shall specify the general nature of such business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.
- 53.3** In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- 53.4** 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.

**53.5** Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

**53.5.1** declaring dividends;

**53.5.2** receiving and/or adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;

**53.5.3** appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

**53.5.4** re-appointing the retiring Auditors (other than Auditors last appointed otherwise than by the Company in General Meeting); and

**53.5.5** fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

### **Proceedings at General Meetings**

**54 Chairman**

The Chairman of the Directors, failing whom a Deputy Chairman, shall preside as chairman at a General Meeting. If there is no such Chairman or Deputy Chairman, or if at any meeting neither is present within ten minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present decline to take the chair, the members present and entitled to vote shall choose one of their number) to be chairman of the meeting.

**55 Quorum**

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

**56 Lack of quorum**

If within ten minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such day, time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine. At the adjourned meeting two members present in person or by proxy or by telephone and entitled to vote shall be a quorum for all purposes.

**57 Adjournment**

The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to

time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

## **58 Notice of adjourned meeting**

Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **59 Amendments to resolutions**

If an amendment 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.

## **Polls**

### **60 Demand for poll**

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

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

**60.2** A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

**61 Procedure on a poll**

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

**62 Voting 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.

**63 Timing of poll**

A poll demanded on the choice of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

**Votes of Members**

**64 Votes attaching to shares**

Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 25 pence in nominal amount of the shares of which he is the holder.

**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 share.

**66 Chairman's casting vote**

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

**67 Restriction on voting in particular circumstances**

- 67.1 No member shall, unless the Directors otherwise determine, be entitled in respect of any share held by him to vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings if

any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

**67.2** If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Act and is in default for a period of 14 days in supplying to the Company the information thereby required, then (unless the Directors otherwise determine) in respect of:

- (a) the shares comprising the shareholding account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "**default shares**", which expression shall include any further shares which are issued in respect of such shares); and
- (b) any other shares held by the member;

the member shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred (other than pursuant to an approved transfer or pursuant to paragraph 67.3(b) below) be entitled to attend or vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings.

**67.3** Where the default shares represent 0.25 per cent or more of the issued shares of the class in question, the Directors may in their absolute discretion by notice in writing (a "**direction notice**") to such member direct that:

- (a) any dividend or part thereof or other money which would otherwise be payable in respect of the default shares shall be retained by the Company without any liability to pay interest thereon when such dividend or other money is finally paid to the member and the member shall not be entitled to elect to receive shares in lieu of dividend; and/or
- (b) no transfer of any of the shares held by such member shall be registered unless:
  - (i) the member is not himself in default as regards supplying the information required; and
  - (ii) the transfer is of part only of the member's holding and, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are default shares.

provided that, in the case of shares in uncertificated form, the Directors may only exercise their 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.

Upon the giving of a direction notice its terms shall apply accordingly.

**67.4** The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

- 67.5 Save as herein provided any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect thereafter upon the Directors so determining (such determination to be made within a period of one week of the default being duly remedied, with notice in writing thereof being given to the member forthwith).
- 67.6 Any direction notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with paragraph 67.3(b) above.
- 67.7 For the purposes of this Article:
- (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a notice under the said Section 212 and either (i) the member has named such person as being so interested or (ii) (after taking into account the response of the member to the said notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and
  - (b) a transfer of shares is an **"approved transfer"** if:
    - (i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer (as defined in Section 428 of the Act); or
    - (ii) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with any person appearing to be interested in such shares including any such sale made through a recognised investment exchange or through a stock exchange outside the United Kingdom on which the Company's shares are normally traded. For the purposes of this sub-paragraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the *persons who are connected with the member or any person appearing to be interested in such shares.*
- 67.8 The provisions of this Article are in addition and without prejudice to the provisions of the Act. Nothing in this Article shall limit the powers of the Directors under Section 216 of the Act.

## **68 Voting by guardian**

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

## **69 Validity and result of vote**

- 69.1 No objection shall be raised as to the admissibility of any vote except at the meeting or *adjourned meeting at which the vote objected to is or may be given or tendered and every*

vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

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

## **Proxies and Corporate Representatives**

### **70 Proxy need not be a member**

A proxy need not be a member of the Company.

### **71 Form of proxy**

An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

- (a) in the case of an individual shall be signed by the appointor or his attorney;
- (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation; and
- (c) in the case of an instrument in electronic form, comply with Article 146.

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof certified notarially or in some other way approved by the Directors must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

### **72 Deposit of form of proxy**

An instrument appointing a proxy must be received at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Transfer Office) 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 the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument 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. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

### **73 Rights of proxy**

An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting and shall, unless the contrary is stated

therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

**74 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 commencement 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.

**75 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.

## **Directors**

**76 Number of Directors**

Subject as hereinafter provided the Directors shall not be less than three. The Company may by Ordinary Resolution from time to time vary the minimum number and/or maximum number of Directors.

**77 Share qualification**

A Director shall be required to hold by way of qualification alone and not jointly with any other person shares of the Company of any class or classes of an aggregate nominal amount of £125.

**78 Directors' fees**

The ordinary remuneration of the Directors shall from time to time be determined by the Directors except that such remuneration shall not exceed £200,000 per annum in aggregate or such higher amount as may from time to time be determined by Ordinary Resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

**79 Other remuneration of Directors**

Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity),

or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine.

#### **80 Directors' expenses**

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or shareholders' meetings or otherwise in connection with the business of the Company.

#### **81 Directors' pensions and other benefits**

The Directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

#### **82 Appointment of executive Directors**

**82.1** The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

**82.2** The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

**82.3** The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

#### **83 Powers of executive Directors**

The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **Appointment and Retirement of Directors**

#### **84 Age limit**

Any provision of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment or election as a Director or

liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any Director over a specified age, shall not apply to the Company.

#### **85 Retirement by rotation**

At each Annual General Meeting:

- (a) any Director who was elected or last re-elected a Director at or before the Annual General Meeting held in the third calendar year before the current year shall retire by rotation; and
- (b) such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the number of Directors in office at the date of the notice of meeting (or, if their number is not a multiple of three, the number nearest to but not greater than one-third).

#### **86 Selection of Directors to retire by rotation**

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

#### **87 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 or some other person eligible for election. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;
- (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where the default is due to the moving of a resolution in contravention of the next following Article; or
- (d) where such Director has attained any retiring age applicable to him as Director.
- (e) If he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (f) If (not being already qualified) he does not obtain his qualification shares by the expiration of two months after his appointment, or at any time thereafter ceases to hold his qualification shares and so that a Director vacating office under this

provision shall be incapable of being re-appointed a Director until he shall have obtained his qualification shares.

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.

#### **88 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; and any resolution moved in contravention of this provision shall be void.

#### **89 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.

#### **90 Election or appointment of additional Director**

The Company may by Ordinary Resolution elect, and without prejudice thereto the Directors 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, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

#### **91 Vacation of office**

The office of a Director shall be vacated in any of the following events, namely:

- (a) if he shall become prohibited by law from acting as a Director;
- (b) if he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (c) if he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

- (d) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (e) if he shall be absent from meetings of the Directors for six months without leave and the Directors shall resolve that his office be vacated; or
- (f) if a notice in writing is served upon him, signed by all his co-Directors for the time being, to the effect that his office as Director shall on receipt of such notice *ipso facto* be vacated, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

## **92 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 and any person so elected shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is elected was last elected a Director. In default of such election the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

## **Meetings and Proceedings of Directors**

### **93 Convening of meetings of Directors**

- 93.1 Subject to the provisions of these Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any Director may, and the Secretary at the request of a Director shall, summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retroactive.
- 93.2 Subject always to Article 93.1, all or any of the Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and a quorum in that event shall be two persons so linked. 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.

### **94 Quorum**

The quorum necessary for the transaction of business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A

meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

## **95 Chairman**

**95.1** The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting.

**95.2** If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

## **96 Casting vote**

Questions arising at any meeting of the Directors 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.

## **97 Number of Directors below minimum**

The continuing Directors may act notwithstanding any vacancies, 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 may act for the purpose of filling such vacancies or of summoning General Meetings, 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.

## **98 Written resolutions**

A resolution in writing signed by all the Directors for the time being in the United Kingdom and entitled to vote thereon (being not less in number than a quorum for meetings of the Directors) shall be as valid and effectual as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form each signed by one or more Directors.

## **99 Validity of proceedings**

All acts done by any meeting of Directors, or of any committee or sub-committee of the Directors, or by any person acting as a Director or as a member of any such committee or sub-committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee or sub-committee and had been entitled to vote.

## Directors' Interests

### 100 Directors may have interests

Subject to the provisions of the Statutes, and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (c) may (or any firm of which he is a partner, employee or member may) act in a professional capacity for the Company (other than as Auditor) and be remunerated therefor; and
- (d) shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate or for such remuneration and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

### 101 Restrictions on voting

**101.1** Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of interests in shares or debentures or other securities of, or otherwise in or through, the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote.

**101.2** Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (a) the giving of any security, guarantee or indemnity in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (c) any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him within the meaning of Section 346 of the Act) does not have an interest (as that term is used in Sections 198 to 211 of the Act) in one per cent or more of the issued equity share capital of any

class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

- (d) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- (e) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors.

**101.3** Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph 101.2(c) above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

**101.4** If a question arises at any time as to the materiality of a Director's interest or as to his entitlement to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

## **102 Directors' interests - general**

For the purposes of the two preceding Articles:

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract, transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such contract, transaction or arrangement of the nature and extent so specified;
- (b) an interest of a person who is connected (within the meaning of Section 346 of the Act) with a Director shall be treated as an interest of the Director; and
- (c) an interest (whether of his or of such a connected person) of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

## **Committees of the Directors**

### **103 Appointment and constitution of committees**

The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or

any of the Directors) to committees. Any such committee shall, unless the Directors otherwise resolve, have power to sub-delegate to sub-committees any of the powers or discretions delegated to it. Any such committee or sub-committee shall consist of one or more Directors and (if thought fit) one or more other named person or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee or sub-committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee or sub-committee. Any committee or sub-committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee or sub-committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee or sub-committee but so that (a) the number of members who are not Directors shall be less than one-half of the total number of members of the committee or sub-committee and (b) no resolution of the committee or sub-committee shall be effective unless a majority of the members of the committee or sub-committee present throughout the meeting are Directors.

#### **104 Proceedings of committee meetings**

The meetings and proceedings of any such committee or sub-committee consisting of two or more persons shall be governed *mutatis mutandis* by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

### **Powers of Directors**

#### **105 General powers**

The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in General Meeting subject nevertheless to any regulations of these Articles, to the provisions of the Statutes and to such regulations as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

#### **106 Local boards**

The Directors may establish any local 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 such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such

delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

#### **107 Appointment of attorney**

The Directors may from time to time and at any time appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

#### **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 Borrowing powers**

**109.1** Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (present and future) and uncalled capital or any part or parts thereof 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.

**109.2** The Directors shall restrict the borrowings of the Company and exercise all voting and other rights, powers of control or rights of influence exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group and for the time being owing to persons outside the Group less the aggregate amount of Current Asset Investments shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to three times the Adjusted Capital and Reserves.

**109.3** For the purpose of this Article:

**109.3.1** the "**Group**" means the Company and its subsidiary undertakings for the time being other than those excluded from consolidation in the relevant balance sheet;

**109.3.2** the "**relevant balance sheet**" means at any time the latest audited consolidated balance sheet dealing with the state of affairs of the Company and (with or without exceptions) its subsidiary undertakings;

**109.3.3** the "**Adjusted Capital and Reserves**" shall mean at any material time a sum equal to the aggregate, as shown by the relevant balance sheet, of the amount paid up on the issued or allotted share capital of the Company and the amount standing to the credit of the reserves (including the profit and loss account and any share

premium account or capital redemption reserve) of the Company and its subsidiary undertakings included in the consolidation in the relevant balance sheet but after:

- (i) deducting therefrom any debit balance on the profit and loss account or on any other reserve;
- (ii) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital and/or any such reserves (other than the profit and loss account) subsequent to the date of the relevant balance sheet and so that for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (iii) *making such adjustments as may be appropriate in respect of any distribution declared, recommended or made by the Company or its subsidiary undertakings (to the extent not attributable directly or indirectly to the Company) out of profits earned up to and including the date of the relevant balance sheet to the extent that such distribution is not provided for in such balance sheet;*
- (iv) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiary undertakings (including a variation whereby an undertaking becomes or ceases to be a subsidiary undertaking) since the date of the relevant balance sheet;
- (v) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any undertaking is to become or cease to be a subsidiary undertaking of the Company, making all such adjustments as would be appropriate if such transaction had been carried into effect;
- (vi) excluding minority interests in subsidiary undertakings to the extent not already excluded;
- (vii) deducting (so far as not otherwise excluded as attributable to minority interests) a sum equal to the amount by which the book values of any land or buildings of the Company or any of its subsidiary undertakings have been written up after 15 May 2002 (or in the case of an undertaking becoming a subsidiary undertaking after that date, the date on which such undertaking became a subsidiary undertaking) by way of revaluation except that:
  - (a) the amount of any writing-up shall not require to be deducted to the extent of any writing-back of depreciation previously charged, as reduced by any provision for deferred tax which will be required by reason of such writing back; and
  - (b) where the cost of acquiring shares in a subsidiary undertaking is in excess of the book value of the net tangible assets of such company

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

- (c) any writing-up of land or buildings by way of revaluation shall not require to be deducted to the extent that for consolidation purposes the surplus is set off against a deficit resulting from the writing down of other land or buildings by way of revaluation;

For these purposes any increase in the book value of any land or buildings resulting from their transfer by the Company to a subsidiary undertaking or by a subsidiary undertaking to the Company or other subsidiary undertaking shall be deemed to result from a writing-up of the book value thereof by way of revaluation;

- (viii) adding back deficits and deducting surpluses that may arise under FRS17.

**109.3.4 "moneys borrowed"** shall be deemed to include (to the extent that the same would not otherwise fall to be taken into account):

- (i) the amount of all debentures allotted or issued (whether or not for cash) by any member of the Group which are not for the time being beneficially owned by a company within the Group;
- (ii) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
- (iii) the nominal amount of any allotted or issued and paid up share capital (other than equity share capital) of any subsidiary undertaking which is a body corporate of the Company not for the time being beneficially owned by other members of the Group;
- (iv) the amount of any other allotted or issued and paid up share capital and of any other debentures or other borrowed moneys (not being shares or debentures or borrowed moneys the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed (or is the subject of an indemnity granted) by any member of the Group or which any member of the Group may be required to purchase;
- (v) the minority proportion of moneys borrowed and owing to a partly-owned subsidiary undertaking by another member of the Group;
- (vi) the aggregate amount owing by any member of the Group under finance leases (as determined in accordance with any then current Financial

Reporting Standard or otherwise in accordance with United Kingdom generally accepted accounting principles but excluding leaseholds of immovable property);

- (vii) the principal amount of any book debts of any member of the Group which have been sold or agreed to be sold, to the extent that any member of the Group is for the time being liable to indemnify or reimburse the purchaser in respect of any non-payment in respect of such book debts;
- (viii) any part of the purchase price of any movable or immovable assets acquired by any member of the Group, the payment of which is deferred beyond the date of completion of the conveyance, assignment or transfer of the legal estate to such assets or, if no such conveyance, assignment or transfer is to take place within six months after the date on which the contract for such purchase is entered into or (if later) becomes unconditional, beyond that date;

but shall be deemed not to include:

- (ix) moneys borrowed by any member of the Group for the purpose of repaying, redeeming or purchasing (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof pending the application for such purpose or, if earlier, the end of such period;
- (x) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business;
- (xi) the minority proportion of moneys borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group;
- (xii) non-recourse project specific debt that is secured solely on the assets of the relevant project company;

and so that:

- (xiii) no amount shall be taken into account more than once in the same calculation but subject thereto (i) to (xi) above shall be read cumulatively; and
- (xiv) in determining the amount of any debentures or other moneys borrowed or of any share capital for the purpose of this paragraph 109.3.4 there shall be taken into account the nominal or principal amount thereof (or, in the case of partly-paid debentures or shares, the amount for the time being paid up thereon) together with any fixed or minimum premium payable on final redemption or repayment **Provided** that if moneys are borrowed or shares are issued on terms that they may be repayable or redeemable (or that any member of the Group may be required to purchase them) earlier than their final maturity date (whether by exercise of an option on the part of the issuer or the creditor (or a trustee for the creditor) or the shareholder, by

reason of a default or for any other reason) at a premium or discount to their nominal or principal amount then there shall be taken into account the amount (or the greater or greatest of two or more alternative amounts) which would, if those circumstances occurred, be payable on such repayment, redemption or purchase at the date as at which the calculation is being made;

109.3.5 in relation to a partly-owned subsidiary undertaking the "**minority proportion**" is a proportion equal to the proportion of its issued equity share capital which is not attributable to the Company;

109.3.6 "**Current Asset Investments**" means the aggregate of:

- (i) cash in hand of the Group;
  - (ii) sums standing to the credit of any current or other account of any member of the Group with banks in the United Kingdom or elsewhere to the extent that remittance of the same to the United Kingdom is not prohibited by any law, regulation, treaty or official directive or, where remittance of the same to the United Kingdom is so prohibited, to the extent that the same may be set off against or act as security for any moneys borrowed by such member;
  - (iii) the amount of such assets as would be included in "Current Assets - Investments" in a consolidated balance sheet of the Group prepared as at the date of the relevant calculation in accordance with the principles used in the preparation of the relevant balance sheet;
- less:
- (iv) in the case of a partly-owned subsidiary undertaking, a proportion thereof equal to the minority proportion; and
  - (v) an amount equal to any amount excluded from paragraph 109.3.4 by virtue of sub-paragraph 109.3.4(ix).

109.4 For the purposes of the foregoing paragraphs borrowed moneys expressed in or calculated by reference to a currency other than sterling shall be converted into sterling at the relevant rate of exchange used for the purposes of the relevant balance sheet save that moneys borrowed (or first brought into account for the purposes of this Article) since the date of such balance sheet shall be converted at the rate of exchange or approximate rate of exchange (determined on such basis as the Auditors may determine or approve) ruling on the date on which such moneys are borrowed (or first taken into account as aforesaid); **provided that** in the case of any bank overdraft or other borrowing of a fluctuating amount (together herein described as an "**Overdraft Account**") the following further provisions shall apply:

109.4.1 if the amount outstanding on an Overdraft Account on a date as at which a calculation is being made for the purpose of the foregoing limit is not more than the amount outstanding on such Overdraft Account at the date of the relevant balance sheet, the whole of such amount shall be converted at the rate of exchange used for the purpose of such balance sheet;

109.4.2 if the amount outstanding on an Overdraft Account on a date as at which the calculation is being made for such purpose exceeds the amount which was

outstanding on the same Overdraft Account at the date of the relevant balance sheet (or if the latter amount is nil), an amount equal to the excess shall be converted at the rate of exchange or approximate rate of exchange (determined on such basis as the Auditors may determine or approve) on the last business day preceding the date as on which the calculation is being made for such purpose and the balance shall be converted at the rate of exchange used for the purpose of the said balance sheet.

- 109.5** The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned and for the purposes of their computation the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless the Directors may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence the limit hereinbefore contained is inadvertently exceeded an amount of borrowed moneys equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Auditors or otherwise the Directors became aware that such a situation has or may have arisen.
- 109.6** No person dealing with the Company or any of its subsidiary undertakings shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

### **Alternate Directors**

#### **110 Alternate Directors**

- 110.1** Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors or unless the appointee is another Director, shall have effect only upon and subject to being so approved.
- 110.2** The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director, otherwise than by retirement at a General Meeting at which he is re-elected.
- 110.3** An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of

the Directors the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor.

- 110.4** An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

### **Secretary**

#### **111 Secretary**

The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, 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 Directors may also appoint from time to time on such terms as they may think fit one or more Deputy and/or Assistant Secretaries.

### **The Seal**

#### **112 The Seal**

- 112.1** The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or of a committee authorised by the Directors 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.
- 112.2** Every instrument to which the Seal or the Securities Seal shall be affixed (other than a certificate for or evidencing shares, debentures or other securities (including options) issued by the Company) shall be signed autographically by one Director and the Secretary or by two Directors or some other person appointed by the Directors for the purpose save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.
- 112.3** The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.
- 112.4** 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.

- 112.5** The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

### **Authentication of Documents**

**113 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 Directors 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.

### **Reserves**

**114 Establishment of reserves**

The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

**115 Business bought as from past date**

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

## **Dividends**

### **116 Final dividends**

The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

### **117 Fixed and interim dividends**

If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. Provided the Directors act in good faith they shall not incur any liability to the holders of any shares for any loss they may suffer by the lawful payment, on any other class of shares having rights ranking after or *pari passu* with those shares, of any such fixed or interim dividend as aforesaid.

### **118 Distribution in specie**

The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

### **119 No dividend except out of 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 Act 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 Act.

### **120 Ranking of shares for dividend**

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

## **121 Manner of payment of dividends**

- 121.1** Any dividend or other moneys payable on or in respect of a share shall be paid to the member or to such other person as the member (or, in the case of joint holders of a share, all of them) may in writing direct. Such dividend or other moneys may be paid (i) by cheque sent by post to the registered address of the member or person entitled thereto or, where there is more than one payee, to any one of them, or (ii) by inter-bank transfer to such account as the payee or payees shall in writing direct, or (iii) using the facilities of a relevant system, or (iv) by such other method of payment as the member (or in the case of joint holders of a share, all of them) may agree to. Every such cheque shall be made payable to the person to whom it is sent and be sent at the risk of the person or persons entitled to the money represented thereby, and payment of a cheque by the banker upon whom it is drawn, and any transfer or payment within (ii) or (iii) above, shall be a good discharge to the Company.
- 121.2** Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Directors may determine, using such exchange rate for currency conversions as the Directors may select.
- 121.3** The Company may cease to send any cheque, warrant or order by post for any dividend on any shares which is normally paid in that manner if in respect of at least two consecutive dividends payable on those shares the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these Articles, shall recommence sending cheques, warrants or orders in respect of the dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

## **122 Joint holders**

If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

## **123 Record date for dividends**

Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall *mutatis mutandis* apply to capitalisation of profits and reserves.

## **124 No interest on dividends**

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

## **125 Retention of dividends**

- 125.1** The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements payable to the Company in respect of that share.
- 125.2** The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares within these Articles entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

## **126 Unclaimed dividend**

The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six years from the date on which such dividend was declared or became due for payment shall be forfeited and shall revert to the Company.

## **127 Waiver of dividend**

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

## **Capitalisation of Profits and Reserves**

### **128 Capitalisation of profits and reserves**

- 128.1** The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account.
- 128.2** Such capitalisation shall be effected by appropriating such sum to the holders of Ordinary Shares on the Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their entitlement in the event of a distribution of profits by way of dividend on such Ordinary Shares on the record date and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.
- 128.3** The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any

person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

## **Scrip Dividends**

### **129 Scrip Dividends**

- 129.1** Subject as hereinafter provided, the Directors may offer to ordinary shareholders the right to elect to receive, in lieu of dividend (or part thereof), an allotment of new Ordinary Shares credited as fully paid.
- 129.2** The Directors shall not make such an offer unless so authorised by an Ordinary Resolution passed at any General Meeting, which authority may extend to dividends declared or proposed to be declared or paid prior to the next following Annual General Meeting, but no further Provided that this Article shall, without the need for any further Ordinary Resolution, authorise the Directors to offer rights of election in respect of any dividend declared or proposed after the date of the adoption of these Articles and at or prior to the Annual General Meeting in the year 2002.
- 129.3** The Directors may either offer such rights of election in respect of the next dividend (or part thereof) proposed to be paid; or may offer such rights of election in respect of that dividend and all subsequent dividends, until such time as the election is revoked; or may allow shareholders to make an election in either form.
- 129.4** The basis of allotment on each occasion shall be determined by the Directors so that, as nearly as may be considered convenient, the value of the Ordinary Shares to be allotted in lieu of any amount of dividend shall equal such amount. For such purpose the value of an Ordinary Share shall be the average of the middle market quotations of an Ordinary Share on the London Stock Exchange, as derived from the Daily Official List, on each of the first five business days on which the Ordinary Shares are quoted "ex" the relevant dividend.
- 129.5** If the Directors determine to offer such right of election on any occasion they shall give notice in writing to the ordinary shareholders of such right and shall issue forms of election and shall specify the procedures to be followed in order to exercise such right Provided that they need not give such notice to a shareholder who has previously made, and has not revoked, an earlier election to receive Ordinary Shares in lieu of all future dividends, but instead shall send him a reminder that he has made such an election, indicating how that election may be revoked in time for the next dividend proposed to be paid.
- 129.6** On each occasion the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on Ordinary Shares in respect whereof the share election has been duly exercised and has not been revoked (the "**elected Ordinary Shares**"), and in lieu thereof additional shares (but not any fraction of a share) shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Directors shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or profit and loss account as the Directors may determine, a sum equal to the aggregate nominal amount of additional Ordinary Shares to be allotted on that occasion on such basis and shall apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares on such basis.

- 129.7** The additional Ordinary Shares so allotted on any occasion shall rank *pari passu* in all respects with the fully-paid Ordinary Shares then in issue save only as regards participation in the relevant dividend.
- 129.8** Article 129 shall apply (*mutatis mutandis*) to any capitalisation made pursuant to this Article.
- 129.9** No fraction of an Ordinary Share shall be allotted. The Directors may make such provision as they think fit for any fractional entitlements including, without limitation, provision whereby, in whole or in part, the benefit thereof accrues to the Company and/or fractional entitlements are accrued and/or retained and in either case accumulated on behalf of any ordinary shareholder.
- 129.10** The Directors may on any occasion determine that rights of election shall not be made available to any ordinary shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.
- 129.11** In relation to any particular proposed dividend the Directors may in their absolute discretion decide (i) that shareholders shall not be entitled to make any election in respect thereof and that any election previously made shall not extend to such dividend or (ii) at any time prior to the allotment of the Ordinary Shares which would otherwise be allotted in lieu thereof, that all elections to take shares in lieu of such dividend shall be treated as not applying to that dividend, and if so the dividend shall be paid in cash as if no elections had been made in respect of it.

## **Accounts**

### **130 Accounting records**

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

### **131 Copies of accounts for members**

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

### **132 Accounts to be sent by electronic communication**

To the extent permitted by Statutes and agreed by the member, the summary financial statement referred to in paragraph 131 may be sent by the Company to the member by electronic communication.

## **Auditors**

### **133 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.

### **134 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.

## **Notices**

### **135 Service of notices**

- 135.1** Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it by post in a pre-paid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. Any notice or document (excluding a share certificate) may also be served on or delivered to any member by the Company either by facsimile to a facsimile number supplied by him to the Company or by other electronic means determined by the Directors to an electronic address supplied by him to the Company or, insofar as is permitted by the Statutes, by publication of such notice or document on a website provided that the Company shall notify the relevant member that such notice or document has been published on the relevant website and, in so doing, shall provide the relevant member with the address of such website. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.
- 135.2** 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 9.00a.m. on the day following that on which it was transmitted. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators from time to time) that an electronic communication was sent shall be conclusive evidence of such sending.
- 135.3** Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of 24 hours (or, where second-class mail is employed, 48 hours) after the time when the cover containing the same is posted and in

proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

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

**136 Joint holders**

Any notice in writing given to that one of the joint holders of a share whose name stands first in the Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.

**137 Deceased and bankrupt members**

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

**138 Overseas members**

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

**139 Suspension of postal services**

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 shareholders' meeting by notices sent through the post, such meeting may be convened by a notice advertised in at least one national newspaper and such notice shall be deemed to have been duly served on all members entitled thereto on the day when the advertisement appears (or first appears). In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

**140 Statutory requirements as to notices**

Nothing in any of the preceding five Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

## **Winding Up**

### **141 Directors' power to petition**

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

### **142 Distribution of assets *in specie***

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

## **Destruction of Documents**

### **143 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:

- (a) 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;
- (b) 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;

- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

## **Indemnity**

### **144 Indemnity**

- 144.1** Subject to the provisions of and so far as may be consistent with the Statutes, every Director, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.
- 144.2** Without prejudice to paragraph 144.1 above the Directors shall have power to purchase and maintain insurance for or for the benefit of any person who is or was at any time a Director or officer of any Relevant Company (as defined in paragraph 144.3 below) or who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- 144.3** For the purpose of paragraph 144.2 above "**Relevant Company**" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.

## **General**

### **145 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 Directors may approve, or be accompanied by such other evidence as the Directors may require to satisfy themselves 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.

## **146 Electronic communication**

**146.1** Any member resident in the United Kingdom 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 by electronic communication notices and other documents from the Company 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:-

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

**146.1.2** 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 the notice may be accessed, how it may be accessed and (if the notice relates 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.

**146.2** 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.

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

**146.4** If the Company receives actual notice that a failure of delivery of an electronic *communications to a Shareholder has occurred, and then receives actual notice that subsequent attempts to resend the original communication have also failed*, the Company will send a hard copy of the communication by first class post to the Shareholder's last known postal address within 48 hours of the Company receiving the notice of the original failure of delivery.

**146.5** A document is treated as having been sent to a Shareholder where the Company and the Shareholder have agreed to the Shareholder having access to documents on a website, the documents are subject to that agreement and the shareholder has been notified of the publication of the documents on a website, the address of that website and the place on the website where the documents may be accessed.

**146.6** A document is treated as having been sent to a Shareholder not less than 21 days before the date of a meeting if the documents have been published on the website throughout the period commencing 21 days before the meeting and ending with the conclusion of the meeting and notification of that publication on the website has been sent to the Shareholder not less than 21 days before the date of the meeting.

**146.7** Proceedings at a meeting will not be invalidated if documents have not been published for the entire period stated in paragraph 146.6 and where failure to publish the documents throughout the entire period is attributable to circumstances it would have been unreasonable to have expected the Company to avoid.

**146.8** A Shareholder may give notice to the Company of the appointment of a proxy by electronic communication sent to such address as notified by the Company for that purpose.