

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

WEDNESDAY



RM 09/05/2018 #41
COMPANIES HOUSE

ARTICLES OF ASSOCIATION

- of -

HERALD INVESTMENT TRUST PLC

- 1 The Regulations in Table A applicable to the Company under any former enactment relating to companies and Table A set out in the Schedule to The Companies (Tables A to F) Regulations 1985 shall not apply to the Company.
- 2 In these Articles the words in the first column of the table next hereinafter contained shall, if not inconsistent with the subject or context, bear the meanings set opposite to them respectively in the second column thereof:

The Act: The Companies Act 2006;

These Articles: These Articles of Association as originally adopted or as from time to time altered.

Clear Days: in relation to a period of notice means that period excluding the day when notice is deemed to be received (or, if earlier, received) and the day of the meeting.

a Conflict Situation: A situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, including without limitation in relation to the exploitation of property, information or opportunity and regardless of whether the Company could take advantage of the property, information or opportunity itself, but excluding a situation which could not reasonably be regarded as likely to give rise to a conflict of interest.

Office: The registered office for the time being of the Company.

Register: The Register of Members of the Company.

Board: The Board of Directors of the Company or the Directors present at a meeting of the Directors at which a quorum is present.

Executive Director: A Director of the Company who holds an executive office (including but not limited to a Managing Director, Joint Managing Director or Assistant Managing Director) or other executive position with the Company or whose terms of service provide, or whose services are supplied, for the performance of executive duties on behalf of the Company.

the London Stock Exchange: London Stock Exchange plc (company number 02075721).

the Regulations: the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755).

Relevant System: a computer based system, and procedures, enabling title to shares to be evidenced and transferred without a written instrument, as defined in the Regulations.

Seal: The Common Seal of the Company.

Securities Seal: An official seal kept by the Company by virtue of Section 50 of the Act.

Statutes: The Act and every other statute for the time being in force concerning companies and affecting the Company.

United Kingdom: United Kingdom of Great Britain and Northern Ireland.

Month: Calendar month.

Any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties;

References to “electronic form” and “hard copy” shall be construed in accordance with the Act;

“In writing” and “written” shall include in hard copy or electronic form, typing, printing, lithography, photography and other modes of representing or reproducing words in a visible form;

References to any notice, consent, approval or other document or information being “signed” or to a “signature” include references to its being executed under hand or under seal or by any other method and, in the case of any such communication in electronic form, include references to its bearing an electronic signature or otherwise bearing the name of the sender;

“Paid up” shall include credited as paid up;

Words importing the singular shall include the plural and vice versa;

Words importing the masculine gender shall include the feminine;

Words importing persons shall include companies and unincorporated associations; and

The expression “Secretary” shall (subject to the provisions of the Statutes) include an Assistant or Deputy Secretary and any person appointed by the Board to perform any of the duties of the Secretary.

same meaning as in the Statutes but excluding any statutory modification thereof not in force when these Articles are adopted.

LIMITED LIABILITY

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

SHARES

- 5 The share capital of the Company as at the date of the adoption of these Articles is divided into Ordinary Shares of 25p each.

- 6 Subject to the provisions of the Statutes, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class (including any redeemable shares) but so that if there shall be in issue any shares convertible into equity share capital of the Company of the class proposed to be purchased, then the Company shall not enter into a contract to purchase such equity shares without the prior sanction of a Special Resolution passed at a separate meeting of the holders of such convertible shares unless the terms of issue of those convertible shares provide for the Company to purchase its own equity shares.

- 7 Subject to the provisions of the Statutes as to authority to allot securities, pre-emption rights and otherwise and of any resolution of the Company relating thereto, the whole of the shares of the Company for the time being unissued shall be under the control of the Board, who may allot, grant options over or otherwise dispose of the same to such persons, at such times and upon such terms and conditions as they may determine.

- 8 In addition to all other powers of paying commissions, the Company may exercise any powers conferred by the Statutes of applying its shares or capital moneys in paying commissions to persons subscribing or procuring subscriptions for shares of the Company or agreeing so to do, whether absolutely or conditionally: Provided that the rate per cent. or the amount of the commission paid or agreed to be paid, shall be disclosed in the manner required by the Statutes and shall not exceed 10 per cent. of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. The Company may also on any issue of shares pay such brokerage as may be lawful.

- 9 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles or by law otherwise provided) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the registered holder.

CERTIFICATES

- 10 Subject to the provisions of the Statutes, the Company shall in the case of shares to be held in certificated form within one Month after the allotment of any of its shares or debentures, and within fourteen days after lodgment with the Company of any duly stamped and valid transfer of any of its shares or debentures,

complete and have ready for delivery the certificates for the shares or the debentures so allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide.

- 11.1 Every certificate for shares or debentures shall (subject to Article 134.2) be issued under the Seal or under the Securities Seal and shall bear the autographic signatures of at least one Director and the Secretary, provided that, if permitted by the Statutes and the rules of the London Stock Exchange, the Board may by resolution determine that such signatures or either of them shall be dispensed with or that the Seal, Securities Seal or such signatures may be made, produced or affixed to a certificate by any mechanical, electronic, laser or other means.
- 11.2 Certificates for shares or debentures registered in an overseas branch register for use in a place in which the Company has an official seal may be issued under such seal, in which event the certificates need not be signed or authenticated.
- 12.1 Subject to the provisions of these Articles, every member (other than a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled without payment to one certificate for all his shares of each class, or, upon payment of such reasonable sum as the Board shall determine for each additional certificate, to several certificates each for one or more of such shares: Provided that in the case of any share registered in the names of two or more persons the Company shall not be bound to issue more than one certificate in respect thereof to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all. Where a member transfers part of the shares to which any certificate relates he shall be entitled to a certificate for the balance thereof without payment. Every certificate shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon.
- 12.2 Nothing in these Articles shall require title to any securities of the Company to be evidenced or transferred by a written instrument, the regulations from time to time made under the Statutes so permitting. The Directors shall have power to implement any procedures as they may think fit and as may accord with the Statutes and any regulations made thereunder for the recording and transferring of title to securities and for the regulation of those proceedings and the persons responsible for or involved in their operation.
- 13 If at any time 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, none of those shares shall thereafter (subject to any resolution of the Board to the contrary) have a distinguishing number so long as it remains fully paid up and ranks *pari passu* for all purposes with all shares of the same class for the time being issued and fully paid up.
- 14 If any certificate shall be worn out, destroyed or lost, it shall be renewed without charge on such evidence being produced as the Board shall require, and in the case of wearing out on delivery up of the old certificate, and in the case of destruction or loss on execution of such indemnity (if any) as the Board shall require together with the amount of any exceptional out of pocket expenses

which the Company has incurred in connection with the matter, and in either case generally upon such terms as the Board may from time to time require.

VARIATION OF RIGHTS

- 15.1 Subject to the provisions of the Statutes, the rights attached to any class of shares for the time being forming part of the capital of the Company may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of a Special Resolution passed at a Separate Meeting of holders of the shares of the class. To every such Separate Meeting all the provisions of these Articles relating to General Meetings of the Company or the proceedings thereat shall *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class, and at an adjourned meeting shall be one person holding shares of the class or his proxy, and that every holder of shares of the class present in person or by proxy shall, on a poll, have one vote in respect of every share of the class held by him and shall be entitled to demand a poll. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.
- 15.2 The rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.
- 15.3 The provisions of these Articles relating to General Meetings of the Company or the proceedings thereat shall *mutatis mutandis* apply to any meeting of the holders of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.

CALLS ON SHARES

- 16 The Board may from time to time make such calls as the Board may think fit upon the members in respect of the amounts unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment made payable at fixed times.
- 17 Any call may be made payable either in one sum or by instalments, and each member upon whom a call is made shall be liable to pay the amount of the call to the person and at the time or times and place appointed by the Board. A call may be revoked in whole or part or the time fixed for its payment may be postponed by the Board. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 18 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

- 19 Joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.
- 20 The Board may make arrangements on the issue of shares for a difference between the allottees or holders of such shares in the amount of calls to be paid and the time of payment of such calls.
- 21 Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date (whether on account of the nominal value of the share or by way of premium) shall for all purposes of these Articles be deemed to be a call duly made and payable on such fixed date, and in case of non-payment all the provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum were a call duly made and notified.
- 22 If any sum in respect of a call is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment, at such reasonable rate as the Board may determine, or failing such determination, at the rate of 10 per cent. per annum, and shall also pay all expenses that may have been incurred by the Company by reason of the non-payment of such sum, but the Board may waive payment of such interest and expenses in whole or in part.
- 23 The Board may, if they think fit, receive from any member willing to advance the same all or any part of the moneys payable in respect of any shares held by him beyond the amount of the calls actually made thereon; and upon the moneys so advanced, or so much thereof as shall from time to time exceed the amount of the calls due upon such shares, the Company may pay interest at such rate not exceeding 10 per cent. per annum as the member and the Board shall agree upon, but no part of such moneys shall be included or taken into account in ascertaining the amount of the dividend payable upon the shares in respect of which such advance has been made.

FORFEITURE

- 24 If any member fails to pay the whole or any part of any call on or before the day appointed for the payment thereof the Board may, at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on him requiring him to pay such call or such part thereof as remains unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.
- 25 The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.
- 26 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends or other moneys payable in respect of the

forfeited shares and not actually paid before the forfeiture. The Board may accept a surrender of any share liable to be forfeited hereunder.

- 27 A forfeited or surrendered share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Board think fit, but so that unless such share shall have been previously disposed of the Board shall cancel the same not later than three years from the date of forfeiture or surrender.
- 28 A person whose shares have been forfeited or surrendered shall cease to be a member in respect of such shares and shall surrender to the Company for cancellation the certificate for the shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender, were payable by him to the Company in respect of the shares with interest from the date of forfeiture or surrender until payment. The rate at which such interest shall be payable shall be the rate at which interest was payable on those moneys before forfeiture or surrender or, if no interest was so payable, at such rate not exceeding 4 per cent per annum above the base rate for the time being of *The Royal Bank of Scotland plc* as the Board shall determine. The Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.
- 29 A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposition thereof and the Board may authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or other disposal of the share.

LIEN

- 30 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether immediately payable or not, called or payable at a fixed time in respect of such share. The company shall in no circumstances have a lien over any fully paid share. The Company's lien (if any) on a share shall extend to all dividends and other moneys payable thereon or in respect thereof. The Board may resolve that any share shall for some specified period be exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of any share shall operate as a waiver of the Company's lien (if any) on such share.
- 31 The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is immediately payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such

sum and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share, or to the person entitled by reason of his death or bankruptcy to the share.

- 32 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of any sum immediately payable in respect whereof the lien exists, and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold and subject to a like right to retain in respect of any moneys not immediately payable as the lien existing on the share prior to the sale) be paid to the person registered as holder of the share at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share so transferred and shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale. A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly sold pursuant to Article 27 on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

TRANSFER OF SHARES

- 33 Shares in the Company shall be transferred by instrument of transfer in any usual or common form, or in such other form as shall be approved by the Board. The instrument of transfer of a share (which need not be under seal) shall be signed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof: Provided that in the case of a partly paid share the instrument of transfer must also be signed by or on behalf of the transferee.
- 34 The Board may, in their discretion, refuse to register any transfer of certificated shares of any class which are not fully paid provided that, where any such shares are admitted to the Official List of the Financial Services Authority or to trading on any recognised investment exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.
- 35 The Directors may, in their discretion, refuse to register any transfer of an uncertificated share where permitted by the Regulations.
- 36.1 The Board may also refuse to recognise any instrument of transfer unless:
- 36.1.1 it is duly stamped, is deposited at the Office or such other place as the Board may appoint, and is accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (save that in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgment of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question);
- 36.1.2 it is in respect of only one class of shares; and

- 36.1.3 it is in favour of not more than four transferees.
- 36.2 If the Board refuse to register a transfer they shall send to the transferee notice of the refusal, together with, in the case of a transfer of certificated shares only, the reasons for the refusal, as soon as practicable and in any event within two months of:
- 36.2.1 in the case of a certificated share, the date on which the transfer was lodged with the Company; or
- 36.2.2 in the case of an uncertificated share, the date on which an instruction in respect of such transfer was duly received by the Company through the relevant system.
- 36.3 All instruments of transfer which are registered may be retained by the Company.
- 37 The Company shall not charge any fee in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice, order of court or other document relating to or affecting the title to any share.
- 38 The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, and either generally or in respect of any class of shares, provided always that such registration shall not be suspended for more than thirty days in any year.
- 39 Nothing in these Articles shall preclude the Board from recognising renunciation of any share by the allottee thereof in favour of some other person.
- 40 The Company shall be entitled to destroy all instruments of transfer of shares and all documents on the faith of which entries have been made in the Register at any time after the expiration of six years from the date of registration thereof, and all dividend mandates and notifications of change of name or address at any time after the expiration of two years from the date of the recording thereof, and all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation, and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company: Provided that:
- 40.1 the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- 40.1.1 *nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than as aforesaid or in any other circumstances in which liability would not attach to the Company in the absence of this Article; and*

- 40.1.2 references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

- 41 In the case of the death of a member the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in any share; but nothing contained in this Article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with any other person.
- 42 Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon such evidence of his title being produced as may from time to time be required by the Board (but subject to the provisions hereinafter contained), elect either to be registered himself as a member in respect of the share or to have some person nominated by him registered as transferee thereof.
- 43 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing a transfer of the share to that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 44 A person entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or (save as aforesaid) to exercise any of the rights and privileges of a member, unless and until he shall have become a member in respect of the share: Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

UNTRACED SHAREHOLDERS

- 45.1 The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:
- 45.1.1 for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the shares at his address on the Register or other address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the

Company from the member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and

- 45.1.2 the Company has on or after the expiration of the said period of twelve years by advertisement in both a national daily newspaper and in a newspaper circulating in the area in which the address referred to in sub-paragraph 44.1.1 of this Article is located given notice of its intention to sell such shares; and
 - 45.1.3 the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
 - 45.1.4 the Company has first given notice in writing to the London Stock Exchange of its intention to sell such shares.
- 45.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may from time to time think fit.
- 45.3 In any case where the registered address of a member, or an address supplied for the purpose of dividend payments pursuant to Article 44 by a person (in this Article called a "transmittee") entitled to a share upon the death or bankruptcy of a member, appears to the Directors to be incorrect or out of date, such member or transmittee shall, if the Directors so resolve, be treated for the purposes of these Articles as if he had no registered address, or, as the case may be, had failed to supply an address for the purpose of dividend payments pursuant to Article 44, provided that the Directors shall not so resolve unless on at least two consecutive occasions dividend warrants sent to such member or transmittee through the post to his registered address or to the address supplied pursuant to Article 44 have been returned undelivered or have been left uncashed or on at least one such occasion reasonable enquiries having been made by the Company have failed to establish any new address of such member or transmittee. A member or transmittee who has in accordance with the provisions of this Article 45.3 been treated as having no registered address or address supplied pursuant to Article 44 shall nevertheless be entitled (subject to the provisions of these Articles) to reclaim the arrears of dividend and instruct the Company to recommence sending dividend warrants to him.

POWER TO ISSUE REDEEMABLE SHARES AND PURCHASE OWN SHARES, TREASURY SHARES

- 46 Subject to the Statutes and to any rights conferred on the holders of any existing shares or of any class of shares, any shares may be issued on terms that they are to be redeemed, or may be redeemed at the option of the Company or the member, on such terms and conditions and in such manner as the Directors may from time to time determine.
- 47 The Company may not purchase any shares forming part of its equity share capital if, at the time of such purchase, there are outstanding any listed securities of the Company convertible into, or carrying the right to subscribe for, shares of the same class as those proposed to be purchased unless:
- 47.1 such purchase has been sanctioned by a special resolution passed at a separate class meeting of the holders of the convertible securities; or
- 47.2 there are provisions in the relevant trust deed, terms of issue or other instrument creating the convertible security concerned which permit the Company to purchase its own equity shares (whether with or without any adjustment to the conversion terms consequent upon such purchase), and the proposed purchase is in accordance with those provisions.
- 48 *Notwithstanding anything contained in these Articles, but subject to any rights specifically conferred on the holders of any class of shares from time to time, the rights attached to any class of shares shall be deemed not to be varied or abrogated by anything done by the Company pursuant to this Article.*
- 49 The Company may not exercise any right in respect of treasury shares held by it, including any right to attend or vote at meetings, to demand a poll, to participate in any offer by the Company to shareholders or to receive any distribution (including in a winding-up), but without prejudice to its right to sell the treasury shares, to transfer the shares for the purposes of or pursuant to an employees' share scheme, to receive an allotment of shares as fully paid bonus shares in respect of the treasury shares or to receive any amount payable on redemption of any redeemable treasury shares.

GENERAL MEETINGS

- 50 Except as provided by the Statutes the Company shall in each year hold a General Meeting as its Annual General Meeting in accordance with section 336 of the Act. The Annual General Meeting shall be held at such time and place as the Board shall appoint.
- 51 The Board may, whenever they think fit, call a General Meeting and shall do so upon a requisition made in accordance with section 303 of the Act.
- 52 In the case of the Annual General Meeting, twenty-one Clear Days' notice at the least, and in any other case (provided the Company has met the conditions set out in the Statutes for holding general meetings on at least fourteen clear days' notice) fourteen Clear Days' notice at the least, shall be given to all the members (other than those who under the provisions of these Articles or the terms of issue of the shares held by them are not entitled to receive notices of General Meetings

of the Company) and to the Auditors for the time being of the Company. The notice shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business, and such notice shall be given in manner hereinafter mentioned. Every notice of an Annual General Meeting shall specify the meeting as such and every notice of a meeting convened for passing a Special Resolution shall state the intention to propose such Resolution.

- 53 A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is so agreed by such number of members entitled or having a right to attend and vote thereat as is prescribed by the Statutes.
- 54 In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and to speak and vote instead of him, and that a proxy need not also be a member.
- 55 Subject to the provisions of the Statutes, it shall be the duty of the Company, on the requisition in writing of such number of members as is specified in the Statutes and (unless the Company otherwise resolves) at the expense of the requisitionists:
- 55.1 to give to members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- 55.2 to circulate to members entitled to have notice of any General Meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.
- Notice of any such resolution shall be given, and any such statement shall be circulated, to members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such member in any manner permitted for service of notice of meeting.
- 56 The accidental omission to give notice of any meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate any resolution passed or proceedings at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 57 All business shall be deemed special that is transacted at a General Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of the receipt and consideration of the profit and loss account, the balance sheet and group accounts (if any) of the Company and the reports of the Board and Auditors and other documents required to be annexed to the balance sheet, the declaration of dividends, the election of Directors in the place of those retiring, the re-appointment of the retiring Auditors and the fixing of the remuneration of the Auditors or the determining of the method by which the remuneration of the Auditors is to be fixed.

- 58 When by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Statutes may allow) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Statutes.
- 59.1 In the case of a resolution duly proposed as a Special Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. In the case of a resolution duly proposed as an Ordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon unless approved by the Board or notice of the amendment has been left at the Office not less than forty-eight hours before the time appointed for the holding of the meeting at which the Ordinary Resolution is to be considered.
- 59.2 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 60 Save as in these Articles otherwise provided, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of or proxy for a corporate member, shall be a quorum. No business shall be transacted at any General Meeting unless a quorum is present.
- 61 If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. If otherwise convened it shall stand adjourned to such day and to such time and place (being not less than ten Clear Days, nor more than 30 Clear Days, afterwards) as the Board may determine. In default of such determination, it shall be adjourned to the same day two weeks afterwards or, if that day is not a business day, the next following business day at the same time and place. If, at such adjourned meeting, a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting shall be dissolved. No business shall be transacted at such adjourned meeting other than business the general nature of which was stated in the notice of the meeting from which the adjournment took place.
- 62 The Chairman of the Board (if any), or in his absence the Deputy Chairman of the Board (if any), shall preside as Chairman at every General Meeting, but if there is no such Chairman or Deputy Chairman, or if neither of them is present within ten minutes after the time appointed for holding the meeting or if neither of them shall be willing to act as Chairman, the Directors present shall choose one of their number to act as Chairman of the meeting, and if there be no Director chosen who shall be willing to act, the members present and entitled to vote shall choose one of their own number to act as Chairman at the meeting.
- 63 The Chairman may, with the consent of the meeting, and if directed by the meeting shall, adjourn the meeting from time to time or sine die and from place to place. Where, in the opinion of the Chairman, it is not practicable to conduct the business for which the meeting was called and it is not practicable to ascertain the views of the meeting on the question of an adjournment, the

Chairman may adjourn the meeting to such place and to such time as the Chairman may reasonably determine. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for thirty days or more or sine die, seven days' notice at the least of the adjourned meeting shall be given in like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

- 64 If, after the giving of notice of a General Meeting but before the meeting is held, or after the adjournment of a General Meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board decide that it is impracticable or undesirable for any reason to hold the meeting at the declared place and/or at the declared date or time, they may change the place and/or postpone the date and time at which the meeting is to be held. If such a decision is made, the Board may then change the place and/or postpone the date and time of the postponed meeting again if they decide that it is reasonable to do so. In either case:
- 64.1 no business shall be transacted at any postponed meeting other than the business which might lawfully have been transacted at the meeting which was postponed;
- 64.2 *at least 14 Clear Days' notice (or, in the case of a postponed annual general meeting, at least 21 Clear Days' notice) of the postponed meeting shall be given in accordance with Article 52. It shall not, however, be necessary to give notice of the nature of the business to be transacted at the postponed meeting;*
- 64.3 the Directors shall, so far as practicable, make arrangements for notices of the change of place and/or postponement to appear at the original place and at the original time and date; and
- 64.4 notwithstanding Article 78 but subject to Article 79, an appointment of a proxy may be delivered at any time not less than 48 hours before any new time appointed for holding the postponed meeting.
- 65 Every question submitted to a General Meeting shall be determined in the first instance by a show of hands of the members present in person, but, subject to the provisions of the Statutes, a poll may be demanded (before or upon the declaration of the result of the show of hands) by the Chairman or by:
- 65.1 not less than two members having the right to vote at the meeting; or
- 65.2 a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- 65.3 a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is duly demanded in accordance with the foregoing provisions a declaration by the Chairman that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the

minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number, proportion or validity of the votes recorded in favour of or against such resolution.

- 66 If:
- 66.1 any objection is raised to the qualification of any voter; or
- 66.2 any votes are counted which ought not to have been counted or which might have been rejected; or
- 66.3 any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same may have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.
- 67 If a poll is duly demanded it shall be taken in such manner as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may appoint scrutineers for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 68 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken at once. A poll demanded on any other question shall be taken either at once or at such time and place as the Chairman directs, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.
- 69 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 70 The demand for a poll may be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. 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 given. 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.

VOTING

- 71 Subject to any rights or restrictions as to voting attached to any shares by or in accordance with these Articles on a show of hands every member (being an individual) present in person or (being a corporate member) present by a representative and every proxy duly appointed by a member entitled to vote on the resolution shall have one vote and on a poll, every member (being an

individual) present in person or by proxy or (being a corporate member) by representative or by proxy shall have one vote for every share held by him.

72 Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company, and the person or persons so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

73 Where there are joint holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto: Provided that if more than one of such joint holders be present at any meeting, personally or by proxy, that one of the said persons so present in person or by proxy whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.

74 A member in respect of whom an order has been made by any competent court (whether in the United Kingdom or elsewhere) by reason of mental disorder may vote, whether on a show of hands or on a poll, by his receiver, or other person authorised in that behalf by that court, who may, on a poll, vote by proxy: Provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office (or at such other place within the United Kingdom as is specified for the deposit of instruments of proxy in accordance with these Articles) within such time period as is required by Article 79 for appointment of a proxy.

75.1 No member shall, unless the Board otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

75.2 If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 793 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, then the Board may in their absolute discretion at any time thereafter serve a notice (a "direction notice") upon such member as follows:

75.2.1 a direction notice may direct that, in respect of (a) the shares comprising the shareholding account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares") and (b) any other shares held by the member, the member shall not be entitled to attend or vote at a General Meeting or meeting of the holders of any class of shares of the Company either personally or by proxy; and

75.2.2 where the default shares represent at least 0.25 per cent of the class of shares concerned, then the direction notice may additionally direct that:

- 75.2.2.1 in respect of the default shares, any dividend or part thereof or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member and, in the circumstances where an offer of the right to elect to receive shares instead of cash in respect of any dividend is or has been made, any election made thereunder by such member in respect of such default shares shall not be effective;
- 75.2.2.2 no transfer other than an approved transfer of any of the shares held by such member shall be registered unless:
- (i) the member is not himself in default as regards supplying the information requested; and
 - (ii) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

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

75.3 *If shares are issued to a member as a result of that member holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that member as such default shares. For this purpose, shares which a company procures to be offered to members pro rata (or pro rata ignoring fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with offering shares outside the United Kingdom) shall be treated as shares issued as a result of a member holding other shares in the Company.*

75.4 Any direction notice shall have effect in accordance with its terms for as long as and in respect of its terms as the Board shall determine but shall cease to have effect in relation to any shares if (i) the default, in respect of which the direction notice was issued, is at an end or (ii) the shares to which the direction notice relates are transferred by such member by means of an approved transfer. As soon as practicable after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Board shall procure that the restrictions imposed by paragraphs 75.2 and 75.3 above shall be removed and that dividends and other moneys withheld pursuant to paragraph 75.2.2.1 above are paid to the relevant member.

75.5 For the purpose of this Article:

- 75.5.1 a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 793 which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant Section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- 75.5.2 the prescribed period in respect of any particular member is 14 days from the date of service of the said notice under Section 793;
- 75.5.3 a transfer of shares is an approved transfer if but only if:
- 75.5.3.1 it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer for a company (as defined in Section 974 of the Act); or
 - 75.5.3.2 the Board are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in such shares; or
 - 75.5.3.3 the transfer results from a sale made through a recognised investment exchange (as defined in section 285(1) of the Financial Services and Markets Act 2000) or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.
- For the purposes of this sub-paragraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.
- 75.6 Nothing contained in this Article shall limit the power of the Board under Section 794 of the Act.
- 76 On a poll votes may be given either personally or by proxy, and 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.
- 77 A member may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
- 78 Every instrument appointing a proxy shall be in writing executed under the hand of the appointor or of his agent duly authorised in writing or if such appointor is a corporation, either under its common seal or under the hand of some officer of the corporation duly authorised in that behalf. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary is shown, that such officer was duly authorised to sign such instrument on behalf of the corporation without further evidence of the fact.
- 79 The appointment of a proxy, shall:

- 79.1 in the case of an instrument in hard copy, be delivered to the office (or such other address or location in the United Kingdom as may be specified for that purpose in or by way of note to the notice convening the meeting) not less than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument is authorised to vote; or
- 79.2 in the case of an appointment in electronic form, be communicated so as to be delivered to an address or location (including any number) specified in the notice convening the meeting (or in any instrument of proxy sent out, or invitation in electronic form to appoint a proxy issued by or on behalf of the Company in relation to the meeting) not less than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. In the case of any Uncertificated Proxy Instruction permitted pursuant to Article 82, the appointment shall include an identification number of a participant in the relevant system concerned;
- 79.3 in the case of a poll taken more than 48 hours after it was demanded, be delivered in accordance with Articles 79.1 or 79.2 (as the case may be) not less than 24 hours before the time appointed for the taking of the poll; or
- 79.4 in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman, the Secretary, any Director or the scrutineer.
- 80 The Board may, in its sole discretion, determine from time to time that in calculating the periods referred to in Article 79 (and Article 64.4) no account shall be taken of any part of a day that is not a working day.
- 81 If the appointment of a proxy is executed under a power of attorney or other authority, such power of attorney or other authority (or a notarially certified copy of it) shall also be delivered to such address or location (including any number) and within such time period as is required by Article 79.1 for the appointment of the proxy. Such power of attorney or other authority (or copy of it) shall either accompany the appointment of proxy to which it relates or clearly indicate the appointment of proxy to which it relates.
- 82 Without limitation to any of the provisions of these Articles, in relation to any shares which are held in uncertificated form, the Directors may from time to time permit appointments of a proxy to be made by electronic means in the form of an Uncertificated Proxy Instruction and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The Directors may in addition prescribe the method of determining the time at which any such Uncertificated Proxy Instruction is to be treated as received by the Company or such participant. The Directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.
- 83 An appointment of a proxy which is not delivered in a manner permitted by Articles 79.1 to 79.4 shall be treated as invalid. An appointment of proxy in electronic form found by the Company to contain a computer virus shall not be accepted by the Company and shall be invalid.

- 84 The appointment of a proxy relating to a meeting, having once been delivered in a manner permitted by Articles 79.1 to 79.4, shall be valid in respect of any adjournment of that meeting.
- 85 The appointment of a proxy relating to more than one meeting (including any adjournment), having once been delivered in a manner permitted by Articles 79.1 to 79.4 for the purposes of any meeting, shall not be required to be delivered again for the purposes of any subsequent meeting to which it relates.
- 86 In the event that more than one appointment of a proxy relating to the same share is delivered in a manner permitted by Articles 79.1 to 79.4 for the purposes of the same meeting, the appointment last delivered or received (whether in electronic form or not) shall prevail in conferring authority on the person named in it to attend the meeting and vote.
- 87 The delivery of an appointment of a proxy shall not preclude a Member from attending and voting at the meeting or at any adjourned meeting.
- 88 No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.
- 89.1 Instruments of proxy shall be in any common form or in such other form as the Board may approve. The instrument of proxy, which need not be witnessed, shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 89.2 When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was last delivered none of them shall be treated as valid in respect of that share.
- 90.1 The Board shall at the expense of the Company send with all notices convening Annual General Meetings, General Meetings or Separate Meetings of the holders of any class of shares to the members entitled to vote thereat instruments of proxy (with or without prepaid postage) with provision for two-way voting on all resolutions intended to be proposed, other than resolutions which are merely procedural.
- 90.2 Such instruments of proxy shall be issued to all the members entitled to be sent a *notice of the meeting and to vote thereat by proxy, and not to some only of such members.*
- 90.3 The accidental omission to send out an instrument of proxy, whenever necessary, to any member or the non-receipt of such instrument by any member, shall not

invalidate any resolution passed or proceedings at the meeting to which the instrument of proxy relates.

- 91 A vote given or poll demanded by proxy or by the duly authorised representative of a corporate member shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll provided that no notice in writing of such determination shall have been received by the Company at the Office (or at such other place within the United Kingdom as is specified for the deposit of instruments of proxy in accordance with these Articles) before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

DIRECTORS

- 92 Unless and until otherwise determined by the Company by Ordinary Resolution the number of Directors (other than alternate Directors) shall not be less than two nor more than nine.

- 93 A Director shall not be required to hold any shares of the Company by way of qualification. A Director shall, notwithstanding that he may not be a member of the Company, be entitled to attend and speak at General Meetings or Separate Meetings of the holders of any class of shares.

- 94 Any Director may at any time appoint any other Director or any other person approved by the Board to be his alternate, and may at any time remove any such alternate and (subject to such approval as aforesaid) appoint another in his place. An alternate shall not be entitled to receive any remuneration from the Company, nor to appoint an alternate, nor shall it be necessary for him to acquire or hold any share qualification but he shall be entitled (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) to receive notice of meetings of the Board and to attend and vote as a Director at any meeting at which his appointor is not present, and generally at such meeting to exercise all the powers, rights, duties and authorities of his appointor. A Director who is also an alternate shall be entitled, in addition to his own vote, to a separate vote on behalf of his appointor. An alternate may be removed from office by a resolution of the Board, and shall ipso facto cease to be an alternate if his appointor ceases for any reason to be a Director: Provided that if any Director retires at a General Meeting but is re-elected by the meeting or is, pursuant to the provisions of these Articles, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after such re-election as if he had not so retired. Every person acting as an alternate shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for his appointor. All appointments and removals made in pursuance of this Article shall be in writing under the hand of the appointor or in any other manner approved by the Board and shall be sent to or left at the Office.

- 95 Each of the Directors shall be paid a fee for his services at such a rate (if any) as the Board shall determine provided that the aggregate amount of all such fees (excluding amounts payable for executive or extra or special services) shall not

exceed £200,000 per annum or such higher amount as may from time to time be determined by Ordinary Resolution of the Company. Such remuneration shall be deemed to accrue from day to day.

- 96 The Directors shall be entitled to be paid all expenses properly incurred by them in attending General Meetings or Separate Meetings of the holders of any class of shares or meetings of the Board or Committees of the Board or otherwise in or with a view to the performance of their duties.
- 97 If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any Committee of the Board, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive.
- 98 Without prejudice to the provisions for retirement by rotation hereinafter contained, the office of a Director shall be vacated in any of the events following, namely:
- 98.1 if (not being an Executive Director holding office for a fixed term) he resigns his office by notice in writing delivered to the Office or submitted to a meeting of the Board or (being an Executive Director holding office for a fixed term) his resignation in writing is accepted by the Board;
- 98.2 if he is, or may be, suffering from mental disorder and either:
- 98.2.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
- 98.2.2 an order is made by a court of competent jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs;
- 98.3 if, without leave, he is absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for six consecutive months, and the Board resolve that his office is vacated;
- 98.4 if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 98.5 if he is removed from office pursuant to these Articles or is prohibited by law from being a Director.
- 99.1 If a Conflict Situation arises, the Directors may authorise it for the purposes of section 175 of the Act by a resolution of the Directors made in accordance with these Articles.

- 99.2 Any authorisation made for the purposes of this Article 99 shall be effective only if:
- 99.2.1 any requirement as to the quorum at a meeting at which the Conflict Situation is authorised is met without counting the Director or all Directors to whom the Conflict Situation relates; and
- 99.2.2 the Conflict Situation was authorised without such Director or Directors voting or would have been authorised if his or their votes had not been counted.
- 99.3 At the time of the authorisation, or at any time afterwards, the Directors may impose any limitations or conditions or grant the authority subject to such terms which (in any case) they consider appropriate and reasonable in all the circumstances, including without limitation that:
- 99.3.1 any information obtained by the Director, other than in his capacity as a Director or employee of the Company, which is confidential in relation to a third party, need not be disclosed or used for the benefit of the Company where such disclosure or use would constitute a breach of confidence;
- 99.3.2 the Director shall not, by reason of his being a Director or his doing anything as a Director, be accountable to the Company for any remuneration or other benefit received from a third party as a result of the Conflict Situation; and
- 99.3.3 the Director shall not be required or entitled to attend those parts of meetings of the Directors or meetings of a committee of the Directors at which matters to which the Conflict Situation relates are discussed; and
- 99.3.4 the Director shall not be entitled to receive any papers or other documents in relation to, or concerning, matters to which the Conflict Situation relates.
- Subject to any such limitations, conditions or terms, any authorisation given by the Directors shall be deemed to be given to the fullest extent permitted by the Statutes.
- 99.4 A Director shall not be in breach of the duties he owes to the Company by virtue of sections 171 to 177 of the Act or otherwise because of anything done or omitted to be done in accordance with the provisions of these Articles or the terms of any authorisation given by the Directors in accordance with these Articles.
- 99.5 Any authorisation made for the purposes of this Article may be revoked or varied at any time in the absolute discretion of the Directors.
- 100 Any Director may become or continue to be a director, managing director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such other company, and the Board may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner and in all respects as they think fit. A Director shall not require any separate authorisation by the

Directors for matters falling within this Article 100, although the Directors may at any time impose any limitations, conditions or terms in relation to such matters which (in each case) they consider appropriate and reasonable in all the circumstances.

- 101.1 A Director who is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (each being in paragraphs 101.1, 101.2 and 101.3 of this Article referred to as a “transaction”) shall declare the nature of his interest at a meeting of the Board in accordance with the Statutes. For the purposes of this Article:
 - 101.1.1 a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
 - 101.1.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 101.2 A Director shall not, as a Director, vote in respect of any transaction in which he has an interest which (together with any interest of any person connected with him within the meaning of Section 252 of the Act) is to his knowledge a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but (in the absence of some other material interest than is mentioned below) *none of these prohibitions shall apply to:*
 - 101.2.1 the giving of any security, guarantee or indemnity in respect of:
 - 101.2.1.1 money lent or obligations incurred by him or by any other person for the benefit of the Company or any of its subsidiaries; or
 - 101.2.1.2 a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; or
 - 101.2.2 where the Company or any of its subsidiaries 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 or may participate; or
 - 101.2.3 any transaction affecting any other corporation in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 252 of the Act) is not beneficially interested in one per cent. or more of the issued shares of any class of such corporation (or of any third corporation through which his interest is derived) or of the voting rights available to members of the relevant corporation (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances); or

- 101.2.4 any act or thing done or to be done in respect of any pension, superannuation or similar scheme or death or disability benefits scheme or employees' share scheme which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes or under which he benefits or may benefit in a similar manner to the employees and is not accorded as a Director any privilege or advantage not generally accorded to the employees to whom such scheme relates; or
- 101.2.5 any matter connected with the purchase or maintenance of insurance for the benefit of the Directors or for the benefit of persons including Directors.
- 101.3 A Director may, as a Director, vote (and be counted in the quorum) in respect of any transaction in which he has an interest which is not a material interest or which falls within sub-paragraph 101.1.2 of this Article.
- 101.4 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately, and in such case each of the Directors concerned if he has no material interest (as defined above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 101.5 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned as known to such Director have not been fairly disclosed.
- 101.6 Subject to the provisions of the Statutes, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 101.7 Any Director may himself or by his firm act in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director: Provided that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.

- 101.8 A Director shall not require any separate authorisation by the Directors for matters falling within Article 101.6 or Article 101.7, although the Directors may at any time impose any limitations, conditions or terms in relation to such matters which (in each case) they consider appropriate and reasonable in all the circumstances.

POWERS OF THE BOARD

- 102 The business of the Company shall be managed by the Board, who may exercise all such powers of the Company and do on behalf of the Company all such acts as are within the scope of the Memorandum and Articles of Association of the Company and as are not, by the Statutes or by these Articles, required to be exercised or done by the Company in General Meeting, subject, nevertheless, to the provisions of the Statutes and to these Articles and to such directions (whether or not consistent with these Articles) as may be prescribed by the Company by Special Resolution, but so that no such direction and no alteration to these Articles shall invalidate any prior act of the Board which would have been valid if that direction or alteration had not been given or made.
- 103 The Board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who has held any salaried office or place of profit with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or any such subsidiary or to any member of his family (including a spouse and a former spouse) or to any person who is or was dependent on him and may (as well before as after he ceases to hold such office or place of profit) make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance and may make payments for or towards the provision by means of insurance or otherwise of benefits for any such person.

LOCAL MANAGEMENT

- 104.1 The Board may establish any committee, local board or agency for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person to be a member of any such committee or local board or any manager or agent, and may fix their remuneration, and may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any such committee or local board, or any of them, to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 104.2 The Board may by power of attorney or otherwise appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (including power to sub-delegate) and for such period and subject to such conditions as the Board may from time to time

think fit, and any such appointment may (if the Board think fit) be made in favour of any of the Directors or of the members or any one or more of the members of any such committee or local board established as aforesaid, or in favour of any company, or of the members, directors, nominees, or managers of any company or firm, or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Board think fit.

- 105 The Company or the Board on behalf of the Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and with regard to the keeping of an overseas branch register in any place.

BORROWING

- 106.1 The Board on behalf of the Company may exercise all the powers of the Company to borrow money or to guarantee and to mortgage or charge its undertaking property and uncalled capital and (subject to the provisions of the Statutes regarding authority to allot debentures convertible into shares) to create and issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 106.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (which expression in this Article means the Company and its subsidiaries for the time being) and owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed a sum equal to 50 per cent. of the aggregate of the amount paid up on the issued share capital for the time being of the Company and the amounts standing to the credit of the reserves of the Group (including any share premium account, capital redemption reserve, capital reserve and the amount standing to the credit of the profit and loss account but after deducting any deficit on the profit and loss account) all as shown by the latest audited consolidated Balance Sheet of the Group but adjusted as may be necessary in respect of any variation in the paid up share capital of the Company and the reserves of the Group (including any share premium account, capital redemption reserve, capital reserve and profit and loss account) since the date of such Balance Sheet and further adjusted as the Auditors shall consider appropriate: Provided that (i) no such sanction shall be required for the borrowing of any sum of money applied or intended to be applied within six months of the date of borrowing in the repayment (with or without premium) of any moneys then already borrowed and remaining undischarged notwithstanding that the same may result in the said limit being exceeded; (ii) for the purposes of the said limit the issue of debentures or unsecured loan stock or loan capital shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash; and (iii) prior to the presentation of an audited consolidated Balance Sheet of the Group to the first annual general meeting of the Company such borrowing shall be limited to £5 million.

106.3 No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions of this Article be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or recipient of the security had at the time when the debt was incurred or security given express notice that such limit had been or would thereby be exceeded.

107 The Board shall cause a proper register to be kept in accordance with the provisions of the Statutes of all charges specifically affecting property of the Company and of all floating charges on the undertaking or any property of the Company and shall duly comply with the requirements of the Statutes in regard to the registration of charges therein specified.

RETIREMENT AND APPOINTMENT OF DIRECTORS

108 Any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as Director on account of his having reached any specified age, or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the Company.

109

109.1 Each Director shall retire from office at the third annual general meeting after the annual general meeting at which he was last elected until the ninth anniversary of his appointment and annually thereafter.

109.1 At the Annual General Meeting of the Company in every year there shall retire from office such additional Director or Directors as the Board may require to retire in order to ensure (so far as practicable) that each Director offers himself for re-election no less often than once every three years.

110 A Director retiring in accordance with Article 109 shall be eligible for re-election in accordance with these Articles.

111 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto. If at any such meeting the place of a retiring Director is not filled, the retiring Director shall, if willing to act, be deemed to have been re-elected, unless at such meeting it is resolved not to fill such vacated office, or unless a motion for the re-election of such Director shall have been put to the meeting and lost.

112 No person, not being a Director retiring at the meeting or a person recommended by the Board, shall be eligible for election as a Director at any General Meeting unless not less than seven nor more than forty-two days before the day appointed for the meeting there has been delivered to the Office notice in writing signed by a member (not being the person to be proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected.

113 Without prejudice to the next following Article, the Company may from time to time by Ordinary Resolution appoint any person to be a Director, either to fill a

casual vacancy or as an addition to the Board and may also determine in what rotation such Director is to retire from office.

- 114 The Board shall have power at any time, and from time to time, to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Subject to the provisions of these Articles, any Director so appointed shall retire at the next Annual General Meeting but shall then be eligible for election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
- 115 The Company may by Special Resolution, or by Ordinary Resolution of which special notice has been given in accordance with the Statutes, remove any Director before the expiration of his period of office as Director (including an Executive Director but without prejudice to any claim he may have for damages for breach of any contract between him and the Company) and may by Ordinary Resolution appoint another person to be a Director in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.
- 116 Except so far as the Statutes otherwise allow, at a General Meeting the appointment of Directors shall be voted on individually.
- 117 The Company shall keep at the Office a register containing such particulars with respect to the Directors and Secretary of the Company as are required by, and shall from time to time notify the Registrar of any change in such register and of the date of such change in manner prescribed by, the Statutes.

EXECUTIVE DIRECTORS

- 118.1 The Board may from time to time appoint one or more of their number to be the holder of any executive office (including that of executive Chairman or Deputy Chairman) on such terms and for such period as they think fit and, subject to the terms of any contract between him and the Company, may at any time revoke any such appointment, but so that no service contract or contract for services shall be granted by the Company or any subsidiary of the Company to any Director or proposed Director otherwise than in accordance with the Statutes.
- 118.2 The appointment of any Director as Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract between him and the Company.
- 119 The remuneration of an Executive Director shall be fixed by the Board, and may be by way of salary or commission or participation in the profits or by any or all of those modes or otherwise.
- 120 The Board may entrust to and confer upon any Executive Director any of the powers, authorities and discretions exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either

collaterally with or to the exclusion of their own powers, and may from time to time revoke or vary all or any of such powers.

PROCEEDINGS OF THE BOARD

- 121 The Board may meet together for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall be a quorum. A person who holds office only as an alternate shall if his appointor is not present be counted in the quorum. Questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. Members of the Board or of any Committee thereof may participate in a meeting of the Board or of such Committee by means of conference telephone or similar communications equipment by means of which all persons participating in a meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is then present.
- 122 The continuing Directors may act notwithstanding any vacancy in their number: Provided that if the Directors shall at any time be reduced in number to less than the number fixed as the quorum, it shall be lawful for the continuing Director or Directors to act for the purpose of filling vacancies or calling a General Meeting, but not for any other purpose.
- 123 A Director may, and on the request of a Director the Secretary shall, at any time call a meeting of the Board. Notice of a meeting of Directors shall be deemed to be duly given to a Director if it is given to him personally (including by telephone) or by word of mouth or in writing to his last known address or to any other address given by him to the Company for that purpose. A Director may waive notice of any meeting and any such waiver may be retroactive.
- 124 The Board may from time to time elect a Chairman and Deputy Chairman of the Board and determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Board, but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as Chairman of the meeting.
- 125 A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Directors generally.
- 126 The Board may delegate all or any of their powers and discretions to Committees consisting of such person or persons (whether of their number or not) as they think fit Provided always that non-Directors constitute less than one-half of the total number from time to time of any such Committee. Insofar as any such power or discretion is so delegated any reference in these Articles to the exercise by the Board of such power or discretion shall be read and construed as if it were a reference to any such Committee. All Committees so formed shall, in the

exercise of the powers so delegated, conform to any regulations that may be imposed upon them by the Board. No resolution of any Committee shall be effective unless a majority of the members of the Committee present are Directors but otherwise the meetings and proceedings of any such Committee consisting of two or more persons shall be governed by the provisions in these Articles contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under this Article.

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

128 A resolution signed by all the Directors or members of a Committee for the time being entitled to receive notice of a meeting of the Board or of that Committee shall be as valid and effectual as a resolution passed at a meeting of the Board or (as the case may be) of that Committee duly convened and held, and may consist of several documents in like form each signed by one or more Directors or (as the case may be) one or more members of that Committee. A resolution signed by an alternate need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate, it need not be signed by the alternate in that capacity.

129 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any Committee of the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom 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 thereof shall be deemed to be the person appointed by the Board as aforesaid.

130 A document purporting to be a copy of a resolution or an extract from the minutes of a meeting of the Board or of a Committee of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board or of the Committee.

MINUTES AND RECORDS

131 The Board shall cause minutes to be entered in books kept for the purpose of:

131.1 all appointments of officers made by the Board; and

- 131.2 all resolutions and proceedings at all meetings of the Company, and of the holders of any class of shares in the Company, and of the Board, and of Committees of the Board, including the names of the Directors present at meetings of the Board and of Committees of the Board.
- Any such minute if purporting to be signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting shall be evidence of the proceedings.
- 132 The Company shall keep and make available for inspection as required by the Statutes:
- 132.1 a register of the Directors and Secretary;
- 132.2 copies and memoranda of Directors' service contracts with the Company and any of its subsidiaries;
- 132.3 a register of Directors' interests in shares or debentures of the Company or any other body corporate, being the Company's subsidiary or holding company or a subsidiary of the Company's holding company (which register shall be produced and remain open at each Annual General Meeting); and
- 132.4 a register for recording information relating to interests in the share capital of the Company.

THE SECRETARY

- 133.1 Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board on such terms and for such period as they think fit. Any Secretary so appointed may at any time be removed from office by the Board but without prejudice to any claim for damages for breach of any contract between him and the Company.
- 133.2 Anything required or authorised by the Statutes to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any Assistant or Deputy Secretary or, if there is no Assistant or Deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board: Provided that any provision of these Articles or the Statutes 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.

THE SEAL

- 134.1 The Board shall provide for the safe custody of the Seal and any Securities Seal which shall only be used by the general or special authority of the Board or of a Committee of the Board authorised by the Board in that behalf. Subject to the provisions of these Articles as to *certificates for shares or debentures*, the Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director or by a Director in the presence of a witness.
- 134.2 Subject to the Statutes, the Company may dispense with the need for the Seal, either generally or in respect of particular classes of documents, at the Board's discretion, and, whether it does or does not dispense with the Seal, a document signed by a Director and the Secretary or by any two Directors or by a Director in the presence of a witness and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal, and a document so executed by the Company which makes it clear on its face that it is intended to be a deed shall have effect upon delivery as a deed. Provided that no document which makes it clear on its face that it is intended to be a deed shall be signed without the authority of the Board or of a committee of the Board authorised by the Board in that behalf.

RESERVES

- 135.1 The Board shall establish a Reserve to be called "the Capital Reserve" and shall either carry to the credit of such Reserve from time to time all capital appreciations arising on the sale, transposition, payment off of or revaluation of any investments or other capital assets of the Company in excess of the book value thereof or apply the same in providing for depreciation or contingencies. Any losses realised on the sale, transposition, revaluation or payment off of any investments or other capital assets may be carried to the debit of the Capital Reserve except in so far as the Board may in its discretion decide to make good the same out of other funds of the Company. All sums carried and standing to the Capital Reserve may be applied for any of the purposes to which sums

standing to any reserve under the provisions of paragraph 135.2 of this Article are applicable, except and provided that no part of the Capital Reserve or any other moneys in the nature of accretion to capital shall in any event be transferred to revenue account or be regarded or treated as profits of the Company available for dividend or be applied in paying dividends on any shares in the Company's capital. Provided further that nothing in this Article shall restrict or prevent the Capital Reserve being debited with the payment of any fee (together with any value added tax payable thereon) payable to the duly-appointed manager of the Company pursuant to the terms of the applicable management agreement.

- 135.2 The Board may, before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute.

DIVIDENDS

- 136 The profits of the Company available for dividend in accordance with the provisions of the Statutes and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company may by Ordinary Resolution declare dividends accordingly.
- 137 Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the shares; all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date such share shall rank for dividend accordingly.
- 138.1 No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes or in excess of the amount recommended by the Board. Any surplus over the book value derived from the sale or realisation of any capital asset and any other sums representing capital profits within the meaning of Section 832 of the Act or other accretions to capital assets, including in particular any sums resulting from the writing up of the book values of any capital assets, shall not be available for dividend or any other distribution within the meaning ascribed thereto by Section 829 (1) and (2) of the Act, other than any distribution by way of redemption or purchase of the Company's own shares in accordance with the Act.
- 138.2 In computing the profits available for distribution the Board may make any adjustment which may in their opinion be desirable or necessary, including

making estimates and provision for tax or contingencies but so that when the Board shall determine that any such provision, or any part thereof, is no longer needed the same shall be written back to the credit of the profit and loss account of the Company.

138.3 All dividends paid out of revenue profits or revenue reserves by a company in which the Company holds securities and not capitalised by that company shall be received by the Company as income to be credited to the profit and loss account and shall so far as the same represents profits of the Company be profits available for distribution.

138.4 The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure as far as by such exercise it can secure that such subsidiaries shall distribute to the Company by way of dividends all the profits of such subsidiaries.

138.5 In any case where there is difficulty in determining whether an item should be regarded as capital or income the Board may determine how such item is to be dealt with, either wholly as capital, wholly as income, or partly one and partly the other.

138.6 Subject to the provisions of the Act, the determination of the Board as to the amount of profits of the Company at any time available for payment of dividends shall be conclusive.

139.1 If and so far as in the opinion of the Directors the profits of the Company (excluding any profits which under the provisions of these Articles ought to be carried to the credit of the Capital Reserve or applied in providing for depreciation or contingencies) justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof, and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

139.2 If the Directors shall determine that the Company should cease to carry on business as an investment company within the meaning of Section 833 of the Act and notice has been given to the Registrar of Companies to that effect in accordance with Section 833(4) of the Act then, for such period as the Company is not an investment company and until the Directors determine that the Company should carry on business as an investment company as provided below and the Company has given notice to that effect to the Registrar of Companies in the prescribed form, the text of Article 138.1 shall be replaced by the following:

‘No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any surplus over the book value derived from the sale or realisation of any capital asset and any other sums representing capital profits within the meaning of Section 832 of the Act or other accretions to capital assets, including in particular any sums resulting from the writing up of the book values of any capital assets, shall not be available for dividend but shall be available for any other distribution within the meaning ascribed thereto by Section 829 (1) and (2) of the Act’.

- 139.3 The Directors may at any time when the Company is not an investment company within the meaning of Section 833 of the Act determine that the Company should carry on business as an investment company and, upon the date of the notice given by the Company to the Registrar of Companies in the prescribed form in accordance with Section 833(1) of the Act, the text of Article 138.1 shall be as it stands and shall not be replaced by the text set out above.
- 140 The Board may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) immediately payable by him to the Company on account of calls in relation to the shares of the Company held by him.
- 141 All dividends unclaimed may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and so that the Company shall not thereby be constituted a trustee in respect thereof. If any dividend shall have remained unclaimed for at least twelve years after the same became payable the Board may forfeit the same, and after such forfeiture no member or other person shall have any right to or claim in respect of such dividend. No dividend shall bear interest against the Company.
- 142.1 Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.
- 142.2 The waiver in whole or in part of any dividend on any share by any document (whether or not executed as a Deed) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 143.1 Any dividend or other moneys payable on or in respect of shares may be paid by cheque or warrant or similar financial instrument sent through the post directed to the registered address of the member or person entitled thereto or, in the case of joint holders, to the registered address of the joint holder who is first named in the Register, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant or similar financial instrument shall be made payable to the order of the person to whom it is sent or to such other person as the holder, or joint holders, may in writing direct, and payment of the cheque or warrant or similar financial instrument shall be a good discharge to the Company. Every such cheque or warrant or similar financial instrument shall be sent at the risk of the person entitled to the money represented thereby.
- 143.2 Any such dividend or other money may be paid by any other method (including by direct debit, bank transfer or other electronic media) which the Directors consider appropriate (including in respect of uncertificated shares, where the Directors are authorised to do so by or on behalf of the holder or joint holders in such manner as the Directors shall from time to time consider sufficient, by means of the relevant system concerned and subject always to the facilities and requirements of that relevant system).
- 143.3 Payment by direct debit, bank transfer or other electronic media pursuant to Article 143.2 shall be made to the bank account of the person otherwise entitled

to receive payment by cheque or warrant or similar financial instrument pursuant to this Article 143 details of which account have been provided to the Company in writing by the person entitled to receive the same, save in respect of payments through a relevant system which shall be made in such manner as is consistent with the facilities and requirements of the relevant system, including by the sending of an instruction to the operator of the relevant system to credit the cash memorandum account of the person entitled to receive payment or to such other person as the person or persons entitled may in writing direct.

- 143.4 The Company may cease to send any cheque or warrant or similar financial instrument (or to use any other method of payment) for any dividend payable in respect of a share if, in respect of at least two consecutive dividends payable on that share, the cheque or warrant or similar financial instrument has been returned undelivered or remains uncashed (or that other method of payment has failed), or after only one occasion if reasonable enquiries by the Company have failed to establish any new address of the registered holder, but, subject to the provisions of these Articles, shall recommence sending cheques or warrants or similar financial instruments (or using another method of payment) for dividends payable on that share if the person or persons entitled so request.
- 143.5 Payment by such cheque or warrant or similar financial instrument or the collection of funds from, or transfer of funds by, any bank or other person so authorised on behalf of the Company in accordance with such direct debit or bank transfer or by means of such other form of electronic media (including the making of a payment in accordance with the facilities and requirements of the relevant system concerned) shall be an absolute discharge to the Company.
- 144.1 Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to the distribution they may settle the same as they think expedient, and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Board.
- 144.2 Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.

SCRIP DIVIDENDS

- 145 The Board may, if authorised by an Ordinary Resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be

determined by the Board) of any dividend specified by the Ordinary Resolution. The following provisions shall apply:

- 145.1 An Ordinary Resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the Annual General Meeting next following the date of the meeting at which the Ordinary Resolution is passed provided nevertheless that the Board may in its absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination.
- 145.2 The entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the London Stock Exchange Daily Official List, on the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the Ordinary Resolution. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount.
- 145.3 The basis of allotment shall be such that no member may receive a fraction of a share. The Board may make such provisions as they think fit for any fractional entitlements, including provisions whereby, in whole or in part, the benefit thereof accrues to the Company.
- 145.4 On or as soon as practicable after announcing that it is to declare or recommend any dividend, the Board, if they intend to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment, if they decide to proceed with the offer, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective.
- 145.5 Any offer to holders of ordinary shares may be subject to such exclusions or restrictions as the Board may, in its absolute discretion, deem necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.
- 145.6 The Board may exclude from any offer any holders of ordinary shares where the Board believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- 145.7 The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made ("the elected ordinary shares"). Instead, ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of

allotment calculated as stated. For such purpose the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis.

- 145.8 The additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully-paid ordinary shares then in issue except that they will not be entitled to participation in the relevant dividend.

CAPITALISATION OF RESERVES

- 146 In addition to the provisions of Article 145 the Company may by Ordinary Resolution, upon the recommendation of the Board and subject as hereinafter provided, resolve that it is desirable to capitalise any part of the undivided profits of the Company (whether or not the same are available for distribution) or any part of any sum for the time being standing to the credit of any of the Company's reserve accounts (including capital reserve, share premium account and capital redemption reserve) and that the Board be accordingly authorised and directed to appropriate the profits or sum so resolved to be capitalised as capital to the members in the proportion in which such profits or sum would have been divisible amongst them had the same been applied or been applicable in paying dividends on the shares held by them on such date as shall be fixed by or in accordance with such resolution, and to apply such profits or sum on their behalf, either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively, or in the paying up in full of unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, such shares or debentures to be allotted and distributed credited as fully paid up to and among such members in the proportion aforesaid, or partly in one way and partly in the other: Provided always that the share premium account and the capital reserve and capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to members as fully paid.

- 147 Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits or sum resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provision (including provision whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company instead of to the members otherwise entitled) as they think fit in the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled as the result of such capitalisation, and any agreement made under such authority shall be effective and binding upon all such members.

ACCOUNTS

- 148 The Directors may from time to time determine whether and to what extent and at what times and places, and on what conditions, the accounting records of the Company, or any of them, shall be open to the inspection of the Members (not being Directors), and the Members shall have only such rights of inspection as are given to them by the Statutes or by such determination of the Directors.

AUDIT

- 149 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

COMMUNICATION OF DOCUMENTS AND INFORMATION

- 150 The company communications provisions (as defined in the Act) shall also apply to any document or information not otherwise authorised or required to be sent or supplied by or to a company under the Companies Acts (as defined in the Act) but to be sent or supplied by or to the Company pursuant to these Articles.

- 151 The provisions of section 1168 of the Act (hard copy and electronic form and related expressions) shall apply to the Company as if the words “and the Articles” were inserted after the words “the Companies Acts” in sections 1168(1) and 1168(7).

- 152 The Company may, subject to the provisions of the Act, send or supply documents or information to Members by making those documents or that information available on a website.

- 153 Section 1147 of the Act shall apply to any document or information to be sent or supplied by the Company to its Members under the Companies Acts or pursuant to these Articles as if:

- 153.1 section 1147(2) were deleted and replaced with the following:

“Where the document or information is sent by post (whether in hard copy or electronic form) and the company is able to show that it was properly addressed, prepaid and posted, it is deemed to have been received by the intended recipient (a) where first class post was used, 24 hours after it was posted; or (b) where first class post was not used, 48 hours after it was posted.”;

- 153.2 in section 1147(3) the words “48 hours after it was sent” were deleted and replaced with the words “when sent, notwithstanding that the Company may be aware of the failure in delivery of such document or information. Without prejudice to such deemed receipt, if the Company is aware of the failure in delivery of a document or information sent by electronic means and has sought to send or supply the document or information by such means at least three times, it shall send the notice in writing by post within 48 hours of the original attempt.”;

- 153.3 a new section 1147(4)(A) were inserted as follows:

“Where the document or information is sent or supplied by hand (whether in hard copy or electronic form) to an address in the United Kingdom and the Company

is able to show that it was properly addressed and sent at the cost of the Company, it is deemed to have been received by the intended recipient when delivered.”.;

- 153.4 section 1147(5) were deleted.
- 154 Proof that a document or information sent by electronic means was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the document or information was properly addressed as required by section 1147(3) of the Act and that the document or information was sent or supplied.
- 155 A document or other information in electronic form found by the Company to contain a computer virus shall not be accepted by the Company and shall be invalid.
- 156 A document or other information may be communicated by the Company to the person entitled to a share in consequence of the death or bankruptcy of a Member by communicating it to the representative or representatives of the deceased, or trustee of the bankrupt (either under the Member’s name or under the title of the representative or representatives of the deceased or the trustee of the bankrupt or like description) either:
- 156.1 to the address or address or location (including any number) for communication in electronic form (if any) agreed by the Company with the person claiming to be so entitled for the purpose of such communication; or
- 156.2 (until such an address or location (including any number) has been so agreed) by delivering the document or information in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 157 No Member shall be entitled to have a document or information delivered to him in hard copy or in electronic form at any address not within the United Kingdom. Any Member whose registered address is not within the United Kingdom may, by notice in writing, supply to the Company a postal address within the United Kingdom for the sending or supplying of any document or information by post including, where applicable, any notification that a document or information is available on a website. Any such postal address shall, for the purpose of the sending or supplying of any document or information, be deemed to be the Member’s registered address.
- 157.1 A Member who has no registered address within the United Kingdom and has not given notice pursuant to Article 157 shall not be entitled to receive any document or information from the Company, unless (i) the directors have resolved to communicate with him by alternative means of communication and (ii) the Member has agreed with the Company to accept communication by such alternative means of communication.
- 158 If the Company sends two consecutive documents or pieces of information to a Member over a period of not less than 12 months and:
- 158.1 each of them is returned undelivered; or

- 158.2 the company receives notification that neither of them has been delivered;
that Member ceases to be entitled to receive documents or information from the Company.
- 159 A Member who has ceased to be entitled to receive documents or information from the Company shall become entitled to receive documents or information again by sending the Company:
- 159.1 a new address to be recorded in the register; or
- 159.2 if the Member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively.
- 160 The Company shall not be responsible for any failure in communication beyond its control. Any accidental failure to send any document or information to any person entitled to it under these Articles, or the non-receipt by any such person of such document or information, shall be disregarded.
- 161 Subject to the Statutes and to the provisions of these Articles, the Company may also communicate a document or information to a Member by a relevant system, provided that the Member has agreed with the Company to accept communication by a relevant system either in relation to the particular communication concerned or in relation to communications generally or in relation to the particular class of communications which includes the particular communication concerned.
- 162 If a document or information is sent by a relevant system, it shall be treated as being delivered when the Company (or a sponsoring system-participant acting on its behalf) sends the issuer-instruction relating to the document or information.
- 163 In proving delivery of a document or information by a relevant system, it shall be sufficient to show that it was properly addressed and put into the relevant system with any fee or charge payable for communication paid or otherwise accounted for.

WINDING UP

- 164 The Directors have the power in the name of the Company to present a petition to the Court for the Company to be wound up.
- 165 If the Company shall be wound up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be applied, first, in repaying to the Members the amounts paid up on the shares held by them respectively, and the balance (if any) shall be distributed among the Members in proportion to the number of shares held by them respectively. Provided always that the provisions of this Article shall be subject to the rights of the holders of shares (if any) issued upon special conditions.
- 166 In a winding up, any part of the assets of the Company, including any shares in or securities of other companies, may, with the sanction of a special resolution of the Company, be divided by the liquidator among the Members of the Company

in specie, or may, with the like sanction, be vested in trustees for the benefit of such Members, and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares on which there is any liability.

INDEMNITY

- 167 This Article 159 shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the Act. It does not allow for or provide (to any extent) an indemnity which is more extensive than is permitted by the Act and any such indemnity is limited accordingly. This Article 167 is also without prejudice to any indemnity to which any person may otherwise be entitled.
- 168 The Company shall indemnify every person who is a Director or other officer of the Company or any associated company of the Company out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company or any associated company of the Company.
- 169 The Company may indemnify any person who is a director of a company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) out of the assets of the Company from and against any loss, liability or expense incurred by him or them in connection with such company's activities as trustee of the scheme.
- 170 The Directors may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer of the Company or of any associated company of the Company or a trustee of any pension fund or employee benefits trust for the benefit of any employee of the Company or of any associated company of the Company.
- 171 The Directors may, subject to the provisions of the Statutes, exercise the powers conferred on them by sections 205 and 206 of the Act to:
- 171.1 provide funds to meet expenditure incurred or to be incurred in defending any proceedings, investigation or action referred to in those sections or in connection with an application for relief referred to in section 205; or
- 171.2 take any action to enable such expenditure not to be incurred.
- 172 In these Articles 167 to 173, "associated company" has the meaning given to it in section 256 of the Act.
- 173.1 Subject to the provisions of the Statutes, every Director or other officer of the Company (other than the Auditors) shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.
- 173.2 To the extent permitted by the law the Directors may arrange insurance cover at the cost of the Company in respect of any liability, loss or expenditure incurred by any Director or other officer of the Company, in relation to anything done or

omitted to be done or alleged to have been done or omitted to be done as Director or officer.

DURATION

- 174.1 The Directors shall propose an ordinary resolution at the Annual General Meeting of the Company falling in 2004 (and in every third year thereafter) proposing that the Company will continue to operate as an investment trust company for a specified period prior to the end of which a similar resolution will be proposed to shareholders. If such resolution is defeated the Directors shall draw up proposals for the voluntary liquidation, unitisation or other *reorganisation of the Company for submission to the members of the Company* by no later than the date of the Annual General Meeting of the Company falling in 2005 (or in the year next following the year in which the aforesaid resolution was proposed and defeated). Implementation of the proposals shall require the approval of members by special resolution. If such special resolution is not passed, the Directors will convene a further general meeting (the "Further Meeting") at which an ordinary resolution to wind up the Company shall be put to members. The vote taken on the ordinary resolution proposed at any Further Meeting shall be taken on a poll.
- 174.2 At any Further Meeting called to propose the winding up of the Company pursuant to Article 174.1, those holders of ordinary shares who (being individuals) are present in person or by proxy or (being a corporation) are present by proxy or by a duly authorised representative and entitled to vote and who vote on the poll in favour of the resolution proposed to wind up the Company voluntarily shall collectively have such total number of votes as is one more than the number of votes which are required to be cast on such poll for the said *resolution to be carried, and upon such resolution being passed the Company shall be wound up accordingly.*

UNCERTIFICATED SHARES

- 175.1 Subject to the Regulations and the facilities and requirements of the relevant system, the Directors shall have power to make such arrangements as they may think fit in order for any class of share to be a participating security (as defined in the Regulations), and the Company may issue shares of that class in uncertificated form and permit such shares to be transferred by means of the relevant system to the fullest extent available from time to time determine or that shares of any class shall cease to be held and transferred as aforesaid. No provision of these Articles shall have effect to the extent that it is inconsistent with:
- 175.1.1 the holding of shares in uncertificated form;
- 175.1.2 *the transfer of title to shares by means of the relevant system; or*
- 175.1.3 the Regulations.
- 175.2 Without prejudice to the generality of Article 175.1, notwithstanding any provision of these Articles and subject always to the Regulations, where any class of share is a participating security:

- 175.2.1 the register relating to such class shall be maintained at all times in the United Kingdom;
- 175.2.2 shares of such class held by the same holder or joint holder in certificated form and in uncertificated form shall be treated as separate holdings, unless the Directors otherwise determine;
- 175.2.3 shares of such class may be changed from certificated to uncertificated form, and from uncertificated to certificated form, in accordance with the Regulations;
- 175.2.4 the Company shall comply with the requirements of the Regulations in relation to the rectification of and changes to the register relating to such class;
- 175.2.5 the provisions of these Articles with respect to meetings, including meetings of the holders of shares of such class, shall have effect subject to the provisions of the Regulations;
- 175.2.6 the Directors may, by notice in writing to the holder of any uncertificated shares of such class, require that holder to change the form of such shares to certificated form within such period as may be specified in the notice; and
- 175.2.7 the Directors may require that any fractional entitlements to shares arising on a consolidation (or consolidation and division) of shares held in uncertificated form are held in certificated form, and are entered into the Register accordingly.