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Articles of Association

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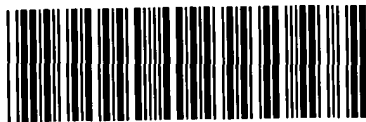
Ultra Electronics Holdings plc

Company number: 2830397

(Public company limited by shares)

as adopted pursuant to a special resolution dated 13th May 2020.

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Company number 2830397

The Companies Act 2006

Public company limited by shares

Articles of Association

of

Ultra Electronics Holdings plc

(as adopted by a special resolution passed on • 2020)

A. Preliminary

1. Model Articles (and any other prescribed regulations) not to apply

Notwithstanding any other provision of these Articles (as defined below), no regulations for management of a company set out in any statute concerning companies or contained in any regulations, order, instrument or other subordinate legislation made pursuant to a statute (including, but not limited to, the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI/1958/805) (as amended from time to time) and the regulations contained in the model articles of association for public companies contained in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) (as amended from time to time) shall apply to the Company (as defined below). The following shall be the articles of association of the Company.

2. Interpretation

2.1 Definitions

In these Articles, unless the context otherwise requires, the following definitions shall apply:

"**Acts**" means the Companies Acts and every other statute, order, regulation, or other subordinate legislation from time to time in force concerning companies and affecting the Company.

"**address**" has the meaning set out in Section 1148(1), CA2006.

"**approved transfer**" means (in relation to any shares held by a member):

- (a) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (as defined for the purposes of Part 28, CA2006); or
- (b) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the

shares to a person who is unconnected with any member and with any other person appearing to be interested in the shares (including any such sale made through the London Stock Exchange). For the purpose of this sub-paragraph a connected person shall have the meaning set out in Sections 252 to 255 (inclusive) and Schedule 1, CA2006.

"Articles" means these articles of association as altered or varied from time to time (and **"Article"** means any provision of these articles of association as altered or varied from time to time).

"Audit Committee" means the committee set up in accordance with Section C.3 of the Combined Code.

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

"Board" means the board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present.

"CA2006" means the Companies Act 2006.

"certificated" means (in relation to a share) a share which is not an uncertificated share.

"Chairman" means the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company.

"clear days" means (in relation to a period of notice of a meeting or the period before a meeting by which a request must be received or sum deposited or tendered) the period of the specified length, excluding the day when the notice is served, the request received or the sum deposited or tendered (or deemed to be served, received, deposited or tendered) and the day of the meeting, and, unless expressly provided to the contrary in these Articles, for the purposes of calculating a period of clear days, account shall be taken of all days regardless of whether or not they are working days.

"Combined Code" means the combined code on corporate governance published from time to time by the Financial Reporting Council.

"Company" means Ultra Electronics Holdings plc (registered in England and Wales with company number 2830397).

"Companies Acts" has the meaning set out in Section 2, CA2006.

"Conflicted Director" means (in relation to a Relevant Situation) a Director who has made a submission for authorisation in respect of that Relevant Situation.

"default shares" has the meaning set out in Article 75.1 (*Disenfranchisement notice*).

"Deputy Chairman" means the deputy chairman (if any) of the Board or, where the context requires, the deputy chairman of a general meeting of the Company.

"Director" means a director for the time being of the Company.

"disenfranchisement notice" has the meaning set out in Article 75.1 (*Disenfranchisement notice*).

"dividend" means a distribution or a bonus.

"document" means any document, including, but not limited to, any summons, notice, order or other legal process and registers.

"elected Ordinary Shares" has the meaning set out in Article 143.1(h) (*Authority to pay scrip dividends*).

"electronic address" means any address or number used for the purposes of sending or receiving documents or information by electronic means.

"electronic form" has the meaning set out in Section 1168, CA2006.

"electronic means" has the meaning set out in Section 1168(4), CA2006.

"financial institution" has the meaning set out in Section 778(2), CA2006.

"Group" means the Company and its subsidiaries and subsidiary undertakings (as such expressions are defined in Sections 1159 and 1162, CA2006 respectively) from time to time, and **"Group Company"** means any undertaking in the Group.

"hard copy form" has the meaning set out in Section 1168(2), CA2006.

"holder" means (in relation to any share) the member whose name is entered in the Register as the holder or, where the context permits, the members whose names are entered in the Register as the joint holders of that share.

"Independent Director" means (in relation to Article 121 (*Board authorisation of conflicts of interest*)) the Directors, other than the Conflicted Director and any other Director(s) interested in the Relevant Situation.

"London Stock Exchange" means London Stock Exchange plc.

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

"Office" means the registered office for the time being of the Company.

"Official List" means the official list of the UK Listing Authority.

"Operator" means the operator as defined in the Uncertificated Regulations of the relevant Uncertificated System.

"Ordinary Shares" means ordinary shares of 5 pence each in the capital of the Company.

"paid up" means paid up or credited as paid up.

"Participating Security" means a share or class of shares or a renounceable right of allotment of a share, title to which is permitted to be transferred by means of an Uncertificated System in accordance with the Uncertificated Regulations.

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

"prescribed period" means, in a case where the default shares represent at least 0.25% in nominal value of their class, 14 days and in any other case, 28 days.

"recognised investment exchange" has the meaning set out in Section 285, Financial Services and Markets Act 2000.

"record date" has the meaning set out in Article 146 (*Record dates*).

"Register" means the register of members of the Company to be kept pursuant to Section 113, CA2006 or, as the case may be, any overseas branch register kept pursuant to Article 109 (*Overseas registers*).

"Relevant Situation" means a matter or situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it)

"Remuneration Committee" means the committee set up in accordance with Section B.1 of the Combined Code.

"Seal" means the common seal of the Company or, where the context allows, any official seal kept by the Company pursuant to Section 50, CA2006.

"Section 793 notice" means a notice issued pursuant to Section 793, CA2006.

"Secretary" means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary of the Company including (subject to the provisions of the Acts) a joint, temporary, assistant or deputy secretary.

"sent" or "supplied" has the meaning set out in Section 1148(2), CA2006.

"share" means a share in the capital of the Company.

"uncertificated" means (in relation to a share) a share to which title may be transferred by means of an Uncertificated System in accordance with the Uncertificated Regulations.

"Uncertificated Regulations" means the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended and for the time being in force.

"Uncertificated System" means a relevant system (as such is defined in the Uncertificated Regulations).

"UK Listing Authority" means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI, Financial Services and Markets Act 2000 and in the exercise of its functions in respect of admission to the Official List.

"United Kingdom" means Great Britain and Northern Ireland.

"withdrawal notice" has the meaning set out in Article 75.2 (*Withdrawal notice*).

"working day" means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the Company is registered.

"writing" means printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words, symbols or other information in a legible and non-transitory form (and any combination of such forms) and **"written"** shall be construed accordingly.

2.2 ***General interpretation***

Unless the context otherwise requires:

- (a) words in the singular include the plural and vice versa;
- (b) words importing the masculine gender include the feminine gender;
- (c) a reference to a person includes a body corporate and an unincorporated body of persons;
- (d) a reference to a "conflict of interest" shall include a conflict of interest and duty and a conflict of duties; and
- (e) a reference to an Uncertificated System is a reference to the Uncertificated System in respect of which the particular share or class of shares or renounceable right of allotment of a share is a Participating Security.

2.3 ***Statutory definitions***

Save as otherwise provided in sub-paragraph 2.1 of this Article 2, and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Acts.

2.4 ***Statutory provisions***

In these Articles, a reference to any statute or provision or schedule of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any modification, re-enactment or re-statement of it for the time being in force and the same principle of construction shall be applied to any order, regulations or other subordinate legislation.

2.5 Resolutions

Where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective

2.6 Headings

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

2.7 Documents or information being sent or supplied by or to a company

References in these Articles to documents or information being sent or supplied by or to a company (including the Company) shall be construed in accordance with the provisions of Section 1148(3), CA2006.

3. Public company

The Company is to be a public company.

4. Liability of members

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

5. Domicile and Office

The Office shall be situated in England and Wales at such place as the Board shall from time to time appoint.

B. Share capital

6. Allotment

Subject to the provisions of the Acts and to any relevant authority of the Company in general meeting, unissued shares at the date of adoption of these Articles and any shares hereafter created shall be at the disposal of the Board which may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them, or grant rights to subscribe for or convert any security into shares, to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

7. Power to attach rights and issue redeemable shares

7.1 Rights attaching to shares

Subject to the provisions of the Acts and to any special rights for the time being attached to any existing shares, the Company may allot or issue any shares or have attached to them such preferred, deferred or other special rights or restrictions whether in regard to dividends, voting, transfer, return of capital or otherwise as the Company may from time to time by ordinary resolution determine or, if no such resolution has

been passed or so far as the resolution does not make specific provision, as the Board may determine.

7.2 *Power to issue redeemable shares*

Subject to the provisions of the Acts and to any special rights for the time being attached to any existing shares, any share may be issued which is, or at the option of the Company or of the holder of such share, liable to be redeemed.

7.3 *Terms, conditions and manner of redemption*

Subject to the provisions of the CA2006 and save as otherwise provided in these Articles, the Directors may determine the terms, conditions and manner of redemption of any redeemable shares provided they must do so before the shares are allotted.

8. *Share warrants*

8.1 *Power to issue share warrants*

The Company may with respect to any fully paid shares, issue a warrant (a "**share warrant**") stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant and a share warrant may be issued in any manner that a share certificate may be issued pursuant to these Articles.

8.2 *Conditions attaching to warrants*

The powers referred to in Article 8.1 (*Power to issue share warrants*) may be exercised by the Board, which may determine and vary the conditions on which share warrants shall be issued and in particular on which:

- (a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);
- (b) the bearer of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at general meetings;
- (c) dividends will be paid; and
- (d) a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares specified in it.

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto whether made before or after the issue of such share warrant.

9. Commission and brokerage

The Company may exercise the powers conferred by the Acts to pay commissions or brokerage to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company to the full extent permitted by the Acts. Subject to the provisions of the Acts, any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of an option to call for an allotment of shares or any combination of such methods.

10. Trusts not to be recognised

Except as otherwise expressly provided by these Articles, as required by law or as ordered by a court of competent jurisdiction, the Company shall not recognise any person as holding any share on any trust and (except as aforesaid) the Company shall not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share or any interest in any fractional part of a share except an absolute right of the holder or (in the case of a share warrant) of the bearer of the warrant, to the whole of the share.

11. Renunciation of shares

Subject to the provisions of the Acts and of these Articles, 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 recognise a renunciation of it by the allottee in favour of some other person and may accord to any allottee of a share the right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

12. Fractions

12.1 *Power to deal with fractional entitlements*

Whenever as the result of any consolidation, division or sub-division of shares any member would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular (but without prejudice to the generality of the foregoing) the Board may determine which of the shares of such holder are to be treated as giving rise to such fractional entitlement and may decide that any of those shares shall be consolidated with any of the shares of any other holder or holders which are similarly determined by it to be treated as giving rise to a fractional entitlement for such other holder or holders into a single consolidated share and the Board may on behalf of all such holders, sell such consolidated share for the best price reasonably obtained to any person (including the Company) and distribute the net proceeds of sale after deduction of the expenses of sale in due proportion among those holders (except that any amount otherwise due to a holder, being less than £3 or such other sum as the Board may from time to time determine may be retained for the benefit of the Company).

12.2 *Sale of fractions*

For the purposes of any sale of consolidated shares pursuant to Article 12.1 (*Power to deal with fractional entitlements*), the Board may in the case of certificated shares authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser or in the case of uncertificated shares exercise any power conferred on it by Article 19.5 (*Forfeiture and sale*), and the transferee shall not be bound to see to the application of the purchase money in respect of any such sale, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale or transfer and any instrument or exercise shall be effective as if it had been executed or exercised by the holder of the fractional entitlement to which it relates.

13. *Purchase of own shares*

13.1 *Power to enter into share buy back agreements*

Subject to the provisions of the Acts and to any rights for the time being attached to any shares, the Company may enter into any contract for the purchase of any of its own shares of any class (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares. Any shares to be so purchased may be selected in any manner whatsoever provided that if at the relevant date proposed for approval of the proposed purchase there shall be in issue any shares (which are admitted to the Official List) of a class entitling the holders to convert into equity share capital of the Company then no such purchase shall take place unless it has been sanctioned by a special resolution passed at a separate general meeting (or meetings if there is more than one class) of the holders of such class of convertible shares.

13.2 *Class rights*

Notwithstanding anything to the contrary contained in these Articles (other than the proviso in Article 13.1 (*Power to enter into share buy back agreements*)), the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company or the Directors pursuant to this Article.

C. *Variation of class rights*

14. *Sanction to variation*

Subject to the provisions of the Acts, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles (but not otherwise). The foregoing provisions of this Article shall apply

also 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 separate rights of which are to be varied. Subject to the terms of issue or the rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the Board resolving that a class of shares is to become or to cease to be a Participating Security.

15. Class meetings

Save as provided in the Acts, all the provisions in these Articles as to general meetings shall mutatis mutandis apply to every meeting of the holders of any class of shares, save that in the case of a meeting held in connection with the variation or abrogation of the rights attached to the shares of the class:

- (a) subject to paragraph (d) of this Article 15, the quorum at every such meeting shall be not less than two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares);
- (b) every holder of shares of the class in question present in person or by proxy may demand a poll;
- (c) each such holder shall on a poll be entitled to one vote for every share of the class held by him;
- (d) if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum; and
- (e) where a person is present by proxy or proxies, he is treated as holding only the shares in respect of which those proxies are authorised to exercise voting rights.

16. Deemed variation

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

D. Share certificates

17. Right to certificates

17.1 Issue of certificates

- (a) Subject to Article 17.6 (*Certificates on surrender of share warrants*), on becoming the holder of any certificated share every person (except a financial institution in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled without charge to have issued within two months after allotment or lodgement of a transfer (unless the terms of issue of the shares provide otherwise) one certificate for all the certificated shares of any one class registered in his name and to a separate certificate for each class of certificated shares so registered.
- (b) Such certificate shall specify the number, class and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount or respective amounts paid up on them.
- (c) Such certificate shall be issued either under the Seal (which may be affixed to it or printed on it) or in such other manner having the same effect as if issued under the Seal and, having regard to the provisions of the Acts and the rules and regulations applicable to any recognised investment exchange(s) to which the Company's shares are admitted (or any other stock exchange on which the company's shares are normally traded), as the Board may approve.

17.2 Distinguishing numbers

If and so long as all the issued shares of the Company or all the issued shares of a particular class are fully paid up and rank *pari passu* for all purposes then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.

17.3 Issue of certificates to joint holders

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

17.4 Balancing certificates

Where a member (other than a financial institution) has transferred part only of the shares comprised in a certificate he shall be entitled without charge to a certificate for the balance of such certificated shares.

17.5 Restrictions on certificates

No certificate shall be issued representing certificated shares of more than one class.

17.6 *Certificates on surrender of share warrants*

Save as provided to the contrary in any relevant share warrant instrument, Section 780(1), CA2006 shall not apply to the Company.

18. *Replacement certificates*

18.1 *Consolidation of certificates*

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, subject to the payment of such reasonable fee, if any, as the Board may determine, on surrender of the original certificates for cancellation.

18.2 *Splitting share certificates*

If any member shall surrender for cancellation a share certificate representing certificated shares held by him and request the Company to issue in lieu two or more share certificates representing such certificated shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request subject to the payment of such fee (if any) as it may determine.

18.3 *Renewal or replacement*

Share certificates may be renewed or replaced on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out-of-pocket expenses (including those incurred by the Company in investigating such evidence and preparing such indemnity and security) as the Board may decide, and on surrender of the original certificate (where it is defaced or worn out) but without any further charge.

18.4 *Request for replacement by joint holders*

In the case of shares held jointly by several persons, any such request as is mentioned in this Article 18 (*Replacement certificates*) may be made by any one of the joint holders.

19. *Uncertificated shares*

19.1 *Participating security*

The Board may resolve that a class of shares is to become, or is to cease to be, a Participating Security. Shares of a class shall not be treated as forming a separate class from other shares of the same class as a consequence only of such shares being held in uncertificated form. Any share of a class which is a Participating Security may be changed from an uncertificated share to a certificated share and from a certificated share to an uncertificated share in accordance with the Uncertificated Regulations. For any purpose under these Articles, the Company may treat a member's holding of uncertificated shares and of certificated shares of the same class as if they were separate holdings, unless the Board otherwise decides.

19.2 *Application of Articles*

These Articles apply to uncertificated shares of a class which is a Participating Security only to the extent that these Articles are consistent with the holding of such shares in uncertificated form, with the transfer of title to such shares by means of the Uncertificated System and with the Uncertificated Regulations.

19.3 *Board regulations*

The Board may lay down regulations not included in these Articles which:

- (a) apply to the issue, holding or transfer of uncertificated shares (in addition to or in substitution for any such provisions in these Articles);
- (b) set out (where appropriate) the procedures for conversion and/or redemption of uncertificated shares,

in each case which are necessary to ensure that these Articles are consistent with the Uncertificated Regulations and/or the Operator's rules and practices and such regulations will apply instead of any relevant provisions in these Articles which relate to certificates and the transfer, conversion and redemption of shares or which are not consistent with the Uncertificated Regulations, in all cases to the extent (if any) stated in such regulations. If the Board makes any such regulations, Article 19.2 (*Application of Articles*) will (for the avoidance of doubt) continue to apply to these Articles, when read in conjunction with those regulations.

19.4 *Instructions via an uncertificated system*

Any instruction given by means of an Uncertificated System as referred to in these Articles shall be a dematerialised instruction given in accordance with the Uncertificated Regulations, the facilities and requirements of the Uncertificated System and the Operator's rules and practices.

19.5 *Forfeiture and sale*

Where the Company is entitled (under the Acts, the Operator's rules and practices, these Articles or otherwise) to dispose of, forfeit, enforce a lien over or sell or otherwise procure the sale of any shares of a class which is a Participating Security and which are held in uncertificated form, the Board may take such steps (subject to the Uncertificated Regulations and to such rules and practices) as may be required or appropriate, by instruction by means of an Uncertificated System or otherwise, to effect such disposal, forfeiture, enforcement or sale including by (without limitation):

- (a) requesting or requiring the deletion of any computer-based entries in the Uncertificated System relating to the holding of such shares in uncertificated form;
- (b) altering such computer-based entries so as to divest the holder of such shares of the power to transfer such shares other than to a person selected or approved by the Company for the purpose of such transfer;

- (c) requiring any holder of such shares, by notice in writing to him, to change his holding of such uncertificated shares into certificated form within any specified period;
- (d) requiring any holder of such shares to take such steps as may be necessary to sell or transfer such shares as directed by the Company;
- (e) otherwise rectify or change the Register in respect of any such shares in such manner as the Board considers appropriate (including, without limitation, by entering the name of a transferee into the Register as the next holder of such shares); and/or
- (f) appointing any person to take any steps in the name of any holder of such shares as may be required to change such shares from uncertificated form to certificated form and/or to effect the transfer of such shares (and such steps shall be effective as if they had been taken by such holder).

E. Lien on shares

20. Lien on shares not fully paid

The Company shall have a first and paramount lien on any of its shares which are not fully paid, but only to the extent and in the circumstances permitted by Section 670, CA2006. The lien shall also extend to all distributions and other moneys from time to time declared or payable in respect of such share. The Board 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. Unless otherwise determined by the Board, the registration of a transfer of a share shall operate as a waiver of the Company's lien (if any) on that share.

21. Enforcement of lien by sale

21.1 *Power of sale*

The Company may sell in any manner decided by the Board all or any of the shares subject to any lien at such time or times and in such manner as it may determine, save that no sale shall be made until such time as the moneys in respect of which such lien exists or some part of them are or is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due, or specifying the liability or engagement and demanding payment or fulfilment or discharge of them, and giving notice of intention to sell in default, shall have been served on the holder or the persons (if any) entitled by transmission to the shares and default in payment, fulfilment or discharge shall have been made by him or them for 14 clear days after service of such notice.

21.2 *Title*

A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited 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 stated in it as against all persons claiming to be entitled to the share.

21.3 ***Perfection of transfer***

In order to give effect to any such sale, the Board may in the case of certificated shares authorise some person to execute an instrument of transfer of the shares sold in the name and on behalf of the holder or the persons entitled by transmission in favour of the purchaser or as the purchaser may direct and in the case of uncertificated shares exercise any power conferred on it by Article 19.5 (*Forfeiture and sale*) to effect a transfer of the shares. The purchaser shall not be bound to see to the application of the purchase money in respect of any such sale and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale. Any instrument or exercise shall be effective as if it had been executed or exercised by the holder of, or the person entitled by transmission to, the shares to which it relates.

22. **Application of proceeds of sale**

The net proceeds of any sale of shares subject to any lien after payment of the costs shall be applied in or towards satisfaction of so much of the amount due to the Company or of the liability or engagement (as the case may be) as is presently payable or is liable to be presently fulfilled or discharged. The balance (if any) shall be paid to the former shareholder or to any other person who would otherwise be automatically entitled to the shares by law. In the case of certificated shares such payment shall only be made on surrender to the Company for cancellation of the certificate for the shares sold. In any event, the Company's lien shall also apply to any money left over to cover any money still due to the Company which is not yet payable.

F. **Calls on shares**

23. **Calls**

Subject to the terms of allotment of shares, the Board may from time to time make calls on the members in respect of any moneys unpaid on the shares or any class of shares held by them respectively (whether in respect of nominal value or premium) and not payable on a date fixed by or in accordance with the terms of issue provided that no call on any share shall be payable within one month from the date fixed for the payment of the last preceding call. Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made and whether or not by instalments) be liable to pay the amount of every call so made on him as required by the notice. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed or (as the case may require) any person to whom power has been delegated pursuant to these Articles serves notice of exercise of such power. A call may be required to be paid by instalments and may before receipt by the Company of any sum due under it be either revoked or postponed in whole or part as regards all or any such members as the Board may determine. A person on whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of them.

24. Interest on calls

If the whole of the sum payable in respect of any call is not paid on or before the day appointed for payment, the person from whom it is due and payable shall pay all reasonable costs, charges and expenses that the Company may have incurred by reason of such non-payment together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or, if no rate is so fixed, at such rate, not exceeding 20% per annum, as the Board shall determine and specify in the notice of the call. The Board may waive payment of such costs, charges, expenses or interest in whole or in part.

25. Rights of member when call unpaid

No member shall be entitled to receive any dividend or to be present and vote at any general meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum or to exercise any other privilege as a member unless and until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

26. Sums due on allotment treated as calls

Any sum payable in respect of a share on allotment or at any fixed date whether in respect of the nominal value of the share or by way of premium or as an instalment of a call shall for all purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of allotment or in the notice of call, it becomes payable. If it is not paid, the provisions of these Articles shall apply as if such amount had become due and payable by virtue of a call duly made and notified.

27. Power to differentiate

The Board may make arrangements on the allotment or issue of shares for a difference as between the allottees or holders of such shares in the amount and time of payment of calls.

28. Payment in advance of calls

The Board may if it thinks fit receive from any member willing to advance it all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish only to that extent the liability on the shares on which it is made. The Company may pay interest on the money paid in advance or so much of it as exceeds the amount for the time being called up on the shares in respect of which such advance has been made at such rate not exceeding 20% per annum as the Board may decide until and to the extent that it would, but for the advance, become payable. The Board may at any time repay the amount so advanced on giving to such member not less than 14 clear days' notice in writing of its intention in that regard, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. No sum paid in advance of calls shall entitle the holder of a share in respect of them to any portion of a

dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become payable.

G. Forfeiture of shares

29. Notice if call not paid

If any member fails to pay the whole of any call or any instalment of any call on or before the day appointed for payment the Board may at any time serve a notice in writing on such member, or on any person entitled to the shares by transmission, requiring payment, on a date not less than 14 clear days from the date of the notice, of the amount unpaid and any interest which may have accrued on it and any reasonable costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where the payment is to be made and state that, if the notice is not complied with, the shares in respect of which such call was made will be liable to be forfeited.

30. Forfeiture for non-compliance

If the notice referred to in Article 29 (*Notice if call not paid*) is not complied with, any share in respect of which it was given may, at any time after the date appointed for payment pursuant to the notice, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not paid before the forfeiture, and shall be deemed to occur at the time of the passing of the said resolution of the Board.

31. Notice after forfeiture

When any share has been forfeited notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share or the person entitled to such share by transmission (as the case may be). An entry of such notice having been given and of the forfeiture with the date of it shall forthwith be made in the Register in respect of such share together with a note that dealings are not permitted in the share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry as aforesaid.

32. Forfeiture may be annulled

The Board may at any time before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of annul the forfeiture, on the terms that payment shall be made of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

33. Surrender

The Board may accept a surrender of any share liable to be forfeited under these Articles upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited. In such case, references in these Articles to forfeiture shall include surrender.

34. Disposal of forfeited shares

Every share which shall be forfeited shall thereupon become the property of the Company. The Company shall not exercise any voting rights in respect of such a share. Subject to the provisions of the Acts, any such share may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture its holder or entitled to it or to any other person on such terms and in such manner as the Board shall determine and, in the case of re-allotment, whether with or without all or any part of the amount previously paid up on the share being treated as so paid up. The Board may, for the purposes of the disposal in the case of certificated shares, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share in the Register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee in respect of certificated shares transferred to it. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of or the person entitled by transmission to the share. In the case of uncertificated shares the Board may exercise any power conferred on it by Article 19.5 (*Forfeiture and sale*) to effect a transfer of the shares. The Company may, if the Board considers it just and equitable to do so, receive the consideration (if any) given for the share on its disposal.

35. Effect of forfeiture

A member whose shares have been forfeited shall cease to be a member in respect of the shares forfeited and shall in the case of a certificated share surrender to the Company for cancellation the certificate for such shares. He shall nevertheless be liable (unless payment is waived in whole or in part by the Directors) to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest on them from the date of the forfeiture to the date of payment at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at such rate not exceeding 20% per annum as the Board may determine, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) claims, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on the disposal.

36. Extinction of claims

The forfeiture of a share shall include all dividends and other payments or distributions declared in respect of the forfeited shares and not paid or distributed before forfeiture.

37. Evidence of forfeiture

A statutory declaration by a Director or the Secretary that a share has been forfeited in pursuance of these Articles and stating the date on which it was forfeited shall as against all persons claiming to be entitled to the share adversely to its forfeiture, be conclusive evidence of the facts stated in it. The declaration, together with the receipt of the Company for the consideration (if any) given for the share on its sale or disposition and a certificate for the share delivered to the person to whom it is sold or

disposed of, shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. Subject to the execution of any necessary transfer in the case of a certificated share, such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any) nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or disposal of the share. Such person shall not (except by express agreement with the Company) become entitled to any dividend which might have accrued on the share before the completion of the sale or disposition thereof.

H. Transfer of shares

38. Form of transfer

Each member may transfer all or any of his shares, in the case of certificated shares, by instrument of transfer in writing in any usual form or in any form approved by the Board, or, in the case of uncertificated shares, without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

39. Right to refuse registration

39.1 *Registration of certificated share transfer*

The Board may in its absolute discretion refuse to register any transfer of a certificated share unless it is:

- (a) in respect of a share which is fully paid up;
- (b) in respect of a share on which the Company has no lien;
- (c) in respect of only one class of shares;
- (d) in favour of a single transferee or not more than four joint transferees;
- (e) duly stamped (if so required); and
- (f) delivered for registration to the Office, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a financial institution where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

39.2 *Registration of an uncertificated share transfer*

The Board shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a Participating Security held in uncertificated form in accordance with the Uncertificated Regulations, except that the Board may refuse (subject to any relevant requirements applicable to the recognised investment exchange(s) to which the shares of the Company are admitted (or to any other stock exchange on which the Company's shares are normally traded)) to register any such transfer or renunciation which is in favour of more than four persons jointly or in any other circumstance permitted by the Uncertificated Regulations.

39.3 *Transfers to minors, bankrupts or mentally disordered persons*

No transfer of any share shall be made:

- (a) to a minor; or
- (b) to a bankrupt; or
- (c) to any person who is, or may be, suffering from mental disorder and either:
 - (i) has been admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or any similar statute relating to mental health (whether in the United Kingdom or elsewhere); or
 - (ii) an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs,

and the Directors shall refuse to register the purported transfer of a share to any such person.

40. *Notice of and reasons for refusal*

If the Board refuses to register a transfer of a share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for the refusal. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.

41. *No fees on registration*

No fee shall be charged for registration of a transfer or on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

I. Transmission of shares

42. On death

If a member dies, the survivors or survivor where he was a joint holder and his executors or administrators where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares. Nothing in these Articles shall release the estate of a deceased member from any liability in respect of any share which has been solely or jointly held by him.

43. Election of person entitled by transmission

Any person entitled to a share by transmission, may, on such evidence as to his title being produced as the Board may reasonably require, elect either to become registered as a member or to have some person nominated by him registered as a member. If he elects to become registered himself he shall give written notice signed by him to the Company to that effect. If he elects to have some other person registered he shall, in the case of a certificated share, execute an instrument of transfer of such shares to that person and, in the case of an uncertificated share, either procure that all appropriate instructions are given by means of the Uncertificated System to effect the transfer of such share to such person or change the uncertificated share to certificated form and then execute an instrument of transfer of such share to such person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice, instrument of transfer or instructions (as the case may be) as if it were an instrument of transfer executed or instructions given by the member and his death, bankruptcy or other event had not occurred and any notice or transfer were executed by such member. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall, within two months after proof, cause the entitlement of that person to be noted in the Register.

44. Rights on transmission

Where a person is entitled to a share by transmission, the rights of the holder in relation to such share shall cease. However, the person so entitled may give a good discharge for any dividends and other moneys payable in respect of it and shall have the same rights to which he would be entitled if he were the holder of the share except that he shall not before he is registered as the holder of the share be entitled in respect of it to give notice of or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.

J. General meetings

45. Annual general meetings

45.1 *Board determination of place and time of annual general meeting*

Subject to the provisions of the Acts, annual general meetings shall be held at such time and place as the Board may determine. The Board shall determine in relation to each annual general meeting the means of attendance at and participation in the meeting, including whether the persons entitled to attend and participate in the annual general meeting shall be enabled to do so by simultaneous attendance and participation at a physical place anywhere in the world determined by it, and by means of electronic facility or facilities determined by it.

45.2 *Circulation of members' matters for annual general meeting*

Subject to and in accordance with Section 340A, CA2006 (and subject to the provisions of Section 340B, CA2006), where the Company is required under Section 338A, CA2006 to include a matter in the business to be dealt with at an annual general meeting of the Company, the Company shall:

- (a) give notice of such matter to each member of the Company entitled to receive notice of the annual general meeting:
 - (i) in the same manner as notice of the meeting; and
 - (ii) at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting; and
- (b) publish such matter on the same website as that on which the Company published the information required pursuant to Article 48.7 (*Publication of information in advance of general meeting*).

46. Convening of general meeting

The Board may convene a general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on a member's requisition in accordance with Sections 303 and 304, CA2006 or, in default, may be convened by the members requisitioning such meeting in accordance with Section 305, CA2006. At any general meeting convened no business shall be transacted except that proposed by the Board or by the members (as the case may be). The Board shall determine in relation to each general meeting the means of attendance at and participation in the meeting, including whether the persons entitled to attend and participate in the general meeting shall be enabled to do so by simultaneous attendance and participation at a physical place anywhere in the world determined by it, and by means of electronic facility or facilities determined by it.

47. Simultaneous attendance and participation by electronic facilities

The Board may resolve to enable persons entitled to attend and participate in a general meeting to do so by simultaneous attendance and participation by means of an electronic facility or facilities and determine the means, or all different means, of

attendance and participation used in relation to a meeting. The members present personally or by proxy by means of an electronic facility or facilities shall be counted in the quorum for, and entitled to participate in, the meeting in question. That meeting shall be duly constituted and its proceedings valid if the Chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including by means of electronic facility or facilities) are able to:

- (a) participate in the business for which the meeting has been convened;
- (b) hear all persons who speak at the meeting; and
- (c) be heard by all other persons present at the meeting.

The right of a member to participate in the business of any general meeting by the means of electronic facility or facilities shall include without limitation the right to speak, vote on a poll, be represented by a proxy and have access (including electronic access) to all documents which are required by the Acts or these Articles to be made available at the meeting.

48. Notice of general meetings

48.1 *Length of notice*

A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- (a) in the case of an annual general meeting, at least 21 clear days; and
- (b) in any other case, at least 14 clear days (unless, at the relevant time, either of the conditions set out in Sub-section 307A(2) and Sub-section 307A(3), CA2006 have not been met by the Company, in which case at least 21 clear days' notice will be required).

A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- (a) in the case of an annual general meeting, at least 21 clear days; and
- (b) in any other case, at least 14 clear days.

48.2 *Short notice*

Save as provided in Section 307A(7), CA2006 and Article 57 (*Notice of adjourned meeting*), no general meeting (whether or not an annual general meeting) of the Company shall be convened on shorter notice than that specified in Article 48.1 (*Length of notice*).

48.3 *Form and content of notice*

Every notice convening a general meeting shall specify:

- (a) whether the meeting shall be a physical only meeting or a simultaneous physical and electronic meeting;
- (b) the place, the date and the time of the meeting and, if applicable, the time, date and electronic facility for the meeting, which electronic facility may vary from time to time and from meeting to meeting as the Board, in its sole discretion, sees fit;
- (c) the general nature of the business to be dealt with at the meeting;
- (d) if the meeting is convened to consider a special resolution, the text of the resolution and intention to propose the resolution as a special resolution;
- (e) with reasonable prominence, that a member is entitled to appoint another person (who does not have to be a member) as his proxy to exercise all or any rights of his to attend, speak and vote at the meeting and that a member may appoint more than one proxy in relation to the meeting (provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him) and shall also specify any more extensive rights (if any) conferred by these Articles to appoint more than one proxy;
- (f) the statements set out in Section 311(3), CA2006;
- (g) in the case of notice convening an annual general meeting only, the notice shall specify that the meeting will be an annual general meeting;
- (h) in the case of notice convening an annual general meeting where notice calling such meeting of the Company is given more than six weeks before the meeting (which period shall be construed in accordance with Section 360, CA2006), the notice shall include a statement of the right:
 - (i) under Section 338, CA2006 to require the Company to give notice of a resolution to be moved at the meeting; and
 - (ii) under Section 338A, CA2006 to require the Company to include a matter in the business to be dealt with at the meeting; and
- (i) in the case of an accounts meeting only (as defined in Article 153.2, *(Company's obligation to make website publication only if certain thresholds met)*, the matters set out in Article 153.6 *(Website publication: Company's supplementary duties)*.

48.4 ***Manner in which notice to be given***

Subject to the provisions of these Articles, notice of a general meeting of the Company may be given:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) by means of a website

or partly by one such means and partly by another and the provisions of Articles 156 to 164 (inclusive) (*Communications*) shall apply accordingly.

48.5 *Sending documents relating to meetings in electronic form*

Subject to any conditions or limitations specified in the notice, where the Company has given an electronic address in a notice calling a meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address.

48.6 *Publication of notice of meeting on website*

If (to the extent permitted by these Articles, the Acts or otherwise) the Company gives notice of a meeting by means of a website, it shall notify each member of the presence of the notice on the website and such notification shall (in addition to any other notification requirements regarding communication by means of a website provided pursuant to Article 158.4 (*Notification of availability on website*), by the Acts or otherwise):

- (a) state that it concerns a notice of a company meeting;
- (b) specify the place, date and time of the meeting; and
- (c) state whether the meeting will be an annual general meeting,

and the notice of the meeting shall be available on the website throughout the period beginning with the date of the notification and ending with the conclusion of the meeting.

48.7 *Publication of information in advance of general meeting*

- (a) Subject to and in accordance with Section 311A, CA2006, the Company shall ensure that the following information relating to a general meeting of the Company is made available on a website:

- (i) the matters set out in the notice of the meeting;
- (ii) the total numbers of:
 - (A) shares in the Company; and
 - (B) shares of each class,

in respect of which members are entitled to exercise voting rights at the meeting (such numbers to be ascertained at the latest practicable time before the first date on which notice of the meeting is given);

- (iii) the totals of the voting rights that members are entitled to exercise at the meeting in respect of the share of each class (such totals to be ascertained at the latest practicable time before the first date on which notice of the meeting is given); and

- (iv) members' statements, members' resolutions and members' matters of business received by the Company after the first date on which notice of the meeting is given.
- (b) The information referred to in paragraphs (a)(i)-(iv) shall be made available on a website that is maintained by or on behalf of the Company and that identifies the Company and shall be made available:
 - (i) in the case of the information required under paragraphs (a)(i)-(iii), on or before the first date on which notice of the meeting is given; and
 - (ii) in the case of the information required under paragraph (a)(iv), as soon as reasonably practicable,and in each case, shall (save as provided in Section 311A(5)) be kept available throughout the period of two years beginning with the date on which it is first made available on a website in accordance with this Article.
- (c) In complying with this Article, the Company shall have regard to the provisions of Section 360, CA2006.

48.8 Entitlement to receive notice

The notice shall be given to the members (other than any who under the provisions of these Articles or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the Directors and to the Auditors and if more than one for the time being, to each of them.

49. Accidental failure to give notice of resolution or meeting

The accidental failure to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person or persons entitled to receive the same shall not invalidate the proceedings at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.

K. Proceedings at general meetings

50. Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of Article 15 (*Class meetings*) and Article 51 (*If quorum not present*), two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum.

51. If quorum not present

If within 30 minutes (or such longer interval not exceeding one hour as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. Subject to the provisions of the Acts, in any other case, the meeting shall stand adjourned to such other day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than 10 clear days nor more than 28 clear days thereafter. If, at such adjourned meeting, a quorum is not present within 15 minutes from the time appointed for holding the meeting, one member present in person or by proxy shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

52. Security and meeting place arrangements

52.1 *Searches*

The Board may direct that members or proxies or duly authorised representatives wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to such general meeting to any member, proxy or duly authorised representative who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

52.2 *Inadequate meeting place*

If it appears to the Chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the Chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.

52.3 *Electronic security*

If a meeting is held simultaneously by means of electronic facility or facilities, the Board (and, at a general meeting, the Chairman) may make any arrangement and impose any requirement or restriction that is:

- (a) necessary to ensure the identification of those taking part and the security of the electronic communication; and
- (b) proportionate to the achievement of those objectives.

53. Chairman

The Chairman of the Board shall preside as Chairman at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the meeting or shall be unwilling to act as Chairman, the Deputy Chairman (if any) shall, if present and willing to act, preside as Chairman at such meeting. If no Chairman or Deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If no Director is willing to act as Chairman of the meeting or, if no Director is present within 15 minutes of the time appointed for holding the meeting, a member or a proxy for a member may be elected to be the Chairman of such meeting by ordinary resolution of the Company passed at the meeting.

54. Director may attend and speak

A Director shall notwithstanding that he is not a member be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman may invite any person to attend and speak at any general meeting of the Company whom the Chairman considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

55. Questions at meeting

Subject to and in accordance with Section 319A, CA2006, at a general meeting of the Company, the Company shall cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. No such answer need be given if:

- (a) to do so would:
 - (i) interfere unduly with the preparation for the meeting; or
 - (ii) involve the disclosure of confidential information;
- (b) the answer has already been given on a website in the form of an answer to a question; or
- (c) it is undesirable in the interests of the Company or the good order for the meeting that the question be answered.

56. Power to adjourn

Subject to the provisions of Article 57 (*Notice of adjourned meeting*) and Article 57 (*Business of adjourned meeting*), the Chairman of the general meeting may, with the consent of a meeting at which a quorum is present, and shall if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place as he shall determine (including any electronic facility). However, without prejudice to any other power which he may have under these Articles or at common law the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite

period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of or if the electronic facility by which members are enabled to attend and participate in the general meeting has become inadequate for the purposes referred to in Article 47 (*Simultaneous attendance and participation by electronic facilities*).

57. Notice of adjourned meeting

- (a) Subject to the provisions of paragraphs (b), where a meeting is adjourned for 14 days or more the Board shall fix the date, time and place for the adjourned meeting (and the means of attendance and participation, including by electronic facility) and at least seven clear days' notice, specifying the place, the date and time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original meeting. Save as aforesaid and subject to the provisions of paragraph (b), no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.
- (b) Subject to the provisions of paragraph (c), where a general meeting is adjourned for lack of quorum, such adjourned meeting shall be held at least 10 clear days after the original meeting.

58. Business of adjourned meeting

No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

L. Voting

59. Method of voting

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the provisions of the Acts and the provisions of Article 15 (*Class meetings*), a poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) not less than five members present in person or by proxy having the right to vote on the resolution; or
- (c) a member or members present in person or by proxy representing not less than 10% of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or

- (d) a member or members present in person or by proxy holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right (excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares)

and a demand for a poll by a person as proxy for a member counts:

- (a) for the purposes of paragraph (b) above, as a demand by the member;
- (b) for the purposes of paragraph (c) above, as a demand by a member representing the voting rights that the proxy is authorised to exercise; and
- (c) for the purposes of paragraph (d) above, as a demand by a member holding the shares to which those rights are attached.

59.2 All resolutions put to the members at any general meeting which is held partly by means of an electronic facility or facilities shall be voted on by a poll, which poll votes may be cast by such electronic means as the Board in its sole discretion deems appropriate for the purposes of the meeting.

60. Chairman's declaration conclusive on show of hands

Unless a poll is duly demanded and the demand is not subsequently withdrawn, a declaration by the Chairman of the meeting that a resolution, on a show of hands, has or has not been passed or passed with a particular majority and an entry in respect of such a declaration to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

61. Objection to error in voting

No objection shall be raised to the qualification of any voter or to the counting of or failure to count any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that it is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

62. Amendment 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, any error in such ruling shall not invalidate the proceedings on the substantive resolution. In the case of a resolution duly proposed as a special resolution no amendment to it (other than a mere clerical amendment to correct a manifest error) may in any event be considered or voted on. In the case of a resolution duly proposed as an ordinary resolution, no amendment to it (other than a mere clerical amendment to correct a manifest error) may be considered or voted upon unless notice of such proposed amendment is given to the Office at least 48 hours prior to the time appointed for holding the relevant

meeting or adjourned meeting or (in the absence of any such notice) the Chairman of the meeting in his absolute discretion rules that the amendment is fit for consideration at the meeting.

63. Procedure on a poll

63.1 *Timing of poll*

Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time (either forthwith or not more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded) and at such place, in each case, as the Chairman shall direct. The Chairman 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. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

63.2 *Continuance of the meeting*

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 a poll has been demanded. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn the meeting shall continue as if the demand had not been made.

63.3 *Withdrawal of demand for a poll*

The 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 validate the result of a show of hands declared before the demand was made. If a demand is withdrawn, the persons entitled in accordance with Article 59 (*Method of voting*) may demand a poll.

63.4 *Voting on a poll*

On a poll votes may be given in person or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

63.5 *Results of poll to be made available on website*

Subject to and in accordance with the provisions of the Acts, where a poll is taken at a general meeting of the Company or at any meeting of the holders of a class of shares in the Company in connection with the variation of the rights attached to such shares, the Company shall make available on a website (by not later than the time specified in Section 341(1B), CA2006):

- (a) the date of the meeting;

- (b) the text of the resolution, or, as the case may be, a description of the subject matter of the poll;
- (c) the number of votes validly cast;
- (d) the proportion of the Company's issued share capital (determined at the time at which the right to vote is determined under Section 360B(2), CA2006) represented by those votes;
- (e) the number of votes cast in favour;
- (f) the number of votes cast against; and
- (g) the number of abstentions (if counted),

and in making such information available on a website the Company shall have regard to the provisions of Section 353, CA2006.

64. Votes of members

64.1 *Joint holders*

In the case of joint holders of shares in the Company, only the vote of the senior holder who votes (and any proxies duly authorised by him) may be counted by the Company. For this purpose the senior holder of a share shall be determined by the order in which the names of the joint holders stand in the Register.

64.2 *Receivers and other persons*

Where in England or elsewhere a 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 Board may in its absolute discretion on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or curator bonis or other person authorised by a court or official, to vote (whether on a show of hands or on a poll) in person or by proxy on behalf of such member at any general meeting. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be sent or supplied (in any form and manner permitted for the sending or supplying of appointments of proxy pursuant to these Articles) at the Office or at such other address (including electronic address) as has been appointed for the sending or supplying of appointments of proxy, to be received no later than the time specified for the receipt of an appointment of proxy set out in Article 69 (*Deposit of proxy*) and, in default, the right to vote shall not be exercisable.

65. 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 was demanded shall not be entitled to a second or casting vote in addition to any other vote that he may have.

66. Restriction on voting rights for unpaid calls etc.

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares either in person or by proxy in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share in the Company have been paid to the Company.

67. Voting by proxy

67.1 *Any person may be appointed as proxy*

Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a member from attending, speaking and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment of it.

67.2 *Proxy to vote in accordance with instructions*

In accordance with Section 324A, CA2006 but subject to the provisions of the Acts, a proxy shall vote in accordance with any instructions given by the member by whom the proxy is appointed. The Company shall be under no obligation to ensure or otherwise verify that any vote(s) cast by a proxy are done so in accordance with any such instructions given by the member by whom such proxy is appointed. In the event that a vote cast by such proxy is not done so in accordance with the instructions of the member by whom such proxy is appointed, such vote shall not be deemed to be invalid.

67.3 *Discretionary votes where proxy appointed by more than one member*

On a vote on a resolution on a show of hands, where a proxy is appointed by more than one member (provided that, where some only of those members by whom the proxy is appointed instruct the proxy to vote in a particular way, those members all instruct such proxy to vote in the same way on a resolution (either "for" or "against")) such proxy shall be entitled to cast a second vote the other way in relation to any discretionary vote(s) given to him by other members by whom such proxy is appointed.

68. Form of proxy

Subject to Article 70 (*Electronic means of depositing proxies etc.*), the appointment of a proxy shall:

- (a) be in writing signed under the hand of the appointor or of his attorney duly authorised in writing (or if the appointor is a corporation under its common seal or under the hand of some officer or attorney duly authorised in that behalf) and shall be in any common form or in such other form as the Board may, subject to the provisions of the Acts, approve;
- (b) be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote (whether on a

show of hands or a poll) on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit;

- (c) be deemed (subject to any contrary direction contained in the same) to confer the right to speak at the meeting to which it relates (including any adjournment of it);
- (d) unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates; and
- (e) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of any such meetings.

69. Deposit of proxy

Subject to Article 70 (*Electronic means of depositing proxies etc.*), the appointment of a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board, shall:

- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Directors may specify) in electronic form, to the Office or such other address (including electronic address) as is specified in:
 - (i) the notice convening the meeting;
 - (ii) any instrument of proxy sent out by the Company in relation to the meeting; or
 - (iii) any invitation to appoint a proxy issued by the Company in relation to the meeting,

to be received at such address not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time of the holding of the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

- (b) in the case of a poll taken more than 48 hours after it is demanded, be sent or supplied as aforesaid, after the poll has been demanded, to be received not less than 24 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be sent and supplied as aforesaid, to be received not later than the time at which the poll is demanded,

and an appointment of a proxy not so sent or supplied or delivered or received shall be invalid. No appointment of a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

70. Electronic means of depositing proxies etc.

- (a) Subject to the provisions of the Acts, the Board may accept the appointment of a proxy received by electronic means on such terms and subject to such conditions as it considers fit. Without prejudice to the generality of the foregoing, the appointment of a proxy received by electronic means shall not be subject to the requirements of Article 68(a) (*Form of Proxy*).
- (b) Subject to and in accordance with Section 333(2), CA2006, where the Company has given an electronic address in an instrument of proxy sent out by the Company in relation to the meeting or in an invitation to appoint a proxy issued by the Company in relation to the meeting, any document or information relating to proxies for that meeting (including, but not limited to the appointment of a proxy in relation to the meeting, any document necessary to show the validity of, of otherwise relating to, the appointment of a proxy or notice of termination of the authority of a proxy) may be sent by electronic means to that address (subject to any conditions or limitations contained in the notice relating to the meeting).
- (c) Subject to and in accordance with the provisions of Section 333A, CA2006, the Company shall provide an electronic address for the receipt of any document or information relating to proxies for a general meeting.

71. More than one proxy may be appointed

- (a) A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member.
- (b) When two or more valid but differing appointments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered, none of them shall be treated as valid in respect of that share.

72. Board may supply proxy cards

The Board shall, at the expense of the Company, send by post or otherwise forms of appointment of proxy (reply-paid or otherwise) with the notice convening any general meeting to members entitled to vote at the meeting. Such forms of appointment of proxy shall provide for voting both for and against all resolutions to be proposed at the meeting other than the resolutions relating to the procedure of the meeting. The accidental omission to send an appointment of proxy or the non-receipt of it by any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

73. Revocation of proxy

The validity of a vote given or poll demanded in accordance with the terms of an appointment of a proxy or the validity of anything done by a proxy acting as duly

appointed Chairman, or any decision determining whether a proxy counts in a quorum at a meeting, shall not be affected notwithstanding the death or mental disorder of the principal or the revocation of the appointment of the proxy, or of the authority under which the appointment of the proxy was executed or the transfer of the share in respect of which the appointment of the proxy is given unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company or any other person as the Company may require in the notice of the meeting, any instrument of proxy sent out by the Company in relation to the meeting or in any invitation to appoint a proxy issued by the Company in relation to the meeting, (in any form and manner permitted for the sending or supplying of appointments of proxy pursuant to these Articles), at the Office or at such other address (including electronic address) as has been appointed for the sending or supplying of appointments of proxy:

- (a) at least 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the commencement of the meeting or adjourned meeting; or
- (b) in the case of a poll to be taken more than 48 hours after it was demanded, at least 24 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for the taking of the poll at which the instrument of proxy is used; or
- (c) in the case of a poll to be taken not more than 48 hours after it was demanded, the time at which it was demanded.

74. Corporate representative(s)

A corporation (whether or not a company within the meaning of the Acts) which is a member may, by resolution of its directors or other governing body, authorise such person or person(s) as it thinks fit to act as its representative (or as the case may be, representatives) at any meeting of the Company or at any separate meeting of the holders of any class of shares. The corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person (or persons) so authorised is (or are) present at it and all references to attendance and voting in person shall be construed accordingly. The Company shall be under no obligation to ensure or otherwise verify that any vote(s) cast by a corporate representative are done so in accordance with any such instructions given by the member by whom such corporate representative is appointed. In the event that a vote cast by such corporate representative is not done so in accordance with the instructions of the member by whom such corporate representative is appointed, such vote shall not be deemed to be invalid.

M. Failure to disclose interests in shares

75. Disenfranchisement

75.1 Disenfranchisement notice

If a member, or any other person appearing to be interested in shares held by that member, has been issued with a Section 793 notice and has failed in relation to any shares (the "**default shares**" which expression shall include any further shares which

are issued in respect of such shares unless a separate notice is issued in respect of such further shares) to give the Company the information thereby required within the prescribed period from the date of service of the Section 793 notice, or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may, at least 14 days after service of the Section 793 notice, serve on the holder of such default shares a notice (in this Article called a "**disenfranchisement notice**") whereupon the following sanctions shall apply:

(a) *Voting*

the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(b) *Dividends and transfers*

where the default shares represent at least 0.25% in nominal value of their class:

- (i) any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to Article 143 (*Payment of scrip dividends*) to receive shares instead of that dividend; and
- (ii) subject, in the case of uncertificated shares, to the Uncertificated Regulations, no transfer other than an approved transfer of any shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

75.2 *Withdrawal notice*

The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the shares to which the same relates a notice in writing to that effect (a "**withdrawal notice**").

75.3 *Cessation of sanctions*

Where the sanctions under Article 75.1 (*Disenfranchisement notice*) apply in relation to any shares they shall cease to have effect:

- (a) if the shares are transferred by means of an approved transfer;
- (b) at the end of the period of one week (or such shorter period as the Board may determine) following receipt by the Company of the information required by

the notice mentioned in Article 75.1 (*Disenfranchisement notice*) and the Board being fully satisfied that such information is full and complete; or

- (c) on the date on which a withdrawal notice is served by the Company.

75.4 *Service of disenfranchisement notice*

Where on the basis of information obtained from a member in respect of any share held by him the Company issues a Section 793 notice to any other person it shall at the same time send a copy of the notice to the member but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of Article 75.1 (*Disenfranchisement notice*).

75.5 *Certificated form*

The Board may:

- (a) give notice in writing to any member holding default shares in uncertificated form requiring the member to change his holding of such shares from uncertificated form into certificated form within a specified period and then to hold such default shares in certificated form for so long as the default subsists; and
- (b) appoint any person to take any steps, by instruction by means of an Uncertificated System or otherwise, in the name of any holder of default shares as may be required to change such shares from uncertificated form into certificated form (and such steps shall be effective as if they had been taken by such holder).

75.6 *Definitions*

For the purposes of this Article 75:

- (a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is or may be so interested or if the Company (after taking account of any information obtained from the member or, pursuant to a Section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) "**interested**" shall be construed in accordance with Sections 820 to 825 (inclusive), CA2006; and
- (c) reference to a person having failed to give the Company the information required by a notice or being in default as regards supplying such information includes reference:
 - (i) to his having failed or refused to give all or any part of it; and
 - (ii) to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.

75.7 Section 794 powers

Nothing contained in this Article 75 shall be taken to limit the powers of the Company under Section 794, CA2006.

N. Untraced members

76. Power of sale

76.1 Untraceable members

The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that a 12 year period has passed during which at least three cash dividends (whether interim or final) in respect of the shares in question have become payable and no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share at his address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company having used reasonable efforts to trace such member or person has received no communications in respect of such share from such member or person and no such dividend during that period has been claimed by the person entitled to it.

76.2 Perfection of transfer

To give effect to any sale of shares pursuant to this Article 76 the Board may, in the case of certificated shares, authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee and, in the case of uncertificated shares, exercise any power conferred on it by Article 19.5 (*Forfeiture and sale*) to effect a transfer of the shares. The purchaser shall not be bound to see to the application of the purchase moneys in respect of any such sale nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale or transfer. Any instrument or exercise shall be effective as if it had been executed or exercised by the holder of or the person entitled by transmission to the shares to which it relates.

76.3 Additional shares

If during the period of 12 years referred to in Article 76.1 (*Untraceable members*) or during any period ending on the date when all the requirements of paragraphs (a) to (d) (or (a) to (e), as the case may be) of Article 76.1 (*Untraceable members*) have been satisfied, any additional shares have been issued in respect of those held at the beginning of such period or of any previously so issued during such period and all the requirements of paragraphs (b) to (d) (or (b) to (e) as the case may be) of Article 76.1 (*Untraceable members*) have been satisfied in regard to such additional shares the Company shall also be entitled to sell the additional shares.

77. Application of proceeds of sale

The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all moneys in respect of it to a separate account. The Company shall be deemed to be a debtor to and not a trustee for such member or other person in respect of such moneys. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the Board may from time to time think fit. No interest shall be payable to such member or other person in respect of such moneys and the Company shall not be required to account for any money earned on them.

O. Appointment, retirement and removal of directors

78. Number of Directors

Unless and until otherwise determined by the Company by ordinary resolution the number of Directors (other than any alternate Directors) shall be not less than two or more than 15.

79. Power of Company to appoint Directors

Subject to the provisions of these Articles and to the Acts, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board, and may also determine the rotation in which any additional Directors are to retire, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

80. Power of Board to appoint Directors

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to these Articles, the Board shall, subject to the provisions of the Acts, have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting. If not re-appointed at such annual general meeting, he shall vacate office at that meeting in accordance with provisions on the timing of retirement set out in Article 86 (*Timing of retirement*).

81. Eligibility of new Directors

No person other than a Director retiring at the meeting (whether by rotation or otherwise) shall be appointed or re-appointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) not less than seven nor more than 35 clear days before the date appointed for the meeting notice duly executed by a member (other than the person to be proposed) qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment stating the particulars which would if he were so appointed or re-appointed be required to be included in the Company's register of directors together with

notice executed by that person of his willingness to be appointed or re-appointed is lodged at the Office.

82. **Share qualification**

A Director shall not be required to hold any shares of the Company.

83. **Resolution for appointment**

A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved unless an ordinary resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against. Any resolution moved in contravention of this provision shall be void. For the purpose of this Article, a resolution for approving a person's appointment or for nominating a person for appointment as a Director shall be treated as a resolution for his appointment.

84. **Retirement by rotation**

84.1 ***Retirement by rotation***

- (a) At any annual general meeting of the Company, any Director who has not been appointed or re-appointed at either of the two previous annual general meetings of the Company shall retire.
- (b) If, at any annual general meeting of the Company, the number of Directors required to retire pursuant to Article 84.1(a) is less than one third of the total number of Directors calculated in accordance with Article 84.1(c) (rounded down to the nearest whole number (the "**Relevant Proportion**")), such number of additional Directors ("**Additional Directors**") as is required (when taken together with the Directors required to retire pursuant to Article 84.1(a)) to constitute the Relevant Proportion shall retire at such annual general meeting of the Company. Subject to the penultimate sentence of Article 87 (*Removal by ordinary resolution*), the Additional Directors to retire shall be those who have been the longest to have held office since their appointment or re-appointment but, as between persons who were appointed or were last appointed or re-appointed Directors on the same day, those to retire shall (unless otherwise agreed between them) be determined by lot.
- (c) In calculating the "total number of Directors" for the purposes of Article 84.1(b), any Director who wishes to retire and not be re-elected shall be disregarded.

85. **Re-appointment**

A Director who retires at an annual general meeting of the Company (whether by rotation or otherwise) may, if willing to act, be re-appointed. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy created by his retirement, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is expressly resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost or unless the retiring Director has given notice in writing to the Company that he is

unwilling to be re-elected or unless the default in filling the vacancy is due to the moving of a resolution in contravention of Article 83 (*Resolution for appointment*).

86. Timing of retirement

The retirement of any Director retiring at an annual general meeting in accordance with these Articles 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 in which case the retirement shall take effect at the time of election of his replacement or the time of the losing of that resolution as the case may be. A retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

87. Removal by ordinary resolution

The Company may by ordinary resolution (of which special notice has been given in accordance with Section 312, CA2006) remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to these Articles and the provisions of the Acts) by ordinary resolution (of which special notice has been given in accordance with Section 312, CA2006) appoint another person at that meeting who is willing to act to be a Director in his place. Any person so appointed shall be treated, for the purposes 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 person in whose place he is appointed was last appointed or re-appointed a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by a casual vacancy.

88. Vacation of office by Director

Without prejudice to any provisions for retirement contained in these Articles, the office of a Director shall be vacated if:

- (a) he resigns by notice in writing delivered to the Secretary at the Office or tendered at a Board meeting in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice or he offers in writing to resign from his office and the Directors resolve to accept such offer;
- (b) he ceases to be a Director by virtue of any provision of the Acts, is removed from office pursuant to these Articles or becomes prohibited by law from being a Director;
- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the Court for an interim order under Section 253, Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (d) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;

- (e) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (f) he shall be absent, without the permission of the Board from Board meetings for six consecutive months (whether or not an alternate Director appointed by him attends) and the Board resolves that his office be vacated;
- (g) he is requested to resign by notice in writing addressed to him at his address as shown in the register of Directors and signed by all the other Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company);
- (h) he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director of the Company;
- (i) the conduct of that Director (whether or not concerning the affairs of the Company) is the subject of an investigation by an inspector appointed by the Secretary of State or by the Serious Fraud Office (or any successor body or body equivalent in any foreign jurisdiction thereto) and the Board shall resolve that it is undesirable that he remains a Director;
- (j) notice is given to terminate his contract of employment or engagement with the Company where he is in breach of such contract; or
- (k) he has been disqualified from acting as a director.

89. Resolution as to vacancy conclusive

A resolution of the Board declaring a Director to have vacated office under the terms of Article 88 (*Vacation of office by Director*) shall be conclusive as to the fact and grounds of vacation stated in the resolution.

P. Alternate Directors

90. Appointments

90.1 Identity of appointee

Each Director (other than an alternate Director) may (subject to the provisions of the Acts) by notice in writing under his hand delivered to the Secretary at the Office or at a meeting of the Directors or in any other manner approved by the Board appoint any other Director or any person approved for that purpose by the Board and willing to act to be his alternate and may in like manner remove from office an alternate Director so appointed by him.

90.2 Method of appointment

No appointment of an alternate Director shall be effective until his consent to act as a Director has been received at the Office.

90.3 *Nature of alternate*

An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum number of Directors allowed by these Articles.

91. *Participation in Board meetings*

91.1 *Right to participate*

Every alternate Director shall (subject to his giving to the Company an address within the United Kingdom or an electronic address at which notices may be sent or supplied to him) be entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in the absence from such meetings of his appointor, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor as a Director. A Director acting as alternate Director shall have a separate vote at Board meetings for each Director for whom he acts as alternate Director, in addition to his own vote (if any), but he shall count as only one person for the purpose of determining whether a quorum is present. It shall not be necessary to give notice of a Board meeting to an alternate Director who is absent from the United Kingdom unless he has requested the Board in writing (whether in hard copy form or in electronic form) that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom (or any electronic address) notified to the Company for this purpose or by telephone where he has notified the Company of the relevant telephone number for such purpose but he shall not in such event be entitled to a longer period of notice than if he had been present in the United Kingdom.

91.2 *Alternate's authority*

Execution by an alternate Director of any resolution in writing of the Directors or of a committee of the Directors shall, unless the notice of his appointment provides to the contrary, be as effective as execution by 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.

92. *Alternate Director responsible for own acts*

92.1 *Responsibility for defaults*

Every person acting as an alternate Director shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

92.2 *Status of alternate*

Save as otherwise provided in these Articles, an alternate Director shall be subject in all respects to the provisions of these Articles relating to Directors and shall be deemed for all purposes to be a Director.

93. Interests of alternate Director

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director. However, he shall not, unless the Company by ordinary resolution otherwise determines, be entitled to receive from the Company any fees for his services as alternate except only such part (if any) of the fee payable to his appointor as such appointor may by notice in writing to the Company direct. Subject to this Article, the Company shall pay to an alternate Director such expenses as might properly have been paid to him if he had been a Director.

94. Revocation of appointment

An alternate Director shall cease to be an alternate Director for his appointor:

- (a) if his appointor revokes his appointment; or
- (b) if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-appointed or deemed to be re-appointed at the same meeting at which he retires, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or
- (c) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

Q. Directors' remuneration, expenses and pensions

95. Directors' fees

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £750,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to this Article shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day.

96. Expenses

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

97. Additional remuneration

If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

98. Remuneration of executive Directors

The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Articles.

99. Pensions and other benefits

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

R. Powers and duties of the Board

100. Powers of the Board

Subject to the provisions of the Acts and these Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of these Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article.

101. Powers of Directors being less than minimum number

If the number of Directors is less than the minimum for the time being prescribed by these Articles the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there is no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional Director so appointed shall hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

102. Powers of executive Directors

The Board may from time to time:

- (a) delegate or entrust to and confer on any Director holding executive office (including a Managing Director) such of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit; and
- (b) revoke, withdraw, alter or vary all or any of such powers.

103. Delegation to committees

103.1 *Constituting committees*

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons provided that:

- (a) a majority of the members of a committee shall be Directors; and
- (b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

Any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the Committee).

103.2 *Powers of committee*

The Board may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee. Subject to any terms and conditions expressly imposed by the Board, the proceedings of a committee with two

or more members shall be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying.

104. Local management

The Board may establish any local group or divisional boards or agencies for managing any of the affairs of the Company in any specified locality either in the United Kingdom or elsewhere and may appoint any persons to be members of such local or divisional board or any managers or agents, may fix their remuneration and remove any person so appointed. The Board may delegate (with power to sub-delegate) to any local group or divisional board manager or agent so appointed any of its powers, authorities and discretions other than the power to borrow and make calls and may authorise the members for the time being of any such local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies, and any such appointment or delegation may be made for such time on such terms and subject to such conditions as the Board may think fit. The Board may confer such powers either collectively with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary all or any of such powers. Subject to any terms and conditions expressly imposed by the Board, the proceedings of any local group or divisional board or agency with two or more members shall be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying.

105. Power of attorney

The Board may by power of attorney or otherwise appoint any company, firm, person or persons (including registrars) to be the agent or attorney of the Company and may delegate (with power to sub-delegate) to any such agent or attorney or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, any of its powers, authorities and discretions, in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers. Any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Board may think fit.

106. Associate Directors

The Board may appoint any person (not being a Director) to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such designation or title and may define, limit, vary or restrict the powers, authorities and discretions of persons so appointed and may terminate any such appointment subject to any contract between him and the Company or the use of such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that such person is or is deemed to be or is empowered in any respect to act as a Director or a member of any committee of the Board of Directors for any of the purposes of the Acts or these Articles.

107. Exercise of voting power

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

108. Provision for employees on cessation or transfer of business

The Board may exercise any power conferred on the Company by the Acts to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary. Any payments to be made by pursuant to any power exercised under this Article shall be made in accordance with Section 247, CA2006.

109. Overseas registers

Subject to the provisions of the Acts and the Uncertificated Regulations, the Board may exercise the powers conferred on the Company with regard to the keeping of an overseas branch register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

110. Borrowing powers

110.1 Subject to the following provisions of this Article, the board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the Acts, to issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third party.

110.2 The board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to ensure (as regards subsidiary undertakings, to the extent possible) that the aggregate principal amount outstanding in respect of moneys borrowed by the group does not at any time without the previous sanction of an ordinary resolution of the Company exceed a sum equal to twice the adjusted capital and reserves.

110.3 In this Article 110:

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

- (i) the amount paid up on the allotted share capital of the Company; and
 - (ii) the amount standing to the credit or debit of the consolidated reserves;
- all as shown in the relevant balance sheet but after:

- (iii) making all adjustments which are, in the opinion of the board, necessary or appropriate to take account of:
 - (A) a variation in the amounts referred to in paragraphs (i) and (ii) since the date of the relevant balance sheet arising out of the allotment of shares in the capital of the Company; for this purpose if a proposed allotment of shares by the Company for cash has been underwritten, those shares are deemed to have been allotted and the amount (including any premium) of the subscription moneys payable in respect of those shares (not being moneys payable later than six months after the date of allotment) are deemed to have been paid up to the extent underwritten on the date on which the issue of those shares was underwritten (or, if the underwriting was conditional, the date on which it became unconditional).
 - (B) other changes in circumstances since the date of the relevant balance sheet; and
 - (iv) adding back to the relevant balance sheet (as adjusted pursuant to the preceding provisions of this article) goodwill arising on acquisitions of group undertakings after 1 January 1993 which has been written off or amortised against reserves in accordance with generally accepted accounting practice in the United Kingdom, these amounts to be certified by the auditors; and
 - (v) deducting (so far as not already deducted or provided for) the amount of a distribution declared, recommended or paid by a group undertaking to a person other than a group undertaking out of profits accrued up to and including the date of, but not provided for in, the relevant balance sheet;
 - (vi) excluding the effect on the reserves of any retirement benefits scheme deficit or surplus (net of associated deferred tax) which would otherwise be included in accordance with applicable accounting standards.
- (b) **"group"** means:
- (i) the Company;
 - (ii) all undertakings which are included in the consolidated group accounts in which the relevant balance sheet is comprised and which would be so included if group accounts were prepared at the relevant time (and if that time were the end of the Company's financial year); and
 - (iii) all undertakings which are not included in the consolidated group accounts in which the relevant balance sheet is comprised but which would be so included if group accounts were prepared at the relevant time (and if that time were the end of the Company's financial year);
- (c) **"group undertaking"** means the Company or another undertaking in the group;

(d) **"moneys borrowed"** means all moneys borrowed including, without limitation:

- (i) the nominal amount of and the amount of any premium paid in respect of any allotted share capital (not being equity share capital) of a group undertaking other than the Company not beneficially owned, directly or indirectly, by another group undertaking;
- (ii) any amount raised by acceptance under an acceptance credit facility;
- (iii) any amount raised under a note purchase facility;
- (iv) the amount of any liability in respect of a lease or hire purchase contract which would, in accordance with generally accepted accounting standards in the United Kingdom, be treated as a finance or capital lease;
- (v) the amount of any liability in respect of a purchase price for assets or services the payment of which is deferred for a period of more than 90 days;
- (vi) any amount raised under another transaction (including, without limitation, a forward sale or purchase agreement or any debentures whether secured or unsecured) having the commercial effect of a borrowing; and
- (vii) any fixed or minimum premium payable on repayment of any borrowing or deemed borrowing;

but excluding:

- (viii) borrowings by one group undertaking from another, including the principal amount of any loan capital (whether secured or unsecured) and the nominal amount of any allotted or issued share capital (not being equity share capital) of a group undertaking beneficially owned, directly or indirectly, by another group undertaking;
- (ix) borrowings for the purpose of financing a contract to the extent that the price receivable under the contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by another person fulfilling a similar function;
- (x) borrowings for the purpose of, and applied within six months of being made in, repaying the whole or part of borrowings that constitute moneys borrowed for the purposes of this article, pending their application for that purpose within that period;

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

- (xi) an amount equal to the aggregate of:

(A) all cash in hand and cash deposits repayable on demand with any bank or financial institution (not itself a group undertaking); and

(B) investments which are readily convertible into known amounts of cash with notice of 48 hours or less,

in each case beneficially owned, directly or indirectly, by a group undertaking and whether denominated in sterling or in a currency other than sterling;

(e) **"relevant balance sheet"** means the consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings comprised in the latest group accounts prepared and approved by the board and on which the auditors have made their report pursuant to the Acts.

110.4 When the amount of moneys borrowed to be taken into account for the purposes of this Article on a particular day is being calculated, moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:

(a) at the rate of exchange specified in a forward purchase contract, currency option, back-to-back loan, swap or other arrangement taken out or entered into to reduce the risk associated with fluctuations in rates of exchange in respect of repayment of those moneys (a **"hedging agreement"**); or

(b) if those moneys were borrowed on or before the date of the relevant balance sheet and repayment of those moneys has not been covered by a hedging agreement, at the more favourable to the Company of:

(i) the rate of exchange used for the conversion of that currency in the relevant balance sheet; or

(ii) the middle-market rate of exchange quoted by Barclays Bank PLC at the close of business in London on the business day immediately preceding the day on which the calculation falls to be made; or

(c) if those moneys were borrowed after the date of the relevant balance sheet and repayment of those moneys has not been covered by a hedging agreement, at the more favourable to the Company of:

(i) the middle-market rate of exchange quoted by Barclays Bank PLC at the close of business in London on the date of the relevant balance sheet; or

(ii) the middle-market rate of exchange quoted by Barclays Bank PLC at the close of business in London on the business day immediately preceding the day on which the calculation falls to be made.

110.5 A report of the auditors as to the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed for the purposes of this article is conclusive and binding on all concerned. Nevertheless the board may at any time act in reliance on a

bona fide estimate of the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed. If in consequence the limit on moneys borrowed set out in this Article is inadvertently exceeded, the amount of moneys borrowed equal to the excess may be disregarded for 90 days after the date on which by reason of a determination of the auditors or otherwise the board becomes aware that this situation has or may have arisen.

- 110.6 No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this Article is invalid or ineffectual except where express notice that the limit has been or will be exceeded has been given to the lender or recipient of the security at the time when the debt is incurred or security given. No lender or other person dealing with the Company is concerned to see or enquire whether the limit is observed.

111. Duty to exercise independent judgment

No Director shall be in breach of his duty to exercise independent judgment pursuant to Section 173, CA2006 if acting in any way authorised by these Articles, which act may otherwise infringe such duty.

S. Proceedings of Directors and Committees

112. Board meetings

Subject to the provisions of these Articles and the Acts, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

113. Notice of Board meetings

One Director may and the Secretary at the request of a Director shall summon a Board meeting at any time. Notice of a Board meeting shall be deemed to be properly given to a Director if is given to him personally or by word of mouth or sent in writing (whether in hard copy form or electronic form) to him at his last known address or any other address (including electronic address) given by him to the Company for this purpose. A Director may waive the requirement that notice be given to him of any Board meeting either prospectively or retrospectively. It shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has requested the Board in writing (whether in hard copy form or in electronic form) that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom (or any electronic address) notified to the Company for this purpose or by telephone where he has notified the Company of the relevant telephone number for such purpose but he shall not in such event be entitled to a longer period of notice than if he had been present in the United Kingdom.

114. Quorum

Subject to Section 175(6), CA2006 and the provisions of Article 121 (*Board authorisation of conflicts of interest*) the quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be two persons, each being a Director or an alternate Director. A person who holds office only as an alternate Director shall only be counted in the quorum if his appointor is not present. A Director or other person who is present at a meeting of the Board in more

than one capacity (that is to say as both Director and an alternate Director or as an alternate for more than one Director) shall not be counted as two or more for these purposes unless at least one other Director or alternate Director is also present. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Board. Any Director who ceases to be a Director at a meeting of the Directors may, subject to any provision to the contrary in these Articles, continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting of the Directors if no Director objects and if otherwise a quorum of Directors would not be present.

115. Chairman of Board and other offices

115.1 *Appointment of Chairman*

The Board shall appoint any Chairman, joint Chairman or Deputy Chairman of the Board and shall determine the period for which he is or they are to hold office and may at any time remove him or them from office. If no such Chairman or Deputy Chairman is elected or if at any meeting neither a Chairman nor a Deputy Chairman is present within fifteen minutes of the time appointed for holding it, the Directors present shall choose one of their number to be Chairman of such meeting. In the event of two or more Joint Chairmen or in the absence of a Chairman, two or more Deputy Chairmen being present, the Joint Chairman or Deputy Chairman to act as Chairman of the meeting shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive office under the Company.

115.2 *Chief Executive*

Subject to the provisions of the Acts, the Directors may appoint one or more of their number to any office or employment under the Company (including, but without limitation, that of Chief Executive, Managing Director or Joint Managing Director but not including that of auditor), and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director and may also permit any person appointed to be a Director to continue in any office or employment held by him before he was so appointed. Any such appointment, agreement or arrangement may be made for such period and upon such terms as the Directors determine.

115.3 *Delegation of powers*

Without prejudice to the generality of the foregoing the Directors may entrust to and confer upon any Director holding any such office or employment any of the powers exercisable by them as Directors with power to sub-delegate 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, authorities and discretions, and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

115.4 *Removal from position*

The Directors may (without prejudice to any claim for damages for breach of any agreement between the Director and the Company) remove a Director from any office and appoint another in his place.

115.5 *Cessation of position on ceasing to be a director*

A Director appointed to the office of Chairman, Deputy Chairman, Managing Director, Chief Executive or any other executive office shall automatically and immediately cease to hold that office if he ceases to hold the office of Director for any cause, but he shall not (unless any agreement between him and the Company shall otherwise provide) cease to hold his office as a Director by reason only of his ceasing to be Chairman, Deputy Chairman, Managing Director, Chief Executive of the Company or to hold any other such executive office, as the case may be.

116. *Voting*

Subject to Section 175(6), CA2006 and Article 121, questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall have a second or casting vote. A Director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote and an alternate director who is appointed by two or more Directors shall be entitled to a separate vote on behalf of each of his appointors, in their absence.

117. *Participation by any means*

Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board (if he is entitled to participate in such meeting), when:

- (a) the meeting has been called and takes place in accordance with the Articles, and they can each communicate to the other participants any information or opinions they have on any particular item of the business of the meeting; and
- (b) in determining whether any Directors or his alternate are participating in the meeting, it is irrelevant where any Director or his alternate are or how they communicate with each other (whether in person, through the medium of conference telephone or electronic mail or similar form of communication equipment or otherwise),

a person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. If all the Directors or their alternates participating in a meeting are not in the same place, then the meeting shall be treated as taking place where the Chairman of that meeting then is.

118. *Resolution in writing*

A resolution in writing executed by all of the Directors for the time being entitled to receive notice of a Board meeting and not being less than a quorum or by all the members of a committee of the Board for the time entitled to receive notice of such committee meeting and not being less than a quorum of that committee shall be as

valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee as the case may be). Such a resolution:

- (a) may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including executions in electronic form;
- (b) need not be signed by an alternate Director if it is signed by the Director who appointed him; and
- (c) if signed by an alternate Director need not also be signed by his appointor.

For such a resolution to be effective it shall not be necessary for it to be signed by a Director who is prohibited by these Articles from voting thereon or by his alternate.

119. Minutes of proceedings

119.1 *Contents of minutes*

The Board shall cause minutes to be made in books kept for the purpose of recording all orders, resolutions and proceedings of every meeting of the Board, of a committee of the Board, of the Company or of the holders of any class of shares or debentures of the Company including:

- (a) all appointments of officers and committees made by the Board and of any such officer's salary or remuneration; and
- (b) the names of Directors present at every such meeting.

119.2 *Evidence of proceedings*

Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting or the Secretary, shall be prima facie evidence of the matters stated in such minutes without any further proof.

120. Validity of proceedings

All acts done by a meeting of the Board or of any committee of a local board or agency or by any person acting as a Director, alternate Director or member of a committee, local board or agency shall, as regards all persons dealing in good faith with the Company, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid or that they or any of them were or was disqualified from holding office or not entitled to vote or had in any way vacated their or his office or that the delegation to such committee, local board or agency had been annulled, varied or revoked, be as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a Director alternate Director, or member and had been entitled to vote or as if the delegation had continued in full force and effect.

T. Directors' interests

121. Board authorisation of conflicts of interest

121.1 *Power to authorise*

Subject to and in accordance with the CA2006 and the provision of this Article 121 (*Board authorisation of conflicts of interest*), the Directors may authorise any Relevant Situation, including without limitation, the continuing performance by the Conflicted Director of his duties and the acceptance of or continuing in any office, employment or position in addition to that of his office as a Director.

121.2 *Provisions relating to authorisation*

- (a) Any authorisation under Article 121.1 (*Power to authorise*) shall be effective only if:
 - (i) the Relevant Situation arose on or after 1 October 2008;
 - (ii) any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the Conflicted Director or any other interested Director; and
 - (iii) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the Conflicted Director and without counting the votes of any other interested Director (or such matter or situation would have been so agreed and such relevant resolution would have been so passed if their votes had not been counted); and
 - (iv) the Conflicted Director has disclosed in writing all material particulars of the matter, office, employment or position which relates to the Relevant Situation which could reasonably be expected to influence the decision of the Independent Directors as to whether to authorise such matter, office, employment or position which relates to the Relevant Situation and the continuing performance of the Conflicted Director of his duties and/or the terms of such authorisation.
- (b) Subject to the provisions of paragraph (a) any request for authorisation received from a Conflicted Director may be dealt with and resolved upon by the Independent Directors in such manner as any other matter may be considered and resolved upon by the Directors in accordance with these Articles.
- (c) Any authorisation made in accordance with this Article 121 may be made on such terms and subject to such conditions and/or limitations as the Independent Directors may, in their absolute discretion determine (including, without limitation, excluding the Conflicted Director and any other interested director from certain Board meetings, withholding from him or them certain Board or other papers and/or denying him or them access to certain confidential Company information) and such terms and limitations may be imposed at the

time of or after the authorisation and may be subsequently varied or terminated.

- (d) in considering any request for authorisation in respect of a Relevant Situation, the Independent Directors shall be entitled to exclude the Conflicted Director from any meeting or other discussion (whether oral or written) concerning the authorisation of such Relevant Situation and they shall also be entitled to withhold from such Conflicted Director any Board or other papers concerning the authorisation of such Relevant Situation.

121.3 *Confidential information, absenting from Board meetings and receipt of Board papers etc*

If a matter, office, employment or position relating to a Relevant Situation is authorised by the Independent Directors in accordance with the provisions of this Article 121, the Conflicted Director (for long as he reasonably believes such Relevant Situation subsists):

- (a) shall not be required to disclose to the Company (including the Board or any committee of it) any confidential information relating to such matter, office, employment or position which he obtains or has obtained otherwise than in his capacity as a Director, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person in relation to such matter, office, employment or position;
- (b) shall be entitled to absent himself from all or any meetings of the Board (or any committee of it) at which anything relating to such matter, office, employment or position will or may be discussed; and
- (c) shall be entitled to make such arrangements as he thinks fit not to receive documents or information (including, without limitation, Board papers (or those of any committee of it)) relating to any such matter, office, employment or position and/or for such documents or information to be received and read by a professional adviser on his behalf,

and in so doing, such Conflicted Director shall not be in breach of any general duty he owes to the Company pursuant to Sections 171 to 177 (inclusive), CA2006 and the provisions of this Article 121.3 shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles.

121.4 *Exceptions to requirement for authorisation*

It shall not be necessary for a Conflicted Director to seek any authorisation under this Article 121 if:

- (a) the Relevant Situation cannot reasonably be regarded as likely to give rise to a conflict of interest;

- (b) the conflict of interest arises in relation to a proposed or existing transaction or arrangement with the Company in which the Conflicted Director is in any way, directly or indirectly, interested; or
- (c) the provisions of Chapter 4, Part 10, CA2006 apply to the Relevant Situation and either approval is given in accordance with the relevant provision(s) of that Chapter or any such approval is not required (as determined in accordance with the relevant provision of that Chapter).

122. Director may have interests

Provided permitted by the Acts and provided he has disclosed to the Board the nature and extent of his interest in accordance with Article 123 (*Disclosure of interests to Board*), a Director, notwithstanding his office:

- (a) may be a party to, or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;
- (b) may hold any other office or place of profit under the Company (except that of Auditor or of auditor of a subsidiary of the Company) in addition to the office of Director and may act by himself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Remuneration Committee may arrange either in addition to or in lieu of any remuneration provided for by any other Article;
- (c) may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment;
- (d) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from:
 - (i) any matter, office, employment or position which relates to a Relevant Situation authorised in accordance with Article 121 (*Board authorisation of conflicts of interest*); or
 - (ii) any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to paragraphs (a) to (c) (inclusive) of this Article 122,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit authorised in accordance with Article 121 (*Board authorisation of conflicts of interest*) or permitted pursuant to paragraphs (a) to (c) (inclusive) of this Article 122 and the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised

or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in section 176, CA2006.

123. Disclosure of interests to Board

123.1 *Declaration of interest other than in relation to transactions or arrangements with the Company*

A Director shall declare the nature and extent of his interest in a Relevant Situation to the other Directors and any such declaration shall be made in accordance with the provisions of Articles 123.4 to 123.6 (inclusive).

123.2 *Declaration of interest in a proposed transaction or arrangement with the Company*

If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors and any such declaration shall be made in accordance with the provisions of Articles 123.4 to 123.6 (inclusive).

123.3 *Declaration of interest in an existing transaction or arrangement with the Company*

If a Director is in any way, directly or indirectly, interested in a transaction or arrangement which has already been entered into by the Company, he must declare the nature and extent of his interest to the other Directors (unless the interest has already been declared under Article 123.2 (*Declaration of interest in a proposed transaction or arrangement with the Company*)) and any such declaration shall be made in accordance with the provisions of Articles 123.4 to 123.6 (inclusive).

123.4 *Method of declarations of interest*

(a) The declaration of interest must (in the case of Article 123.3 (*Declaration of interest in an existing transaction or arrangement with the Company*)) and may, but need not (in the case of Article 123.1 (*Declaration of interest other than in relation to transactions or arrangements with the Company*) or Article 123.2 (*Declaration of interest in a proposed transaction or arrangement with the Company*)), be made:

(i) at a meeting of the Directors, or

(ii) by notice to the Directors in accordance with:

(A) Section 184, CA2006 (notice in writing); or

(B) Section 185, CA2006 (general notice).

(b) If any declaration of interest made pursuant to Articles 123.1 to 123.3 (inclusive) proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

123.5 *Timing of declarations of interest*

- (a) Any declaration of interest required by Article 123.1 (*Declaration of interest other than in relation to transactions or arrangements with the Company*) must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.
- (b) Any declaration of interest required by Article 123.2 (*Declaration of interests in a proposed transaction or arrangement with the Company*) must be made before the Company enters into the transaction or arrangement.
- (c) Any declaration of interest required by Article 123.3 (*Declaration of interest in an existing transaction or arrangement with the Company*) above must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

123.6 *Exceptions to requirement for declaration of interest*

No declaration of interest is required under this Article 123:

- (a) in relation to an interest of which the Director is not aware, or where the Director is not aware of the transaction or arrangement in question. For this purpose, a Director is treated as being aware of matters of which he ought reasonably to be aware;
- (b) if the interest cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (c) if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (d) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered:
 - (i) by a meeting of the Directors; or
 - (ii) by a committee of the Directors appointed for the purpose under these Articles.

124. *Interested Director not to vote or count for quorum*

Save as provided in this Article 124, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, unless the resolution relates to one of the matters set out in the following subparagraphs in which case (subject to the terms of any authorisation granted pursuant to Article 121 (*Board authorisation of conflicts of interest*)) he shall be entitled to vote and be counted in the quorum:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (d) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Sections 820 to 825 (inclusive), CA2006) representing 1% or more of either any class of the equity share capital, or the voting rights, in such company;
- (e) 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;
- (f) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors;
- (g) the funding of expenditure by one or more Directors in defending proceedings against him or them or doing anything to enable such Director(s) to avoid incurring such expenditure provided that such funding is consistent with, or no more beneficial to him than the provisions of these Articles (and provided always such funding is permitted pursuant to the provisions of the Acts); or
- (h) the giving of an indemnity or indemnities in favour of one or more Directors which is/are consistent with, or no more beneficial to him than any such indemnities provided pursuant these Articles (and provided always such indemnities are permitted pursuant to the provisions of the Acts).

125. Director's interest in own appointment

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

counted in the quorum) in respect of each resolution except that concerning his own appointment.

126. Chairman's ruling conclusive on Director's interest

If any question arises at any meeting of the Board or any committee of the Board as to whether an interest of a Director (other than the Chairman's interest) shall reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of any Director (other than the Chairman) to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum such question (unless the Director concerned is the Chairman in which case Article 127 (*Director's resolution conclusive on Chairman's interest*) shall apply) shall before the conclusion of the meeting be referred to the Chairman of the meeting. The Chairman's ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director has not been fairly disclosed.

127. Directors' resolution conclusive on Chairman's interest

If any question arises at any meeting of the Board or any committee of the Board as to whether an interest of the Chairman shall reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of the Chairman to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall before the conclusion of the meeting be decided by resolution of the Directors or committee members present at the meeting (excluding the Chairman) whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the Director has not been fairly disclosed.

128. Alternate Directors

For the purposes of Articles 121 to 127 (inclusive), in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has.

U. The Seal, official seal for use abroad and execution of deeds without sealing

129. Application of Seal

The Seal shall be used only by the authority of a resolution of the Board or of a committee of the Board so authorised. The Board may determine whether any instrument to which the Seal is affixed shall be signed and if it is to be signed who shall sign it. Unless otherwise so determined (and subject to any contrary provisions of these Articles regarding share certificates and warrants):

- (a) share certificates and warrants and (subject to the provisions of any instrument constituting them) certificates issued under the Seal in respect of any debentures or other securities (but excluding letters of allotment or scrip certificates) shall be signed by the Board but the Board may, by resolution, determine that any signatures may be affixed to or printed on any such certificate by any means approved by the Board (including such signature(s))

being applied by any mechanical or electronic means in place of the person's actual signature) or that such certificates need not bear any signature; and

- (b) every other instrument to which the Seal is affixed shall be signed by a Director and the Secretary or by two Directors or by any other person appointed by the Board for the purpose.

130. **Execution of Deeds without sealing**

A document signed by:

- (a) a Director and by the Secretary; or
- (b) two Directors; or
- (c) by a Director in the presence of a witness who attests the signature,

and expressed (in whatever form of words) to be executed by the Company as a deed, shall have the same effect as if it were executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it not to have effect as a deed without the authority of a resolution of the Board or of a committee of the Board authorised in that behalf. An instrument or document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of it having been executed by the Company.

131. **Official seal for use abroad**

Subject to the provisions of the Acts, the Company may have an official seal for use in any place abroad and the Company may by an instrument executed by the Company appoint any agent or committee abroad to be the duly authorised agent or committee of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereon as it may think fit.

V. **Secretary**

132. **The Secretary**

132.1 ***Board's power of appointment***

Subject to the provisions of the Acts, the Board shall appoint a Secretary or joint secretaries and shall have power to appoint one or more persons to be an assistant or deputy secretary each for such term, at such remuneration and on such other terms and conditions as it thinks fit and any Secretary so appointed may be removed by the Board but without prejudice to any claim for damages for breach of any contract of services between him and the Company.

132.2 ***Limitations where a Director is also a secretary***

Any provision of the Acts or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

W. Dividend and other payments

133. Declaration of dividends

Subject to the provisions of the Acts and of these Articles, the Company may by ordinary resolution declare that out of profits available for distribution dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

134. Interim dividends

Subject to the provisions of the Acts and of these Articles, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution and the position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration of, or by the lawful payment of, any interim dividend on any shares ranking after those with preferential rights.

135. Entitlement to dividends

135.1 *Accrual of dividends*

Except as otherwise provided by these Articles and by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

135.2 *Payment of dividends*

All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

135.3 *Shares passing by transmission*

The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

136. Calls or debts may be deducted from dividends

The Board may deduct from any dividend or other money payable to any member on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company.

137. Distribution in specie

The Company in general meeting may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution the Board may settle it as it thinks fit. In particular, subject to the provisions of the Acts, the Board may:

- (a) issue fractional certificates or authorise any person to sell and transfer any fractions or disregard fractions altogether;
- (b) fix the value for distribution of such assets or any part of them and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and
- (c) vest any such assets in trustees on trust for the persons entitled to the dividend.

138. Dividends not to bear interest

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

139. Method of payment

139.1 *General provisions*

The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by direct debit, bank transfer, cheque, dividend warrant or money order (or in respect of any uncertificated share, through the Uncertificated System) and may send it by post or other delivery service to the registered address of the member or person entitled to it (or if two or more persons are holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the member or otherwise by operation of law to the registered address of such of those persons as is first named in the Register) or to such person and such address as such member or person or persons may direct in writing. Every cheque, warrant or order is sent at the risk of the person entitled to the money represented by it and shall be made payable to the order of the person or persons entitled or, where an authority in that behalf shall have been received by the Company in such form as the Company shall consider sufficient, to such other person as the person or persons entitled may direct in writing. Payment of the cheque, warrant or order to the person entitled or the person specified in such authority shall be a good discharge by the Company. If any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed the Board may at the request of the person entitled to it issue a replacement cheque, warrant or order, subject to compliance with such conditions as to evidence and indemnity and the

payment of out-of-pocket expenses of the Company in connection with the request as the Board may think fit. Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other moneys payable in respect of such share. Any such dividend, interest or other sum may also be paid by any other method as the Board considers appropriate. If the payment is made on behalf of the Company through the Uncertificated System the Company shall not be responsible for any default in accounting for such payment to the member or other person entitled to such payment by a bank or other financial intermediary of which the member or other person is a customer for settlement purposes in connection with the Uncertificated System.

139.2 *Payment in currencies other than sterling*

The Board may, at its discretion, make provisions to enable such member(s) as the Board shall from time to time determine to receive dividends duly declared in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such market rate selected by the Board as it shall consider appropriate at the close of business in London on the date which is the business day last preceding:

- (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Board publicly announces its intention to recommend that specific dividend; and
- (b) in the case of any other dividend, the date on which the Board publicly announces its intention to pay that specific dividend, provided that where the Board considers the circumstances to be appropriate it shall determine such foreign currency equivalent by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Board may select.

139.3 *Payments through the Uncertificated System*

The Board may:

- (a) lay down procedures for making any payments in respect of uncertificated shares through the Uncertificated System;
- (b) allow any holder of uncertificated shares to elect to receive or not to receive any such payment through the Uncertificated System; and
- (c) lay down procedures to enable any such holder to make, vary or revoke any such election.

The Company may make, or procure the making of, any payment in respect of a member's uncertificated shares through the Uncertificated System in accordance with any authority given to the Company to do so (whether in writing, through the Uncertificated System or otherwise) by or on behalf of the member in a form satisfactory to the Board. The making of such payment in accordance with such authority shall be a good discharge by the Company.

140. **Uncashed dividends**

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

141. **Unclaimed dividends**

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

142. **Waiver of dividends**

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or otherwise by operation of law) and delivered to the Company and only if or to the extent that the same is accepted as such or acted upon by the Company.

143. **Payment of scrip dividends**

143.1 ***Authority to pay scrip dividends***

The Board may with the prior authority of an ordinary resolution of the Company and subject to such conditions as the Board may determine and provided that the Company has sufficient unissued shares and undistributed profits or reserves to give effect to it, offer to any holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid, in whole or in part instead of cash in respect of the whole or some part (to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (a) the said resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period or periods but such period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which such resolution is passed;
- (b) the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall, unless the Board otherwise determines, be as nearly as possible equal to the cash amount (disregarding any tax credit) of the dividend that such holder would have received by way of dividend. For this purpose "**relevant value**" shall be calculated by reference to the average of the middle market quotations for the Ordinary Shares on the London Stock Exchange, as derived from the Daily Official List, for the day on which the Ordinary Shares are first quoted "ex" the

relevant dividend and the four subsequent dealing days, or in such other manner as the Board may determine on such basis as it considers to be fair and reasonable. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditors may rely on advice or information from such brokers or other sources of information as they think fit;

- (c) no fractions of a share shall be allotted and the Directors may make such provision as they think fit for dealing with the case of shares otherwise becoming distributable in fractions including provisions whereby, in whole or in part, the benefit of the fractional entitlements accrues to the Company rather than to the members concerned;
- (d) the Directors may specify a minimum number of Ordinary Shares in respect of which the right of election may be exercised;
- (e) without prejudice to Article 143.2 (*Election mandates*), the Board shall, after determining the basis of allotment, notify the holders of Ordinary Shares in writing of the right of election offered to them and specify the procedure to be followed and place at which and the latest time by which (being at least 21 clear days after the despatch of the notice) elections must be lodged in order to be effective. A form of election lodged in respect of a particular dividend in relation to which the Directors have announced their intention to offer elections may not be revoked as regards the said dividend unless prior to the latest time specified by the Directors for lodgement of elections in respect of the said dividend written notice of revocation is lodged at the place specified by the Directors as aforesaid;
- (f) the Board may exclude from any offer or impose any restrictions on any holders of Ordinary Shares or any Ordinary Shares on which dividends are payable in foreign currency as they think necessary or desirable where the Board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that such exclusions or restrictions are necessary or expedient;
- (g) the Board may determine that every duly effected election in respect of any Ordinary Shares shall be binding on every successor in title to their holder;
- (h) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been duly made (the "**elected Ordinary Shares**") and instead additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Board may capitalise out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution

to the holders of the elected Ordinary Shares on that basis. A Board resolution capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 145 (*Capitalisation of reserves*) and in relation to any such capitalisation the Board may exercise all the powers conferred on them by Article 145 (*Capitalisation of reserves*) without need of such ordinary resolution;

- (i) the additional Ordinary Shares so allotted shall rank *pari passu* in all respects with each other and with the fully paid Ordinary Shares in issue on the record date for the dividend in respect of which the right of election has been offered except that they will not rank for any dividend or other distribution or other entitlement (including the relevant dividend and the share election in lieu of such dividend) which has been declared, paid or made by reference to such record date or any earlier record date; and
- (j) the Board may terminate, suspend or amend any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend at any time (whether temporarily or otherwise) and shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.

143.2 *Election mandates*

The Board may also from time to time establish or vary a procedure for election mandates, under which a holder of Ordinary Shares may elect to receive Ordinary Shares credited as fully paid instead of cash in respect of all or certain future rights offered to that holder under this Article until the election mandate is revoked in accordance with any such procedure.

143.3 *Admission of shares*

The Company shall apply to the relevant regulatory authority for the additional Ordinary Shares so allotted to be admitted to the recognised investment exchange(s) or other stock exchanges and securities list(s) (if any) to which the Company's existing issued Ordinary Shares are admitted.

143.4 *Directors' powers*

Subject to the provisions of the Acts, the Directors shall have power to do all acts and things as they consider necessary or expedient to give effect to this Article.

144. *Reserves*

The Board may, before recommending any dividend (whether preferential or otherwise) carry to reserves out of the profits of the Company such sums as it thinks fit. All sums standing to reserves may be applied from time to time, at the discretion of the Board, for any other 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 in such investments as the Board thinks fit and so that it shall not be necessary to keep any investment constituting the reserve separate or distinct

from any other investment of the Company. The Board may divide the reserve into such special funds as it thinks fit and may (subject to the following sentence) consolidate into one fund any special fund or any part of any special fund into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profit of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profit which it may think prudent not to distribute.

145. Capitalisation of reserves

The Board may with the authority of an ordinary resolution of the Company:

- (a) subject as provided in this Article, resolve to capitalise any profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of share premium account or capital redemption reserve or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised on the date specified in the resolution to the holders of Ordinary Shares in proportion to the nominal amount of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum was then distributable and was distributed by way of dividend, and apply such sum on their behalf in or towards paying up the amount, if any, for the time being unpaid on any share held by them respectively and/or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those holders of Ordinary Shares or as they may direct in those proportions provided that:
 - (i) the share premium account, the capital redemption reserve, any other undistributable reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to holders of Ordinary Shares credited as fully paid; and
 - (ii) in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment of it;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;

- (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit of such fractions to the Company rather than to the holders of Ordinary Shares concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions; and
- (e) generally do all acts and things required to give effect to such resolution.

The Directors may appoint any person to sign any contract with the Company on behalf of those who are entitled to shares under the resolution. Such a contract shall be binding on all concerned.

146. Record dates

Notwithstanding any other provision of these Articles but subject always to the provisions of the Acts and without prejudice to the rights attached to any shares, the Company or the Board may fix any date (the "**record date**") as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular. Such record date may be on or at any time within six months before any date on which such dividend, distribution, interest, allotment, issue, notice, information, document or circular is declared, paid, made, or sent or supplied. In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

X. Accounts

147. Accounting records

The Board shall cause accounting records to be kept in accordance with the provisions of the Acts and shall keep such other books and registers as are necessary to comply with the provisions of the Acts.

148. Inspection of records

The accounting records shall be kept at the registered office or (subject to the provisions of the Acts) at such other place in United Kingdom as the Board thinks fit. No member (other than a Director) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by statute, by order of the Court, by the Board or by ordinary resolution of the Company. Such records shall at all times be open to inspection by officers of the Company.

149. Sending out copies of accounts and other documents and publishing on website

- (a) Except as provided in Article 151 (*Summary financial statements*) and except as provided in Section 423(2), CA2006 and subject to Article 158.7 (*Joint holders*), a copy of the Directors' and Auditor's reports, accompanied by a copy of the annual accounts (including every document required by law to be comprised in them or annexed or attached to such accounts), shall, not less

than 21 clear days before the meeting of the Company before which they are to be laid, be sent or supplied to:

- (i) every member; and
- (ii) every holder of debentures of the Company; and
- (iii) the Auditors; and
- (iv) every other person who is entitled to receive notice of general meetings,

and shall be sent or supplied in any manner in which documents or information may be sent or supplied by the Company to a member in accordance with these Articles.

- (b) Any member to whom such documents are sent or supplied shall be entitled to receive a further copy, free of charge, on application at the Office.
- (c) If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded such number of copies of each of those documents to such persons as the regulations of that stock exchange may from time to time require.
- (d) Subject to, and in accordance with, the provisions of Section 430, CA2006, the Company shall make available on a website its annual accounts and reports (as defined in Section 471, CA2006) and ensure that they remain so available until the annual accounts and reports for the Company's next following financial year are made available on a website in accordance with this Article.

150. Members' approval of Directors' remuneration report

In accordance with Section 439, CA2006 the Company shall, prior to any meeting of the Company before which the Company's annual accounts for the financial year in question are to be laid, give to the members entitled to be sent notice of the meeting, notice of the intention to move at the meeting (as an ordinary resolution) a resolution approving the directors' remuneration report for the financial year. Such notice shall be given in any manner permitted for the service on the members of notice of the meeting. The requirement under this Article shall only apply to the extent that the Directors are obliged to prepare a directors' remuneration report pursuant to the Acts.

151. Summary financial statements

The Company may, in accordance with and subject to the provisions of Sections 426 to 429 (inclusive), CA2006 (to the extent applicable to the Company) and any regulations made under it, send or supply a summary financial statement to any member instead of or in addition to the documents referred to in Article 149 (*Sending out copies of accounts and other documents and publishing on website*). Where it does so, the statement shall be sent or supplied to the member not less than 21 clear days before the meeting before which those documents are to be laid.

Y. Auditors and website publication of audit concerns

152. Defective appointment and rights of Auditor

152.1 *Defective appointment*

Subject to the provisions of the Acts, all acts done by any person acting as an auditor of the Company 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.

152.2 *Auditor's rights*

Pursuant to the provisions of Section 502, CA2006, an Auditor shall be entitled to:

- (a) receive all notices of, and other communications relating to, any general meeting which a member of the Company is entitled to receive;
- (b) attend any general meeting of the Company; and
- (c) be heard at any general meeting which he attends on any part of the business of the meeting which concerns him as Auditor,

and where the Auditor is a firm, the right to attend or be heard at a meeting is exercisable by an individual authorised by the firm in writing to act as its representative at the meeting.

153. Website publication of audit concerns

153.1 *Members' power to require website publication of audit concerns*

Pursuant to Section 527, CA2006, the members shall be entitled to require the Company to publish on a website a statement setting out any matter relating to:

- (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the next accounts meeting; or
- (b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous accounts meeting,

that the members propose to raise at the next accounts meeting of the Company, provided that the entitlement of the members pursuant to sub-paragraph (a) shall only apply in relation to accounts of the Company for financial years beginning on or after 6 April 2008 and sub-paragraph (b) shall only apply in relation to auditors appointed for financial years beginning on or after that date.

153.2 *Company's obligation to make website publication only if certain thresholds met*

- (a) The Company shall only be required to make such a publication pursuant to Article 153.1 (*Members' power to require website publication of audit concerns*) once it has received requests to that effect from:

- (i) members representing at least 5% of the total voting rights of all the members who have a right to vote at the relevant accounts meeting of the Company (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- (ii) at least one hundred members who have a right to vote at the relevant accounts meeting and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100,

and the Company shall not be obliged to place on a website a statement under this Article if, on an application by the Company or another person who claims to be aggrieved, the court is satisfied that the rights conferred by this Article are being abused. "Accounts meeting" has the meaning set out in Section 439(6), CA2006.

- (b) In addition, the provisions of Section 153, CA2006 shall apply.

153.3 *Form of request*

153.4 Any request made pursuant to this Article 153:

- (a) may be sent or supplied to the Company in any manner in which documents or other information may be sent or supplied to the Company by members;
- (b) must identify the statement to which it relates;
- (c) must be authenticated by the person or persons making it; and
- (d) must be received by the Company at least one week before the meeting to which it relates.

153.5 *Requirements as to website availability*

- (a) The information to be made available on a website pursuant to this Article 153 must be made available on a website that is maintained by or on behalf of the Company and identifies the company in question.
- (b) Access to such information on the website, and the ability to obtain a hard copy of the information from the website, shall not be conditional on the payment of a fee or restricted in any other way.
- (c) The statement shall be available within three working days of the Company being required to publish on a website and shall be kept available until after the accounts meeting to which it relates (provided that there shall be no liability on the Company for any failure to make such information available on a website throughout such period if the information is made available on the website for part of that period and the failure is wholly attributable to circumstance that it would not be reasonable to have expected the Company to prevent or avoid).

153.6 Website publication: Company's supplementary duties

In the notice the Company gives of the accounts meeting, the Company shall draw attention to:

- (a) the possibility of a statement being placed on a website in pursuance of members' requests under this Article;
- (b) the fact that the Company may not require the members requesting website publication to pay its expenses in complying such requests (to the extent obliged to) or in respect of complying with Article 153.5 (*Requirements as to website availability*);
- (c) the fact that the Company shall be obliged to forward any statement that it is required to place on a website under this Article 153 to its auditors not later than the time when it makes the statement available on the website; and
- (d) the fact that the business which may be dealt with at the accounts meeting shall include any statement that the Company has been required, under this Article 153, to publish on a website.

Z. Destruction and authentication of documents

154. Destruction of documents

154.1 Documents which may be destroyed

Subject to the provisions of the Acts, including (but not limited to) any rules relating to uncertificated shares, the Company may destroy:

- (a) any instrument of transfer after six years from the date on which it is registered;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address after two years from the date on which it is recorded;
- (c) any registered certificate for debentures or representing any other form of securities after one year from the date on which it is cancelled;
- (d) any other document on the basis of which any entry in the Register is made after six years from the date on which an entry was first made in the Register in respect of it;
- (e) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof; and
- (f) all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of two years from the date of such use (or such longer period to enable the Company to comply with the provisions of Section 353, CA2006, if applicable) and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the

meeting to which the instrument of proxy relates and at which no poll was demanded,

provided that the Company may destroy any such type of document after such shorter period as the Board may determine if a copy of such document is retained on microfilm or other similar means which shall not be destroyed before the expiration of the relevant period and provided that adequate precautions against falsification and to share reproduction are taken.

154.2 *Presumption in respect of destroyed documents*

It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was a valid and effective certificate duly cancelled, that every other document so destroyed had been properly dealt with in accordance with its terms and was valid and effective in accordance with the particulars in the records of the Company, provided that:

- (a) this Article 154 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this Article 154 shall be construed as imposing on the Company any liability in respect of the destruction of any such document or otherwise than as provided for in this Article 154 which would not attach to the Company in the absence of this Article 154; and
- (c) references in this Article 154 to the destruction of any document include references to the disposal of it in any manner.

155. *Authentication of documents*

155.1 *Power to authenticate*

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate:

- (a) any documents affecting the constitution of the Company;
- (b) any resolutions passed by the Company or the Directors or any committee; and
- (c) any books, records, documents and accounts relating to the business of the Company,

and to certify copies of them or extracts from them as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody of them shall be deemed to be a person appointed by the Board as aforesaid.

155.2 *Conclusive evidence*

A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in reliance on them 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.

AA. Communications

156. Method of communications

Subject to the provisions of the Acts, any document or information required or authorised to be sent or supplied by the Company to any member or any person pursuant to these Articles, the Companies Acts or any other rules or regulations to which the Company may be subject, may be sent or supplied in hard copy form, in electronic form, by means of a website or in any other way in which documents or information may be sent or supplied by or to the Company pursuant to the Acts. The provisions of the CA2006 which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts by making it available on a website shall, mutatis mutandis, apply to the sending or supplying of any document or information required or authorised to be sent by the Company's Articles of Association or any other rules or regulations to which the Company may be subject by making it available on a website.

157. Communications by members to the Company

157.1 *Communications by members to the Company in hard copy form*

A document or information is validly sent or supplied by a member to the Company in hard copy form if it is sent or supplied by hand or by post (in a prepaid envelope containing the document or information) in either case to:

- (a) an address specified by the Company for the purpose;
- (b) the Office; or
- (c) an address to which any provision of the Acts authorises the document or information to be sent or supplied.

157.2 *Communications by members to the Company in electronic form*

A document or information is validly sent or supplied by a member to the Company in electronic form if the Company has either agreed (generally or specifically) that the document or information may be sent or supplied in that form and has not revoked that agreement or the Company is deemed to have so agreed by a provision of the Acts provided that, where the document or information is sent or supplied:

- (a) by electronic means, it must be sent or supplied to an address specified for the purpose by the Company (generally or specifically) or deemed by a provision of the Acts to have been specified; or

- (b) by hand or by post, it must be sent or supplied to an address to which it could be validly sent if it were in hard copy form (and, if by post it must be in a prepaid envelope containing the document or information).

157.3 *Communications by members to the Company by other means*

A document or information that is sent or supplied by a member to the Company otherwise than in hard copy form or electronic form is validly sent or supplied if done so in a form or manner that has been agreed by the Company.

158. *Communication by the Company to members*

158.1 *Communications by the Company to members in hard copy form*

A document or information is validly sent or supplied by the Company to a member in hard copy form if it is:

- (a) handed to the member; or
- (b) sent or supplied by hand or by post (in a prepaid envelope containing the document or information):
 - (i) to an address specified for the purpose by the member;
 - (ii) to his address as shown in the Register; or
 - (iii) to an address to which any provision of the Acts authorises the document or information to be sent or supplied,

provided that where the Company is unable to obtain an address falling within subparagraph (b), the document or information may, subject to any contrary provision in these Articles, be sent or supplied to the member's last address known to the Company.

158.2 *Communications by the Company to members in electronic form*

A document or information is validly sent or supplied by the Company to a member in electronic form if such member has agreed (generally or specifically) that the document or information may be sent or supplied in that form and has not revoked that agreement (or, being a company, is deemed to have so agreed by a provision in the Acts), provided that where such document or information is sent or supplied:

- (a) by hand or by post (in which case it must be in a prepaid envelope containing the document or information), it must be:
 - (i) handed to the member; or
 - (ii) sent or supplied to an address to which it could be validly sent if it were in hard copy form; or

- (b) by electronic means, it must be sent or supplied to an address specified for the purpose by the member (generally or specifically) (or, being a company, is deemed to have been so specified by a provision of the Acts).

158.3 *Communications by the Company to members by means of a website*

A document or information is validly sent or supplied by the Company to a member if it is made available on a website, provided that the member has been asked individually by the Company to agree that the Company may send or supply documents or information generally, or the documents or information in question, to him by means of a website and the Company has not received a response within the period of 28 days beginning with the date in which the Company's request was sent out (provided that such request by the Company stated clearly what the effect of failure to respond would be and was not sent out less than 12 months after any previous request by the Company to such member in respect of the same or a similar class of documents or information), and provided always that such document or information is made available in a form and by a means that the Company reasonably considers will enable the recipient to read it (as construed in accordance with paragraph 12 of part 4 of Schedule 5 to the CA2006) and retain a copy of it.

158.4 *Notification of availability on website*

Where (to the extent permitted by these Articles, the Acts or otherwise) the Company sends or supplies a document or information to a member by making it available on a website, it must notify the intended recipient of:

- (a) the presence of the document or information on the website;
- (b) the address of the website;
- (c) the place on the website where it may be accessed; and
- (d) how to access the document or information,

and must make the document or information available on the website throughout the period specified by any applicable provision of the Acts, or, if no such provision is specified, the period of 28 days beginning with the date on which the notification is sent to the person in question. This Article 158.4 must be read in conjunction with Article 48.6 (*Publication of notice of meeting on website*) with regard to notices of general meetings. Any failure to make a document or information available on a website throughout the period referred to in this Article shall be disregarded if it is made available on the website for part of that period and the failure to make it available throughout that period is wholly attributable to circumstances that it would not be reasonable to have expected the Company to prevent or avoid.

158.5 *Communications by the Company by other means*

A document or information sent or supplied by the Company otherwise than in hard copy form, electronic form or by means of a website is validly sent or supplied if done so in a form or manner that has been agreed by the intended recipient.

158.6 *Right to hard copy version*

Where a member of the Company (or a holder of the Company's debentures) has received a document or information from the Company, otherwise than in hard copy form, he shall be entitled to require the Company to send him a version of the document or information in hard copy form free of charge within 21 days of receipt of the request from the member or debenture holder.

158.7 *Joint holders*

In the case of joint holders of a share, documents or information shall be sent or supplied to the joint holder whose name stands first in the Register in respect of the joint holding. Documents or information so sent or supplied shall be sufficient service of such document or information on all the joint holders.

158.8 *Members outside the UK*

Where a member (or in the case of joint holders the person first named in the Register) has a registered address outside the United Kingdom but has notified the Company of an address within the United Kingdom at which documents or information may be sent or supplied to him or of an electronic address to which documents or information may be sent or supplied using electronic means, he shall, subject to the provisions of these Articles and the Acts, be entitled to have documents or information sent or supplied to him at that address, but otherwise no such member shall be entitled to receive any document or information from the Company.

158.9 *Undelivered documents or information*

- (a) If, on at least two consecutive occasions, the Company has attempted to send any document or information by electronic means to an electronic address specified (or deemed specified) for the purpose and a delivery failure (or other similar) notification has been received by the Company, the Company thereafter shall, send documents or information in hard copy form or electronic form (but not by electronic means) to such member at his registered address or address for service within the United Kingdom (whether by hand, by post or by leaving it or them at such address), in which case the provisions of paragraph (b) shall apply.
- (b) If on three consecutive occasions documents or information have been sent or supplied to any member at his registered address or address for the service of such documents or information in the United Kingdom (whether by hand, by post or leaving it or them at such address) but have been returned undelivered, such member shall not thereafter be entitled to receive any documents or information from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of documents or information or an electronic address to which documents or information may be sent or supplied using electronic means.

158.10 ***Record date***

Any document or information to be sent or supplied to a member may be sent or supplied by reference to the Register as it stands at any time within the period of 15 days before the document or information is sent or supplied (subject to the Uncertificated Regulations if the Company is then a participating issuer for the purposes of the Uncertificated Regulations) and no change in the Register after that time shall invalidate the sending or supplying of the document or information.

159. **Death, bankruptcy or mental disorder**

The Company may, on receipt of such evidence as the Board may reasonably require to show title to that share, send or supply any document or information to the person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or otherwise by operation of law, by sending or supplying it in any manner authorised by these Articles for the sending or supplying of any document or information to a member, addressed to that person by name, or by the title of representative(s) of the deceased or trustee of the bankrupt or representative(s) by operation of law or by any like description at the address (if any) within the United Kingdom or, if relevant, any electronic address supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied a document or information may be sent or supplied in any manner in which it might have been sent or supplied if the death, bankruptcy, mental disorder operation of law or other event had not occurred. Such service of a document or information shall for all purposes be deemed a sufficient service of such document or information on all persons interested in the share. Any reference to the bankruptcy of a person in this Article shall be construed in accordance with the provisions of paragraph 17 of Part 6 of Schedule 5 to the CA2006.

160. **Evidence of service**

160.1 ***Present at meeting***

Any member present, in person or by proxy at any meeting of the Company or of the holders of any class of shares of the Company, shall be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called.

160.2 ***Deemed delivery of documents and information***

- (a) Any document or information, addressed to a member (or other person to whom such document or information is required or authorised to be sent pursuant to these Articles, the Companies Acts or otherwise) at his registered address or other address for service in the United Kingdom (or electronic address specified, as the case may be) shall:
 - (i) if hand delivered or left at a registered address or other address for service in the United Kingdom, be deemed to have been served or delivered on the day on which it was so delivered or left;

- (ii) if sent or supplied by post (whether in hard copy form or in electronic form), be deemed to have been received at the expiration of 24 hours after the envelope was posted;
 - (iii) if sent or supplied by electronic means (other than by means of website), be deemed to have been received (if sent or supplied between the hours of 9 a.m. and 5 p.m. on a working day) at the time it was sent, or (if sent or supplied at any other time) at 9 a.m. on the next following working day; and
 - (iv) if sent or supplied by means of a website, be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- (b) In calculating a period of hours for the purpose of this Article 160.2, no account shall be taken of any part of a day that is not a working day.
- (c) In proving such service or delivery it shall be sufficient to prove that:
 - (i) the envelope containing the document or information was properly addressed and put into the post as a prepaid letter; or,
 - (ii) in the case of a document or information sent or supplied by electronic means, to prove that it was properly addressed and dispatched, provided that if the Company is aware that there has been delivery failure after least two attempts it shall, within 48 hours of its first attempt to send the document or information by electronic means, send the document or information to such member at his registered address or address for service within the United Kingdom (by hand, by post or by leaving it or them at such address)
- (d) The deemed delivery provisions set out in paragraph (b) shall apply regardless of any such documents or information being returned undelivered and regardless of any delivery failure notification or "out of office" or other similar response and any such "out of office" or other similar response shall not be considered to be a delivery failure for the purposes of these Articles.
- (e) The Company shall not be held responsible for any failure in transmission beyond its reasonable control.

161. Notice binding on transferees

Every person who, by operation of law, transfers or by any other means becomes entitled to a share shall be bound by any document or information in respect of that share (other than a notice given by the Company under Section 793, CA2006) which, before his name is entered in the Register, has been duly sent or supplied to a person from whom he derives his title.

162. Notice by advertisement

Subject to the provisions of the Acts, any document or information to be sent or supplied by the Company to the members or any of them and not otherwise provided for by these Articles shall be sufficiently sent or supplied if given by advertisement in at least one leading daily national newspaper published in the United Kingdom and, where the Company keeps an overseas branch register, in at least one leading daily newspaper published in the territory in which such register is maintained. Any document or information given by advertisement shall be deemed to have been served at noon on the day on which the advertisement first appears.

163. Suspension of postal services

- (a) If at any time by reason of the threat of or of the suspension, interruption or curtailment of postal services within the United Kingdom, the Company is or would be unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by:
 - (i) a notice advertised on its website and in at least one leading daily national newspaper; and
 - (ii) giving notice by electronic means to those members to whom, in accordance with the Acts, the Company is able to give notice by electronic means
- (b) Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the first of such advertisements appears.
- (c) In any such case, the Company shall send confirmatory copies of the notice (or, as the case may be, the notification of the website notice) by post to those members to whom notice (or notification) cannot be given by electronic means, if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

164. Savings

Nothing in Articles 156 to 163 (*Communications*) shall affect any requirements of the Acts that any particular document or information be sent or supplied in any particular manner.

BB. Winding up

165. Division of assets

165.1 *Power to present a petition*

The Board 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.

165.2 *Distribution of assets*

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article 165.2 is subject to the rights attached to any shares which may be issued on special terms or conditions.

165.3 *Distribution in specie*

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 111, Insolvency Act 1986. The liquidator may, with the like sanction, vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he, with the like sanction, shall determine but no member shall be compelled to accept any assets on which there is a liability.

166. **Transfer or sale under Section 111, Insolvency Act 1986**

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to Section 111, Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

CC. Indemnity, Funds and Insurance

167. **Right to indemnity**

Subject to, and to the fullest extent permitted by, the provisions of the Acts (but without prejudice to any indemnity to which he may be otherwise entitled), every Director and every director of any associated company, former Director, alternate Director, Secretary or other officer of the Company (other than an Auditor) shall be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities (all or any of them being a "liability") incurred by him in relation to anything done, omitted or alleged to have been done by him in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme (as defined in Section 235(6), CA2006), provided that no Director nor any director of any associated company (which shall, for

the purpose of this Article 166, bear the meaning set out in Section 256, CA2006) shall be indemnified against any liability incurred by him to the Company or any associated company in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company of which he is a director or against any liability:

- (a) of his to pay any fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
- (b) incurred by him in defending criminal proceedings in which he is convicted, in defending civil proceedings brought by the Company (or any associated company) in which judgment is given against him or in connection with an application for relief under the provisions referred to in Section 234(6), CA2006 in which the court refuses to grant him relief (and for these purposes, a reference to a conviction, judgment or refusal of relief shall bear the meaning set out in Sections 234(4) and 234(5), CA2006); or
- (c) incurred by him in connection with the Company's or any associated company's activities as trustee of an occupational pension scheme and which is a liability:
 - (i) to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
 - (ii) incurred in defending criminal proceedings in which he is convicted (within the meaning of Section 235(5), CA2006).

168. Provision of funds

The Company shall (in each case, subject to and to the fullest extent permitted by the provisions of the Acts) provide every Director and every director of the Company's holding company former Director, alternate Director, Secretary or other officer of the Company (other than an Auditor) or, in the case of Article 167(c)(i) only, a person connected with any such director with funds to meet any expenditure incurred or to be incurred by him:

- (a) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company;
- (b) in connection with an application for relief under the provisions referred to in Section 205(5), CA2006; and/or
- (c) in defending himself in an investigation by a regulatory authority or against any action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company,

or do anything to enable such person to avoid incurring such expenditure.

169. Power to insure

Subject to the provisions of the Acts, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person (other than an Auditor) who is or was at any time a Director or other officer or employee of the Company or of any other company which is a subsidiary, subsidiary undertaking or holding company of the Company or in which the Company has an interest whether direct or indirect or which otherwise is in any way allied to or associated with the Company or of any subsidiary undertaking or holding company of the Company or of any such company or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested in relation to any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer, employee or trustee.

ULTRA ELECTRONICS HOLDINGS PLC

THE ULTRA ELECTRONICS LONG TERM INCENTIVE PLAN 2017

Approved by shareholders of the Company on 28 April 2017

Adopted by the board of the Company on 28 April 2017

Amendments to the rules of the Plan approved by shareholders of the Company on 13 May
2020

The Plan is a discretionary benefit offered by the Company for the benefit of selected employees. Its main purpose is to increase the interest of the employees in the Company's long term business goals and performance through share ownership. The Plan is an incentive for the employees' future performance and commitment to the goals of the Company.

Shares purchased or received under the Plan, any cash received under the Plan and any gains obtained under the Plan are **not** part of salary for any purpose except as required by statute.

The Plan is being offered for the first time in 2017 and the remuneration committee of the board of the Company has the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards are granted.

The detailed rules of the Plan are set out overleaf.

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

"**Award**" means an Option or a Conditional Award;

"**Board**" means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person;

"**Committee**" means the remuneration committee of the Board or, on and after the occurrence of a corporate event described in Rule 12 (*Takeovers and other Corporate Events*), the remuneration committee of the Board as constituted immediately before such event occurs;

"**Company**" means Ultra Electronics Holdings plc (registered in England and Wales with registered number 02830397);

"**Conditional Award**" means a conditional right to acquire Shares which is designated as a conditional award by the Committee under Rule 3.2 (*Type of Award*);

"**Control**" means control within the meaning of section 995 of the Income Tax Act 2007;

"**Deferred Bonus Award**" means an Award, the principal purpose of which is to defer receipt of a bonus that reflects performance before its grant;

"**Dividend Equivalent**" means a benefit calculated by reference to dividends paid on Shares as described in Rule 3.4 (*Dividend Equivalent at the discretion of the Committee*);

"**Early Vesting Date**" means in relation to an Award (or part of an Award) the earlier of:

(a) the later of:

- (i) the date on which a Participant ceases employment or to hold an office in the circumstances referred to in Rule 11.1 (*Good leavers before the Normal Vesting Date*); and
- (ii) early determination of any Performance Condition relating to such cessation; or

(b) the date of the relevant event in Rule 12.1 (*General offers*) or Rule 12.2 (*Schemes of arrangement and winding up*) or the date on which an Award Vests as is referred to in Rule 12.3 (*Demergers and similar events*);

"**Exercise Period**" means the period referred to in Rule 6.1 (*Options*) during which an Option may be exercised;

"**FCA**" means the Financial Conduct Authority;

"**Grant Date**" means the date on which an Award is granted;

"**Group Member**" means:

- (a) a Participating Company or a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company;

- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of the Companies Act 2006) of a body corporate within paragraph (a) above and has been designated by the Board for this purpose; and
- (c) any other body corporate in relation to which a body corporate within paragraph (a) or (b) above is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Board for this purpose;

"Holding Period" means the period starting on the Vesting Date and ending on the earliest of the dates specified in Rule 8.3 (*Expiry of the Holding Period*) during which a Participant may not to sell, transfer, assign or dispose of their Net Vested Shares, other than as permitted in Rule 8.2 (*Permitted transfers during the Holding Period*);

"ITEPA" means the Income Tax (Earnings and Pensions) Act 2003;

"Listing Rules" means the Listing Rules published by the FCA;

"London Stock Exchange" means London Stock Exchange plc or any successor to that company;

"Malus and Clawback" means an obligation to repay the amounts referred to in Rule 14.3 and/or 14.5 (*Error! Reference source not found.*);

"Net Vested Shares" means the Vested Shares acquired during a Holding Period by a Participant on the Vesting of a Conditional Award, or the exercise of an Option, less: (a) a number of Shares that have an aggregate market value on the Vesting Date (in the case of a Conditional Award) or the date on which an Option is exercised equal to the Tax Liability arising as a result of Vesting; or (b) if Vested Shares are sold to satisfy that Tax Liability, the number of Vested Shares so sold;

"Normal Vesting Date" means the date on which an Award (or part of an Award) Vests as stated in Rule 5.1 (*Timing of Vesting: Normal Vesting Date*);

"Option" means a conditional right to acquire Shares which is designated as an option by the Committee under Rule 3.2 (*Type of Award*);

"Option Price" means the nominal amount, if any, payable on the exercise of an Option;

"Participant" means a person who holds an Award, including their personal representatives (or, for the purposes of Rule 8 (*Holding Period*), a person who held an Award to which Rule 8 (*Holding Period*) applies);

"Participating Company" means the Company or any Subsidiary of the Company;

"Performance Award" means an Award, the principal purpose of which is to provide an incentive for improved performance following its Grant Date and which is subject to one or more Performance Conditions;

"Performance Condition" means a condition related to performance as specified by the Committee under Rule 3.1 (*Terms of grant*);

"Plan" means the Ultra Electronics Long Term Incentive Plan 2017 as amended from time to time;

"Recruitment Award" means an Award granted to an individual who becomes employed by a Participating Company (and which, if it is granted is an executive director of the Company, is made to compensate them for any incentive awards granted to them which lapse or are forfeited as a consequence of ceasing employment or relinquishing any office with a company by which they were previously employed or with which they previously held an office);

"Retention Award" means an Award, the principal purpose of which is to retain the services of an individual who is not an executive director of the Company on the Grant Date;

"Rule" means a rule of the Plan;

"Shares" means fully paid ordinary shares in the capital of the Company;

"Subsidiary" means a body corporate which is a subsidiary (within the meaning of section 1159 of the Companies Act 2006);

"Tax Liability" means any amount of tax or social security contributions for which a Participant would or may be liable and for which any Group Member or former Group Member would or may be obliged to account to any relevant authority (or would or may suffer a disadvantage were it not to do so);

"Vest" means in relation to an Award (or part of an Award):

- (a) if it is an Option, it becoming exercisable;
- (b) if it is a Conditional Award, a Participant becoming entitled to have Shares transferred to them (or their nominee);

and **Vesting** shall be construed accordingly;

"Vesting Date" means a date on which an Award (or part of an Award) Vests, being either a Normal Vesting Date or an Early Vesting Date; and

"Vested Shares" means those Shares in respect of which an Award (or part of an Award) Vests.

- 1.2 Any reference in the Plan to any enactment, regulation or guideline includes a reference to that enactment, regulation or guideline as from time to time modified, extended or re-enacted.
- 1.3 Where the context admits, a reference to the singular includes the plural.
- 1.4 Expressions in italics, headings and footnotes are for guidance only and do not form part of the Plan.
- 2. **ELIGIBILITY**

An individual is eligible to be granted an Award only if they are an employee (including an executive director) of a Participating Company.

An individual is not eligible to be granted Retention Award if they are an executive director of the Company.

3. GRANT OF AWARDS

3.1 Terms of grant

Subject to Rule 3.6 (*Timing of grant*), Rule 3.7 (*Approvals and consents*) and Rule 4 (*Limits*), the Committee may resolve to grant an Award on:

- (a) the terms set out in the Plan (including any country-specific terms set out in appendices to the Rules)¹; and
- (b) such additional terms if any (including one or more Performance Conditions and/or any other terms) as the Committee may specify,

to any individual who is eligible to be granted an Award under Rule 2 (*Eligibility*).

One or more Performance Conditions must apply to any Award granted to an executive director of the Company (other than where it is a Deferred Bonus Award or a Recruitment Award).

3.2 Type of Award

On or before the Grant Date, the Committee may determine whether an Award shall be an Option or a Conditional Award. If it does not do so, it shall be an Option with a nil Option Price. On or before the Grant Date, the Committee shall determine whether an Award shall be a Deferred Bonus Award, a Performance Award, a Recruitment Award or a Retention Award.

3.3 Method of grant

An Award shall be granted as follows:

- (a) by deed executed by the Company (or in such other manner as the Committee considers appropriate); and
- (b) if it is an Option, the Committee shall determine the Option Price (if any) on or before the Grant Date provided that the Committee may reduce or waive that Option Price on or before the exercise of the Option.

3.4 Dividend Equivalent at the discretion of the Committee

The Committee may decide, on or before the grant of an Award, that a Participant (or their nominee) shall be entitled to receive a benefit determined by reference to the dividends that would have been paid on the Vested Shares in respect of dividend record dates occurring during the period commencing on the Grant Date and ending on the Vesting Date (or in the case of an Option where a Holding Period applies, the last day of the Holding Period or, if earlier the date of exercise of the Option).

The Committee shall decide how the amount of those dividends shall be calculated. It may also decide whether the Dividend Equivalent shall be provided in cash and/or Shares. The Dividend Equivalent shall be provided in accordance with Rule 6.3 (*Delivery of dividend equivalent*).

¹ USA

3.5 Method of satisfying Awards

Unless specified to the contrary by the Committee on the Grant Date, an Award may be satisfied by:

- (a) issuing new Shares; and/or
- (b) transferring treasury Shares; and/or
- (c) transferring Shares (other than treasury Shares).

The Committee may decide to change the way in which it is intended that an Option or a Conditional Award may be satisfied after it has been granted, having regard to the provisions of Rule 4 (*Limits*).

3.6 Timing of grant

Subject to Rule 3.7 (*Approvals and consents*), an Award may only be granted:

- (a) in the 6 weeks commencing on the date on which the Plan is approved by shareholders;
- (b) in the 6 weeks beginning with the dealing day after the date on which the Company announces its results for any period; or
- (c) at any other time when the Committee considers that circumstances are sufficiently exceptional to justify its grant,

but an Award may not be granted after 27 April 2027 (that is, the expiry of 10 years beginning with the date on which the Plan is approved by the shareholders).

3.7 Approvals and consents

The grant of any Award shall be subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, or any other relevant UK or overseas enactment or regulation.

3.8 Non-transferability and bankruptcy

An Award granted to any person:

- (a) shall not be transferred, assigned, charged or otherwise disposed of (except on their death to their personal representatives) and shall lapse immediately on any attempt to do so; and
- (b) shall lapse immediately if such person is declared bankrupt, unless the Committee determines otherwise.

4. LIMITS

4.1 10 per cent. in 10 years limit

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date it would cause the number of Shares allocated (as defined in Rule 4.3 (*Meaning of "allocated"*)) in the period of 10 calendar years ending with that calendar year under the Plan and under any other **employee share plan** adopted by the Company to exceed such number as represents 10

per cent. of the Company's issued ordinary share capital at that time. For this purpose, an employee share plan includes all types of share incentive plan (including both any plan under which individuals are selected for participation by the exercise of discretion and any plan under which a broad range of employees are eligible to participate).

4.2 **5 per cent. in 10 years limit**

An Award shall not be granted in any calendar year if, at the time of its proposed Grant Date, it would cause the number of Shares allocated (as defined in Rule 4.3 (*Meaning of "allocated"*)) in the period of 10 calendar years ending with that calendar year under the Plan and under any other **executive share plan** adopted by the Company to exceed such number as represents 5 per cent. of the Company's issued ordinary share capital of the Company at that time. For this purpose, an executive share plan is a plan under which individuals are selected for participation by the exercise of discretion (and not plans in which a broad range of employees are eligible to participate).

4.3 **Meaning of "allocated"**

For the purpose of Rule 4.1 (*10 per cent. in 10 years limit*) and Rule 4.2 (*5 per cent. in 10 years limit*):

- (a) Shares are allocated:
 - (i) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;
 - (ii) where Shares are otherwise issued or treasury Shares are otherwise transferred, when they are issued or transferred; and
- (b) any Shares that have been, or may be, issued (or any treasury Shares that have been, or may be, transferred) to trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall count as allocated unless they are already treated as allocated under this Rule.

4.4 **Post-grant events affecting numbers of "allocated" Shares**

For the purposes of this Rule 4 (*Limits*):

- (a) where:
 - (i) any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part); or
 - (ii) after the grant of an option, award or other contractual right the Committee determines that:
 - (aa) it shall be satisfied wholly or partly by a cash payment on its vesting or exercise; or
 - (bb) it shall be satisfied wholly or partly by transferring existing Shares (other than treasury Shares)

the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as allocated; and

- (b) the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board reasonably determines from time to time.

4.5 **Changes to investor guidelines**

Treasury Shares shall cease to count as allocated Shares for the purposes of Rule 4.3 (*Meaning of "allocated"*) if institutional investor guidelines cease to require them to be so counted.

4.6 **Individual limit**

The maximum total market value of Shares over which Performance Awards may be granted to any individual in respect of any financial year of the Company is 200% of their salary.

For the purpose of this Rule 4.6 (*Individual limit*):

- (a) an employee's **salary** is their base salary (excluding benefits in kind), expressed as an annual rate payable by the Participating Companies to them on the Grant Date (or such earlier date as the Committee determines). Where a payment of salary is made in a currency other than sterling, the payment shall be treated as equal to the equivalent sterling amount determined using any rate of exchange which the Committee reasonably selects; and
- (b) the **market value** of the Shares over which an Award is to be granted is an amount equal to the closing middle-market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on such dealing day as the Committee may determine, or, if the Committee so determines, the average of the closing middle market quotations during a period of dealing days determined by the Committee provided such dealing day(s) do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code. In the absence of any other determination by the Committee, the market value of the Shares will be calculated by reference to the dealing day before the Grant Date.

4.7 **Effect of limits**

An Award shall be limited and take effect so that the limits in this Rule 4 (*Limits*) are complied with.

4.8 **Restriction on use of unissued Shares and treasury Shares**

No Shares may be issued or treasury Shares transferred to satisfy the exercise of any Option or the Vesting of any Conditional Award to the extent that it would cause the number of Shares allocated to exceed any of the limits in Rule 4.1 (*10 per cent. in 10 years limit*) and Rule 4.2 (*5 per cent. in 10 years limit*) except where there is a variation of share capital of the Company which results in the number of Shares allocated exceeding those limits solely by virtue of that variation.

5. **VESTING OF AWARDS**

5.1 **Timing of Vesting: Normal Vesting Date**

Subject to Rule 3.1 (*Terms of grant*) and Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), an Award (or part of an Award) shall Vest on the later of:

- (a) if any Performance Condition and any other condition has been imposed on such Award, the date on which the Committee determines whether or not such Performance Condition or other condition has been wholly or partly satisfied; and
- (b) the third anniversary of the Grant Date (or such other date as the Committee may determine on the Grant Date)

except where earlier Vesting occurs on an Early Vesting Date under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other Corporate Events*).

5.2 Extent of Vesting

An Award shall only Vest to the extent that:

- (a) any Performance Condition is satisfied;
- (b) Rule 11.4 (*Leavers: reduction in number of Vested Shares*) and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) permit;
- (c) the operation of the Malus and Clawback provisions permit; and
- (d) any other term of the Award permits.

Where, under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other Corporate Events*), an Award or part of an Award would (subject to the satisfaction of any Performance Condition) Vest before the end of the full period over which performance would be measured under that Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied shall be determined by the Committee on such reasonable basis as it decides.

5.3 Restrictions on Vesting: regulatory and tax issues

An Award shall not Vest unless and until the following conditions are satisfied:

- (a) Vesting of the Award, and issuing or transferring Shares after Vesting, would be lawful in all relevant jurisdictions and would comply with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas enactment or regulation;
- (b) if a Tax Liability would arise by virtue of Vesting and the Board decides that the Tax Liability shall not be satisfied by selling Shares pursuant to Rule 5.5 (*Payment of Tax Liability*), the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of the Tax Liability;
- (c) the Participant has entered into arrangements required by the Committee (and permitted in all relevant jurisdictions) to satisfy a Group Member's liability to social security contributions in respect of Vesting of the Award; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any relevant jurisdiction.

For the purposes of this Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), references to Group Member include any former Group Member.

5.4 Tax liability before Vesting

If a Participant will, or is likely to, incur a Tax Liability before their Award Vests, that Participant must enter into arrangements acceptable to any relevant Group Member to ensure that it receives the amount of that Tax Liability. If no arrangements are made, the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to the Award on their behalf to ensure that the relevant Group Member receives the amount required to discharge the Tax Liability and the number of Shares subject to their Award shall be reduced accordingly.

For the purposes of this Rule 5.4 (*Tax liability before Vesting*), references to Group Member include any former Group Member.

5.5 Payment of Tax Liability

On or following the Vesting of their Award, the Participant authorises the Company to sell or procure the sale on their behalf of sufficient Vested Shares to ensure that any relevant Group Member or former Group Member receives the amount of the Tax Liability which arises on Vesting, except to the extent that the Board decides that all or part of that Tax Liability shall be funded differently.

6. CONSEQUENCES OF VESTING

6.1 Options

An Option shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercisable in respect of Vested Shares during the period commencing on the date on which it Vests and expiring on the day before the 10th anniversary of the Grant Date (or any shorter period specified by the Committee on or before the Grant Date) subject to it lapsing earlier under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other Corporate Events*).

If an Option is not exercised during the last 30 days of the Exercise Period because of any regulatory restrictions referred to in Rule 7.1(a), the Committee may extend the period during which the Option may be exercised so as to permit the Option to be exercised as soon as those restrictions cease to apply for such limited period as the Committee determines appropriate.

6.2 Conditional Awards

On or as soon as reasonably practicable after a Conditional Award Vests, the Board shall, subject to Rule 5.5 (*Payment of Tax Liability*) and any arrangement made under Rules 5.3(b) and 5.3(c), transfer or procure the transfer of the Vested Shares to the Participant (or a nominee for them).

6.3 Delivery of dividend equivalent

If the Committee decided under Rule 3.4 (*Dividend Equivalent at the discretion of the Committee*) that a Dividend Equivalent would apply in relation to an Award but did not decide whether it would be provided in cash and/or Shares, the Committee shall make that decision on or before the transfer or issue of the Vested Shares to the Participant (or their nominee).

The Committee, acting fairly and reasonably, may exclude all or part of a special dividend or any other dividend from the amount of the Dividend Equivalent.

The Dividend Equivalent shall be provided at the same time as, or as soon as practicable after, the issue or transfer of Vested Shares and:

- (a) in the case of a cash payment, shall be subject to any deductions (on account of tax or similar liabilities) required by law or that the Board reasonably considers to be necessary or desirable; or
- (b) in the case of a provision of Shares, Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 5.5 (*Payment of Tax Liability*) shall apply to it as it applies to the Vesting of an Award.

7. EXERCISE OF OPTIONS

7.1 Restrictions on the exercise of an Option: regulatory and tax issues

An Option which has Vested may not be exercised unless:

- (a) its exercise and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and would comply with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas enactment or regulation;
- (b) if a Tax Liability would arise by virtue of such exercise and the Board decides that it shall not be satisfied by selling Shares pursuant to Rule 7.4 (*Payment of Tax Liability*), the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member shall receive the amount of such Tax Liability;
- (c) the Participant has entered into arrangements required by the Committee (and permitted in all relevant jurisdictions) to satisfy a Group Member's liability to social security contributions in respect of the exercise of the Option; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

For the purposes of this Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), references to Group Member include any former Group Member.

7.2 Exercise in whole or part

An Option must be exercised to the maximum extent possible at the time of exercise unless the Committee agrees that a Participant may exercise the Option in respect of a lower number of Shares.

7.3 Method of exercise

Exercise of an Option shall be effected in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), take effect only when the Company receives it (or when specified in the notice of exercise), together with payment of any relevant Option Price (or, if the Board permits, an undertaking to pay that amount).

7.4 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale on their behalf of sufficient Vested Shares on or following exercise of their Option to ensure that any relevant Group Member receives the amount of any Tax Liability which arises on exercise, except to the extent that the Board decides that all or part of the Tax Liability shall be funded differently.

7.5 Transfer or allotment timetable

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule 7.4 (*Payment of Tax Liability*) and any arrangement made under Rules 7.1(b) and 7.1(c), transfer or procure the transfer to the Participant who held the Option (or a nominee for them) or, if appropriate, allot to them (or a nominee for them) the number of Shares in respect of which the Option was exercised.

7.6 Lapse of Options

A Vested Option shall lapse at the end of the Exercise Period to the extent it has not been exercised, unless it lapses earlier under Rule 11 (*Leavers*) or Rule 12 (*Takeovers and other Corporate Events*).

8. HOLDING PERIOD

8.1 Restrictions on the sale, transfer, disposal and assignment of Net Vested Shares

A Holding Period applies in accordance with this Rule 8 (*Holding Period*) to any Performance Award granted to any executive director of the Company and to any other individual if the Committee so determines before the Grant Date.

Where this Rule 8 (*Holding Period*) applies then, subject to Rule 8.2 (*Permitted transfers during the Holding Period*), each Participant to which this Rule applies agrees:

- (a) that the Net Vested Shares relating to the Performance Award must be held on the terms specified by the Committee from time to time, which may include that they must be held on the Participant's behalf by a nominee appointed by the Company during the Holding Period;
- (b) not to sell, transfer, assign or dispose of any interest in their Net Vested Shares until the expiry of the Holding Period;
- (c) that if the Participant acquires further Shares in respect of Net Vested Shares during the Holding Period those further Shares shall be held on the terms of this Rule 8 (*Holding Period*) as they apply to the original Net Vested Shares unless the Committee determines otherwise; and
- (d) to execute any other document required by the Committee from time to time to give effect to this Rule 8 (*Holding Period*).

For the avoidance of doubt:

- (i) Net Vested Shares are not subject to any risk of forfeiture during the Holding Period; and

- (ii) any Shares delivered under Rule 6.3 (*Delivery of dividend equivalent*) are not subject to the Holding Period.

8.2 Permitted transfers during the Holding Period

Subject to the prior approval of the Committee, a Participant may transfer or assign some or all of their Net Vested Shares to their spouse or civil partner or to the Participant's personal pension plan (the "**transferee**") during the Holding Period, provided the transferee has agreed to comply with this Rule 8 (*Holding Period*) and any terms specified by the Committee in accordance with it (including any terms specified for the purpose of this Rule 8.2 (*Permitted transfers during the Holding Period*)), including that the transferee will not to sell, transfer, assign or dispose of those Net Vested Shares until the expiry of the Holding Period.

The Committee may allow a Participant to sell, transfer, assign or dispose of some or all of their Net Vested Shares before the end of the Holding Period, subject to any additional terms that the Committee specifies.

8.3 Expiry of the Holding Period

The Holding Period shall expire on the earliest of:

- (a) the second anniversary of the Vesting Date;
- (b) the date of an event under Rule 12.1 (*General offers*) or Rule 12.2 (*Schemes of arrangement and winding up*) (excluding an internal reorganisation under Rule 12.4 (*Internal reorganisations*));
- (c) the death of the Participant; and
- (d) any other date determined by the Committee.

Net Vested Shares shall cease to be subject to any restrictions under this Rule 8 (*Holding Period*) once the Holding Period has expired. As soon as reasonably practicable following the expiry of the Holding Period the Board shall transfer or procure the transfer of the legal title for the Net Vested Shares and any documents of title relating to those Net Vested Shares to the Participant (or their nominee).

8.4 Interaction with the Company's share ownership guidelines

Nothing in this Rule 8 (*Holding Period*) shall remove and/or reduce any additional requirements that may apply to the Participant under the Company's share ownership guidelines from time to time.

9. CASH ALTERNATIVE

9.1 Committee determination

Where an Option has been exercised, or where a Conditional Award Vests and Vested Shares have not yet been allotted or transferred to the Participant (or their nominee), the Committee may determine that, in substitution for their right to acquire any number of those Vested Shares (but in full and final satisfaction of their right to acquire them), the Participant shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule 9.3 (*Cash equivalent*)) of that number of Shares in accordance with this Rule 9 (*Cash alternative*).

9.2 Limitation on the use of this Rule

Rule 9.1 (*Committee determination*) shall not apply to an Award granted to a Participant where the laws or regulations of any relevant jurisdiction would cause:

- (a) the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
- (b) adverse tax or social security contribution consequences for the Participant or any Group Member specified by the Board.

9.3 Cash equivalent

For the purpose of this Rule 9 (*Cash alternative*), the cash equivalent of a Share is:

- (a) in the case of a Conditional Award, the market value of a Share on the Vesting Date; and
- (b) in the case of an Option, the market value of a Share on the day when the Option is exercised, reduced by the Option Price.

Market value on any day shall be determined as follows:

- (c) if on the relevant day, Shares are quoted in the London Stock Exchange Daily Official List, the closing middle-market quotation of a Share, as derived from that List, on that day; or
- (d) in any other case, the value of a Share as the Committee reasonably determines.

9.4 Payment of cash equivalent

As soon as reasonably practicable after the Committee has determined under Rule 9.1 (*Committee determination*) that a Participant shall be paid a sum in substitution for their right to acquire Vested Shares:

- (a) the Company shall pay to them or procure the payment to them of that sum in cash; and
- (b) if they have already paid the Company for those Shares, the Company shall return to them the amount so paid by them.

9.5 Share alternative

The Committee may decide that the whole or any part of the sum payable under Rule 9.4 (*Payment of cash equivalent*) shall, instead of being paid to the Participant in cash, be applied on their behalf:

- (a) in subscribing for Shares at a price equal to the market value by reference to which the cash equivalent is calculated; or
- (b) in purchasing Shares; or
- (c) partly in one way and partly in the other,

and the Company shall allot or transfer to them (or their nominee) or procure the transfer to them (or their nominee) of the Shares so subscribed for or purchased.

9.6 Deductions

There shall be deducted from any payment under this Rule 9 (*Cash alternative*) amounts (on account of tax or similar liabilities) as required by law or as the Board reasonably considers necessary or desirable.

10. LAPSE OF AWARDS

An Award shall lapse:

- (a) in accordance with the Rules; or
- (b) to the extent it does not Vest.

11. LEAVERS

11.1 Good leavers before the Normal Vesting Date

If a Participant ceases to be a director or employee of a Group Member before the Normal Vesting Date due to:

- (a) death,
- (b) for any other reason, if the Committee so decides

then:

- (i) subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), Rule 11.6 (*Death following cessation of employment*) and Rule 12 (*Takeovers and other Corporate Events*), their Award shall Vest on the Normal Vesting Date (if its Vesting is subject to a Performance Condition) or on the the Early Vesting Date (if its Vesting is not subject to a Performance Condition) and Rule 11.4 (*Leavers: reduction in number of Vested Shares*) shall apply; unless
- (ii) the Committee decides in exceptional circumstances that, subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), their Award shall Vest on the Early Vesting Date (if it would otherwise Vest on the Normal Vesting Date) and Rule 11.4 (*Leavers: reduction in number of Vested Shares*) shall apply; and

an Option which Vests under (i) or (ii) above may, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*) and Rule 12 (*Takeovers and other Corporate Events*), be exercised in respect of the Vested Shares within the 12 months commencing on the date of Vesting (or, if shorter, until the expiry of the Exercise Period) and, to the extent that it is not exercised, it shall lapse at the end of that period.

11.2 Good leavers on or after the Normal Vesting Date

If a Participant who holds an Option ceases to be a director or employee of a Group Member on or after the Normal Vesting Date for a reason specified in Rule 11.1 (*Good leavers before the Normal Vesting Date*) then, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), and Rule 12 (*Takeovers and other Corporate Events*), it shall continue to be exercisable for 12 months commencing on the date of cessation (or, if shorter, until the expiry of the Exercise Period) and, to the extent that it is not exercised, it shall lapse at the end of that period.

11.3 Cessation of employment in other circumstances

If a Participant ceases to be a director or employee of a Group Member for any reason other than those specified in Rules 11.1 (*Good leavers before the Normal Vesting Date*), then any Award held by them shall lapse immediately on such cessation.

11.4 Leavers: reduction in number of Vested Shares

Where an Award Vests on or after a Participant ceases to be a director or employee of a Group Member, the Committee shall determine the number of Vested Shares by:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) applying a pro rata reduction to the number of Shares determined under Rule 11.4(a) based on the period commencing after the Grant Date and ending on the date of cessation relative to the period commencing after the Grant Date and ending on the Normal Vesting Date

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 11.4(b) is inappropriate in any particular case when it shall increase the number of Vested Shares (provided the increased number does not exceed that determined under Rule 11.4(a)).

If an Award Vests under any of Rules 12.1 (*General offers*) to 12.3 (*Demergers and similar events*) when the Participant has ceased to be a director or employee of a Group Member, this Rule 11.4 (*Leavers: reduction in number of Vested Shares*) shall take precedence over Rule 12.5 (*Corporate events: reduction in number of Vested Shares*).

11.5 Meaning of ceasing employment

A Participant shall not be treated for the purposes of this Rule 11 (*Leavers*) as ceasing to be a director or employee of a Group Member until they are no longer a director or employee of any Group Member. If a Participant ceases to be such a director or employee before their Award Vests in circumstances where they retain a statutory right to return to work, they shall be treated as not having ceased to be such a director or employee until such time (if at all) as they cease to have such a right to return to work while not acting as an employee or director.

The reason for the termination of office or employment of a Participant shall be determined by reference to Rules 11.1 (*Good leavers before the Normal Vesting Date*) to 11.5 (*Meaning of ceasing employment*) regardless of whether it was lawful or unlawful.

11.6 Death following cessation of employment

If a Participant dies after ceasing employment in circumstances where their Award did not lapse but it has not Vested by the time of their death, it shall Vest immediately to the extent determined by reference to the time of cessation in accordance with Rule 11.1(ii).

An Option that Vests under this Rule may, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), and Rule 12 (*Takeovers and other Corporate Events*), be exercised in respect of the Vested Shares within 12 months commencing on the Vesting Date (or, if shorter, until the expiry of the Exercise Period) and, to the extent that it is not exercised, it shall lapse at the end of that period.

12. TAKEOVERS AND OTHER CORPORATE EVENTS

12.1 General offers

In the event that any person (or group of persons acting in concert):

- (a) obtains Control of the Company as a result of making a general offer to acquire Shares; or
- (b) having obtained Control of the Company makes such an offer which becomes unconditional in all respects

then, subject to Rule 12.4 (*Internal reorganisations*), the following provisions shall apply:

- (i) subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*), all Awards shall Vest on the date of such event if they have not then Vested and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply; and
- (ii) any Option may, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*), be exercised within one month of the date of such event (or, if shorter, until the expiry of the Exercise Period), but to the extent that it is not exercised within that period, it shall lapse at the end of that period (regardless of any other provision of the Plan).

12.2 Schemes of arrangement and winding up

In the event that:

- (a) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or
- (b) the Company passes a resolution for a voluntary winding up of the Company; or
- (c) an order is made for the compulsory winding up of the Company

all Awards shall, subject to Rule 5.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rule 12.4 (*Internal reorganisations*), Vest on the date of such event if they have not then Vested and Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

If an event described in this Rule 12.2 (*Schemes of arrangement and winding up*) occurs, an Option may, subject to Rule 7.1 (*Restrictions on the exercise of an Option: regulatory and tax issues*) and Rule 12.4 (*Internal reorganisations*), be exercised within one month of that event (or, if shorter, until the expiry of the Exercise Period), but to the extent that it is not exercised within that period, it shall lapse at the end of that period (regardless of any other provision of the Plan).

12.3 Demergers and similar events

If a demerger, special dividend or other similar event (the "**Relevant Event**") is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, the Committee may decide that the following provisions shall apply:

- (a) the Committee shall, as soon as reasonably practicable after that decision, notify a Participant that, subject to earlier lapse under Rule 11 (*Leavers*), their Award Vests and, if relevant, their Option may, subject to Rule 7.6 (*Lapse of Options*) and Rule 11 (*Leavers*), be exercised on such terms as the Committee determines and during such period preceding the Relevant Event or on the Relevant Event as the Committee determines and shall lapse at the end of that period (regardless of any other provision of the Plan);
- (b) if an Award Vests, or an Option is exercised, conditional upon the Relevant Event and that event does not occur, the conditional Vesting or exercise shall not be effective and the Award shall continue to subsist; and
- (c) if the Committee decides that an Award Vests under this Rule 12.3 (*Demergers and similar events*) before the Normal Vesting Date, Rule 12.5 (*Corporate events: reduction in number of Vested Shares*) shall apply.

12.4 Internal reorganisations

If:

- (a) a company (the "**Acquiring Company**") is expected to obtain Control of the Company as a result of an offer referred to in Rule 12.1 (*General offers*) or a compromise or arrangement referred to in Rule 12.2(a); and
- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company

then the Committee, with the consent of the Acquiring Company, may decide before the Acquiring Company obtains such Control that an Award shall not Vest under Rule 12.1 (*General offers*) or Rule 12.2 (*Schemes of arrangement and winding up*) but shall automatically be surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces (including as to any Performance Condition) except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule 12.4 (*Internal reorganisations*) as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

12.5 Corporate events: reduction in number of Vested Shares

If an Award Vests under any of Rules 12.1 (*General offers*) to 12.3 (*Demergers and similar events*), the Committee shall determine the number of Vested Shares by the following steps:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) subject to Rule 11.4 (*Leavers: reduction in number of Vested Shares*), applying a pro rata reduction to the number of Shares determined under Rule 12.5(a) based on the period commencing after the Grant Date and ending on the Early Vesting Date relative to the period commencing after the Grant Date and ending on the Normal Vesting Date

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule 12.5(b) is inappropriate in any particular case when it shall increase the number of Vested Shares (provided that increased number does not exceed the number of Shares determined under Rule 12.5(a)).

13. ADJUSTMENT OF AWARDS

13.1 General rule

In the event of:

- (a) any variation of the share capital of the Company; or
- (b) a demerger, special dividend or other similar event which affects the market price of Shares to a material extent,

the Committee may make adjustments as it considers appropriate under Rule 13.2 (*Method of adjustment*).

13.2 Method of adjustment

An adjustment under this Rule 13.2 (*Adjustment of Awards*) shall be to one or more of:

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule 13.3 (*Adjustment below nominal value*), any Option Price; and
- (c) where any Award has Vested or Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

13.3 Adjustment below nominal value

An adjustment under Rule 13.2 (*Method of adjustment*) may reduce the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

- (a) to capitalise from the Company's reserves a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) to apply that sum in paying up such amount on such Shares

so that on exercise of any Option in respect of which such a reduction shall have been made the Board shall capitalise that sum (if any) and apply it in paying up that amount.

14. MALUS AND CLAWBACK

14.1 Applicability of Malus and Clawback

This Appendix shall apply to all Awards unless and until the Company is subject to an event described in Rules 12.1 or 12.2 (*Takeovers and other corporate events*) and Awards are not exchanged for new awards under Rule 12.4 (*Internal reorganisations*).

14.2 Malus between Grant and Vesting

The Committee may decide at any time before the Vesting of an Award held by a Participant (the "relevant individual"), that the number of Shares subject to the Award shall be reduced (including, if appropriate, reducing to zero) if it forms the view that:

- (a) the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award having been granted over a higher number of Shares than would have been the case had that misstatement not been made; or
- (b) the number of Shares over which the Award was granted was based on any other kind of error or on the basis of any information or assumption that the Committee subsequently discovers to have been inaccurate or misleading for any reason and which resulted either directly or indirectly in the Award having been granted over a higher number of Shares than would otherwise have been the case; or
- (c) the relevant individual could have been summarily dismissed by reason of his gross misconduct during the financial year of the Company immediately prior to the Grant Date; or
- (d) any other exceptional adverse circumstances have arisen which justify the operation of this Rule 14.2.

Any reduction of an Award pursuant to this Rule 14.2 shall take effect immediately prior to the Award Vesting unless the Committee decides it shall take effect at such earlier time as it decides.

14.3 Amount to be subject to Malus

Where Rule 14.2(a) and/or Rule 14.2(b) applies, the Committee shall decide on the amount to be subject to Malus which shall be all or part of the additional value which the Committee considers has been granted to the relevant individual as referred to in those clauses and in deciding such amount, the Committee may determine the amount of such additional value on such basis as it decides.

Where Rule 14.2(c) and/or Rule 14.2 (d) applies, the value to be subject to Malus shall be such amount as the Committee decides is appropriate.

14.4 Clawback following Vesting

The Committee may decide at any time within three years of the date on which an Award Vests that the relevant individual shall be subject to Clawback if:

- (a) the Committee forms the view that the Company materially misstated its financial results for whatever reason and that such misstatement resulted either directly or indirectly in that Award Vesting to a greater degree than would have been the case had that misstatement not been made;
- (b) the Committee forms the view that in assessing any Performance Condition and/or any other condition imposed on the Award such assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted either directly or indirectly in that Award Vesting to a greater degree than would otherwise have been the case;

- (c) the relevant individual ceases to be a director or employee of a Group Member as a result of misconduct on the part of that individual or the Committee is of the view that the relevant individual could have been summarily terminated by reason of his gross misconduct during the period commencing at the beginning of the Financial Year prior to the Grant Date and ending on the date of Vesting of the Award; or
- (d) any other exceptional adverse circumstances have arisen which the Committee considers justifies the operation of this Rule 14.4.

14.5 Amount to be subject to Clawback

Where Rule 14.4(a) and/or Rule 14.4(b) applies, the Committee shall decide on the amount to be subject to Clawback which shall be all or part of the additional value which the Committee considers has Vested and/or received by the relevant individual as referred to in those clauses and in deciding on such amount, the Committee may:

- (a) determine the amount of such additional value on such basis as it decides; and
- (b) if the relevant individual is required to repay all or part of such additional value pursuant to Rule 14.6(b) then the Committee may consider whether that amount should take into account any income tax and national insurance contributions paid by the relevant individual and any possibility of him reclaiming such income tax and national insurance contributions.

Where Rule 14.4(c) and/or Rule 14.4(d) applies, the amount to be subject to Clawback shall be such amount as the Committee decides is appropriate.

14.6 Satisfaction of Clawback

The Clawback shall be satisfied as set out in Rule 14.6(a) and/or Rule 14.6 (b).

- (a) The Committee may reduce (including, if appropriate, reducing to zero) any of the following elements of the remuneration of the relevant individual:
 - (i) the amount of any future bonus which would, but for the operation of the Clawback, be payable to the relevant individual under any bonus plan operated by any Group Member; and/or
 - (ii) the extent to which any subsisting Awards held by the relevant individual Vests notwithstanding the extent to which any Performance Condition and/or any other condition imposed on any such Award has been satisfied; and/or
 - (iii) the extent to which any rights to acquire Shares granted to the relevant individual on or after 30 April 2015 under any share incentive plan (other than the Plan, any deferred bonus plan (not approved by the Company's shareholders) and any tax advantaged share plan under schedules 2 to 5 (inclusive) of ITEPA) operated by any Group Member vest or become exercisable notwithstanding the extent to which any conditions imposed on such rights to acquire Shares have been satisfied; and/or
 - (iv) the number of Shares subject to any Vested but unexercised Option; and/or
 - (v) the number of Shares subject to any vested but unexercised right to acquire Shares granted to the relevant individual on or after 30 April 2015 under any share incentive plan (other than the Plan, any deferred bonus plan (not approved

by the Company's shareholders) and any tax advantaged share plan under schedules 2 to 5 (inclusive) of ITEPA) operated by any Group Member.

- (b) The Committee may require the relevant individual to pay to such Group Member as the Committee may direct, and on such terms as the Committee may direct (including, but without limitation to, on terms that the relevant amount is to be deducted from the relevant individual's salary or from any other payment to be made to the relevant individual by any Group Member), such amount as is required for the Clawback to be satisfied in full.

14.7 Timing of effect of Clawback

- (a) Any reduction made pursuant to Rule 14.6(a)(ii) and/or Rule 14.6(a)(iii) above shall take effect immediately prior to the Award Vesting or the right vesting or becoming exercisable (as applicable) unless the Committee decides on a different time for such reduction to take effect.
- (b) Any reduction made pursuant to Rule 14.6(a)(iv) and/or Rule 14.6(a)(v) shall take effect at such time as the Committee decides.

14.8 Reduction in Awards to give effect to Malus or Clawback provisions in other plans

The Committee may decide at any time to reduce the number of Shares subject to an Award (including, if appropriate, reducing to zero) to give effect to a malus or clawback provision of any form contained in any incentive plan (other than the Plan) or any bonus plan operated by any Group Member. The value of the reduction shall be in accordance with the terms of the malus or clawback provision in the relevant plan or, in the absence of any such term, on such basis as the Committee, acting fairly and reasonably, decides is appropriate.

15. ALTERATIONS

15.1 General rule on alterations

Except as described in Rule 15.2 (*Shareholder approval*) and Rule 15.4 (*Alterations to disadvantage of Participants*) the Committee may at any time alter the Plan or the terms of any Award.

15.2 Shareholder approval

Except as described in Rule 15.3 (*Exceptions to shareholder approval*), no alteration to the advantage of an individual to whom an Award has been or may be granted shall be made under Rule 15.1 (*General rule on alterations*) to the provisions concerning:

- (a) eligibility;
- (b) the individual limits on participation;
- (c) the overall limits on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule 15.2 (*Shareholder approval*),

without the prior approval by ordinary resolution of the members of the Company in general meeting.

15.3 Exceptions to shareholder approval

Rule 15.2 (*Shareholder approval*) shall not apply to:

- (a) any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Member; or
- (b) any alteration relating to the Performance Condition made under Rule 15.5 (*Alterations to a Performance Condition*).

15.4 Alterations to disadvantage of Participants

No alteration to the material disadvantage of Participants (other than a change to any Performance Condition) shall be made under Rule 15.1 (*General rule on alterations*) unless:

- (a) the Board has invited every relevant Participant to indicate whether or not they approve the alteration; and
- (b) the alteration is approved by a majority of Participants who have given such an indication.

15.5 Alterations to a Performance Condition

The Committee may alter any Performance Condition without prior shareholder approval if:

- (a) an event has occurred which causes the Committee reasonably to consider that it would be appropriate to alter the Performance Condition;
- (b) in the case of any Award granted to an executive director of the Company, the altered Performance Condition will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the unaltered Performance Condition would have been but for the event in question; and
- (c) the Committee shall act fairly and reasonably in making the alteration.

16. MISCELLANEOUS

16.1 Employment

The rights and obligations of any individual under the terms of their office or employment with any Group Member shall not be affected by their participation in the Plan or any right they may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever insofar as those rights arise or may arise from them ceasing to have rights under an Award as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. The grant of any Award does not imply that any further Award will be granted nor that a Participant has any right to receive any further Award.

16.2 Disputes

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.

16.3 Exercise of powers and discretions

The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

A reference to a matter to be determined or decided by any person or entity by the exercise of its discretion shall be determined or decided in the absolute discretion of such person or entity, unless otherwise specified in the Rules.

16.4 Share rights

All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.

Where Vested Shares are transferred to a Participant (or their nominee) they shall be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer or release of such restrictions.

16.5 Notices

Any notice or other communication under or in connection with the Plan may be given:

- (a) by personal delivery or by internal or ordinary post, in the case of a company to the company secretary at its registered office or to such other address as may from time to time be notified to an individual, and in the case of an individual to their last known address, or, where they are a director or employee of a Group Member, either to their last known address or to the address of the place of business at which they perform the whole or substantially the whole of the duties of their office or employment;
- (b) in an electronic communication to their usual business address or such other address for the time being notified for that purpose to the person giving the notice; or
- (c) by such other method as the Board determines.

Where a notice or document is sent to an eligible employee or Participant by ordinary or internal post, it shall be treated as being received 72 hours after it was put into the post properly addressed and, where relevant, stamped. In all other cases, the notice or document shall be treated as received when it is given. A notice or document sent to the Company shall only be effective once it is received by the Company, unless otherwise agreed by the Company. All notices and documents given or sent to the Company shall be given or sent at the risk of the sender.

16.6 Modifications and severance

If any provision or part-provision of these Rules is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid,

legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Rule 16.6 (*Modifications and severance*) shall not affect the validity and enforceability of the remainder of the Rules.

16.7 Third parties

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

16.8 Benefits not pensionable

Benefits provided under the Plan shall not be pensionable.

16.9 Data Protection

Each Participant consents to the collection, processing and transfer of their personal data for any purpose relating to the operation of the Plan. This includes:

- (a) providing personal data to any Group Member and any third party such as trustees of any employee benefit trust, administrators of the Plan, registrars, brokers and any of their respective agents;
- (b) processing of personal data by any such Group Member or third party;
- (c) transferring personal data to a country outside the European Economic Area (including a country which does not have data protection laws equivalent to those prevailing in the European Economic Area); and
- (d) providing personal data to potential purchasers of the Company, the Participant's employer or the business in which the Participant works.

16.10 Governing law

The Plan and all Awards shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.

SCHEDULE

CASH CONDITIONAL AWARDS

The Rules of the Plan shall apply to a right (a "**Cash Conditional Award**") to receive a cash sum granted or to be granted under this Schedule as if it was a Conditional Award, except as set out in this Schedule. Where there is any conflict between the Rules and this Schedule, the terms of this Schedule shall prevail.

1. The Committee may grant or procure the grant of a Cash Conditional Award.
2. Each Cash Conditional Award shall relate to a given number of notional Shares.
3. On the Vesting of the Cash Conditional Award the holder of that Award shall be entitled to a cash sum which shall be equal to the "**Cash Value**" of the notional Vested Shares, where the Cash Value of a notional Vested Share is the market value of a Share on the Vesting Date. For the purposes of this Schedule, the market value of a Share on any day shall be determined in accordance with Rule 9.3 (*Cash equivalent*).
4. The cash sum payable under paragraph 3 above shall be paid by the employer of the Participant as soon as practicable after the Cash Conditional Award Vests, net of any deductions (on account of tax or similar liabilities) as may be required by law.
5. For the avoidance of doubt, a Cash Conditional Award shall not confer any right on the holder of such an Award to receive Shares or any interest in Shares.

APPENDIX

US PARTICIPANTS

- a. The Rules of the Plan as modified by this Appendix apply to Awards granted to any individual subject to income taxation in the United States at the Grant Date (each such Award, a "US Award") unless the Committee determines otherwise when the Award is granted. If there is any conflict between the Rules and this Appendix, this Appendix prevails.
- b. It is intended that any US Award will be granted on terms that penalties under Section 409A for Participant to which it is granted will not arise. However, the Company does not warrant this or indemnify the Participant for any such liability. By accepting a US Award (and any Shares or cash they receive on its Vesting), the Participant agrees to this provision.
- c. Words and expressions set out in Rule 1.1 (*Interpretation*) apply in this Appendix. In addition, the following words and expressions have the following meanings:
 - "Change of Control" means, with respect to a Compliant Award (as defined below), a change in ownership or effective control of a corporation, or in the ownership of a substantial portion of the assets of the corporation as described in Section 409A(a)(2)(A)(v) of the Code;
 - "Code" means the Internal Revenue Code of 1986 (as amended) and the Department of Treasury Regulations issued thereunder; and
 - "Section 409A" means Section 409A of the Code.
- d. US Awards shall be Conditional Awards (rather than Options).
- e. The Committee may determine that a US Award shall be either a "Compliant Award" or an "Exempt Award". By default, a US Award that is a Performance Award will be a Compliant Award and any other US Award will be an Exempt Award².
- f. The following provisions apply in relation to a Compliant Award:
 - (a) the Compliant Award is expected to constitute an award of nonqualified deferred compensation for the purposes of Section 409A intended to comply with Section 409A, and its terms (including those set out in this Schedule) shall be interpreted in accordance with Section 409A and guidance issued thereunder;
 - (b) notwithstanding any other provision of the Plan, the discretion referred to in Rule 11.1(b)(ii) (*Acceleration of Vesting in certain circumstances on cessation of employment*) or Rule 12.3 (*Demergers and similar events*) may not be exercised to accelerate Vesting (and, for the avoidance of doubt, no other discretion provided for in the Plan or additional terms of a Compliant Award may be exercised to accelerate Vesting);
 - (c) notwithstanding any other provision of the Plan, the Compliant Award shall Vest, if at all, only upon the earliest to occur of
 - (i) the Normal Vesting Date;
 - (ii) where, if the Compliant Award provides for Vesting upon the Early Vesting Date due solely to a cessation of employment as provided for in Rule 11 (*Leavers*), that cessation;

² Drafting note: Performance Awards will normally vest on the Normal Vesting Date following cessation of employment for any good leaver reason, including at Committee discretion so that performance can be measured over the normal performance period (and being s409A compliant by having a "fixed payment date" therefore makes sense). For other Awards, typically Deferred Bonus Awards with no performance conditions, where the preference is to vest immediately in all good leaver cases, it's generally preferable to rely on the "short term deferral exemption" which requires settlement normally by 15 March following the end of the year in which the award ceased to be subject to a "substantial risk of forfeiture".

- a. constitutes a "separation of service" for the purposes of Section 409A (provided that, unless (b)(ii) or (b)(iii) below applies, if the Participant is at that time a "specified employee" as defined in Section 409A, Vesting shall not take place until 6 months and one day after the "separation of service"); or
 - b. is due to the Participant's disability (as provided for in Section 409A(a)(2)(C)); or
 - (ii) the death of the Participant; or
 - (iii) the consummation of a Change of Control³; and
- (d) Notwithstanding the Rules of the Plan:
 - (i) transfer or payment of the relevant number of Shares (including any cash payment representing a Dividend Equivalent as described in Rule 6.4) to a Participant (or his nominee or personal representative, as the case may be) shall be made within 90 days after the Vesting Date unless it is not administratively feasible to do this, in which case it may be done at a later date determined in the discretion of the Committee and falling within the calendar year in which the Section 409A Vesting Date falls (unless later payment or transfer is required to prevent violation of any applicable law in which case transfer or payment shall be made at the earliest date that the Committee reasonably anticipates that the making of such transfer or payment will not cause such violation) ; and
 - (ii) if the period referred to in sub-paragraph (c)(i) spans two calendar years, in no event may a Participant specify or influence the date of transfer or payment.
- g. The following provisions apply to an Exempt Award:
 - (a) it is intended that the "short-term deferral" exception to Section 409A shall be available and, accordingly:
 - (i) the good leaver provisions of Rule [11] (*Leavers*) will be interpreted and applied to constitute a "substantial risk of forfeiture" for the purposes of Section 409A and the regulations thereunder; and
 - (ii) its terms (including those set out in this Schedule) shall be interpreted in accordance with Section 409A of the Code and guidance issued thereunder ;
 - (b) it is intended that the substantial risk of forfeiture shall lapse, if at all, on the earliest of:
 - (i) the Normal Vesting Date (provided for in Rule 5.1, provided that the Participant remains continuously employed by a Group Member until such date);
 - (ii) provided that any Performance Condition constitutes a substantial risk of forfeiture, the expiry of any period over which performance is measured to determine the extent (if any) to which the Exempt Award Vests (where the extent of Vesting does not remain subject to any other condition creating a substantial risk of forfeiture);
 - (iii) the date of cessation of employment where, in accordance with Rule [11.1], that cessation does not cause the Exempt Award to lapse (in which case the date of that cessation shall be the Early Vesting Date);
 - (iv) the date on which an event under Rule 12 (*Takeovers and other corporate events*) occurs, if that event causes the Exempt Award to Vest that date being, for purposes of this Schedule, the "s409A Vesting Date" (and "s409A Vesting" shall be construed accordingly);
 - (c) accordingly, the Exempt Award shall be settled in Shares (or in cash pursuant to Rule 9 (*Cash Alternative*)) no later than the later of:
 - (i) the 15th day of the third calendar month following the calendar year which includes the s409A Vesting Date, and

³ Drafting note: it is possible (though not likely on a typical takeover of the Company) that this provision may mean that Awards subject to this Schedule will vest later than other Awards

- (ii) the 15th day of the third calendar month following the fiscal year of the Participating Company by which the Participant is employed which includes the s409A Vesting Date; and
 - (d) any Dividend Equivalent shall be paid (in cash or in Shares) at the same time that the underlying Award is settled in shares or paid in cash.
- 6. To the extent practicable, any Shares to be used to satisfy a US Award that are delivered from an employee benefit trust established by the Company shall be acquired by the trust immediately before the US Award Vests.