

THE COMPANIES ACTS 1985 AND 1989

---

PUBLIC COMPANY LIMITED BY SHARES

---

**MEMORANDUM OF ASSOCIATION**

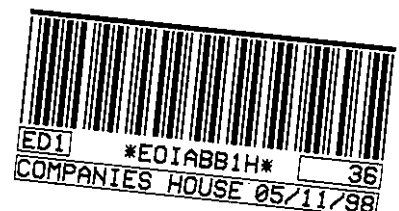
- of -

**GREENWICH INSURANCE HOLDINGS PLC**

Incorporated on 2nd July 1997

3400222

NEF/PXL/17472/CC219777.01



**THE COMPANIES ACTS 1985 AND 1989**

---

**PUBLIC COMPANY LIMITED BY SHARES**

---

**MEMORANDUM OF ASSOCIATION**

of

**GREENWICH INSURANCE HOLDINGS PLC**

1. The Company's name is "Greenwich Insurance Holdings PLC".
2. The Company is to be a public company.
3. The Company's registered office is to be situated in England.
4. The Company's objects are:
  - (A) To act as an investment company, and to invest in any stocks, shares, debentures, debenture stock, bonds, obligations, loans and other securities, annuities, reversionary interests, policies of assurance, rights, privileges, options, currencies, metals, gems, works of art, raw materials, commodities, any estate or interest in any land, and any other property of any description whatsoever; and generally to hold, manage, develop, lease, sell, vary or otherwise dispose of the same or turn them to account.
  - (B) To carry on all or any of the businesses of underwriters, insurance brokers and consultants, insurance advisers, Lloyd's members' agents, Lloyd's managing agents, financial advisers and agents.

To do all such other things as may in the opinion of the Directors seem incidental or conducive to the attainment of the above objects or any of them. The objects set forth in each of the foregoing sub-clauses of this Clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or from the order in which all or any of the sub-clauses are arranged or from the name of the Company. None of such sub-clauses or the object or objects therein specified shall be deemed subsidiary or ancillary to the objects mentioned in any other sub-clause, but the Company shall have as full a power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company. The word "company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

And in furtherance of the foregoing objects the Company shall have the following powers:

- (1) To purchase or by any other means acquire and take options over any property (whether real or personal) whatsoever, and any rights or privileges of any kind over or in respect of any such property.
- (2) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of or otherwise deal with all or any part of the property or rights of the Company, for such consideration as the Company may think fit.
- (3) To enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any parent, subsidiary or fellow subsidiary company in such manner as the Company may think fit.
- (4) To acquire and undertake the whole or part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on

any of the businesses which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

- (5) To borrow and raise money in such manner as the Company shall think fit, and to secure the repayment of any money borrowed, raised or owing, by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding upon it.
- (6) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (7) To apply for, promote and obtain any act, decree, order or licence of any legislature or public or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or application which may seem calculated directly or indirectly to prejudice the Company's interests.
- (8) To enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.

- (9) To subscribe for, take, purchase or otherwise acquire and hold shares or other interests in or securities of any other company having objects altogether or in part similar to those of the Company or carrying on any business capable of being carried on so as directly or indirectly to benefit the Company or enhance the value of any of its property, and to co-ordinate, finance and manage the businesses and operations of any company in which the Company holds any such interest.
- (10) To support and subscribe to any charitable or public object, and to support and subscribe to any institution, society or club which may be for the benefit of the Company or its directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities and superannuation and other allowances or benefits or charitable aid to, and generally to provide advantages, facilities and services for, any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served, the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or of the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company, and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain any employees' share scheme (within the meaning of section 743 of the Companies Act 1985 and including, for the avoidance of doubt, any share option scheme or share incentive scheme in or from which employees who are also Directors may participate or benefit, whether or not to the exclusion of other categories of employees) for the benefit of any of the employees (including employees who are Directors) of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such employees' share schemes to be established or maintained, and to provide guarantees or indemnities in respect of any loans to or other indebtedness of such employees or trustees for the purposes of any such employees' share schemes.

- (11) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (12) To remunerate any person, firm or company rendering services to this Company either by cash payment or by allotment to him or them of Shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (13) To pay all or any of the expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or other securities of the Company.
- (14) To promote any other company for the purpose of acquiring the whole or any part of the business or property and of undertaking any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (15) To exercise any discretion conferred by any trust in such manner and at such time as the Company may think fit; and when acting as trustee of any trust, whether discretionary or otherwise, to undertake, or to participate with co-trustees in undertaking, the distribution amongst the beneficiaries, pensioners or other persons entitled thereto, of any income, capital or annuity, whether periodically or otherwise, and whether in money or in specie, and whether by way of loan, gift, sale at undervalue or otherwise, in furtherance of any trust direction, discretion or other obligation or permission.
- (16) To take part in the management, supervision or control of the business or operations of any company or undertaking of which the Company holds any shares, bonds, debentures or other securities or of which the Company owns any property, assets or rights and, for that purpose, to appoint and remunerate any accountants or other experts or agents.

- (17) To employ, train or exploit the services of any individual, firm or corporation to manage or implement, in whole or in part, the activities of the Company, and to employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
- (18) To adopt such means of making known the business of the Company as may seem expedient, and in particular by advertising in the press, on the radio and television and through any other medium of communication to the public, by circulars, by purchase and exhibition of works of art or interest or of race-horses, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (19) To purchase and maintain insurance for the benefit of any person who is or was an officer or employee of the Company, a subsidiary of the Company or a company in which the Company has or had an interest (whether direct or indirect) or who is or was trustee of any retirement benefits scheme or any other trust in which any officer or employee or former officer or employee is or has been interested, indemnifying that person against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.
- (20) To sell or otherwise dispose of the whole or part of the business or undertaking of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any company purchasing the same.
- (21) To distribute among the Members of the Company in kind any property of the Company of whatever nature.
- (22) To procure the Company to be registered or recognised in any part of the world.

And the Company may conduct and exercise all or any of the aforementioned objects and powers in any part of the world and either as principals, agents, contractors or otherwise and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

5. The liability of the Members is limited.
- 6.\* The Company's share capital on incorporation is £75,000,000 divided into 150,000,000 Shares of 50 pence each.

- 
- \*(i) By a Special Resolution passed on 4 July 1997 the authorised share capital was increased by £50,000 to £75,050,000 by the creation of 100,000 redeemable ordinary shares of 50 pence each.
  - (ii) By a Special Resolution passed on 30 October 1998 the authorised capital was increased by £625,000 to £75,675,000 by the creation of 1,250,000 non-voting participating convertible redeemable preference shares of 50 pence each.
  - (iii) By a Special Resolution passed on 30 October 1998 the authorised capital was reduced by £50,000 to £75,625,000 by the cancellation of 100,000 redeemable ordinary shares of 50 pence each.



**THE COMPANIES ACTS 1985 AND 1989**

---

**PUBLIC COMPANY LIMITED BY SHARES**

---

**ARTICLES OF ASSOCIATION**

of

**GREENWICH INSURANCE HOLDINGS PLC**

**Incorporated on 2nd July 1997**

**(Adopted by Special Resolution on 30th October 1998)**

**NEF/PXL/17472/CC219777.01**

## TABLE OF CONTENTS

	Page No.
PRELIMINARY .....	6
1. Definitions .....	6
2. Interpretation .....	9
3. Table A excluded .....	10
SHARE CAPITAL .....	10
4. Share Capital .....	10
5. The Rights of Ordinary Shares and Preference Shares .....	10
6. Shares with special rights .....	21
7. Share warrants to bearer .....	21
8. Allotment of Shares .....	22
9. Unissued Shares .....	24
10. Instalments on shares to be duly paid .....	24
11. Redeemable shares .....	24
12. Commissions .....	24
13. Trusts not recognised .....	25
VARIATION OF RIGHTS .....	25
14. Method of varying rights and circumstances when rights deemed to be varied .....	25
SHARE CERTIFICATES .....	25
15. Uncertificated Shares .....	26
16. Certificated shares .....	26
LIEN .....	27
17. Company to have lien on Shares .....	27
18. Enforcement of lien by sale .....	27
CALLS ON SHARES .....	28
19. Power to make calls .....	28
20. Time when call made .....	28
21. Liability of joint holders .....	28
22. Instalments to be treated as calls .....	29
23. Interest payable .....	29
24. Deemed calls .....	29
25. Differentiation on calls .....	29
26. Payment of calls in advance .....	29
FORFEITURE AND SURRENDER .....	30
27. Notice requiring payment of call .....	30
28. Forfeiture for non-compliance .....	30
29. Sale of forfeited shares .....	30
30. Liability following forfeiture .....	31
31. Surrender .....	31
32. Extinction of rights .....	31
33. Evidence of forfeiture or surrender .....	32
TRANSFER OF SHARES .....	32
34. Transfers of uncertificated shares .....	32
36. Transfers of certificated shares .....	32
36. Transfers of partly paid shares .....	33
37. Invalid transfers .....	33
38. Transfers by a recognised clearing house .....	33
39. Notice of refusal to register .....	33
40. Suspension of registration .....	34

41.	No fee payable on registration .....	34
42.	Retention of transfers .....	34
TRANSMISSION OF SHARES.....		34
43.	Transmission .....	34
44	Elections/permitted required .....	34
45.	Rights of persons entitled by transmission.....	35
CONVERSION OF SHARES INTO STOCK.....		36
46.	Conversion.....	36
47.	Transfer of stock .....	36
48.	Rights of holders of stock .....	36
49.	Definitions .....	36
ALTERATION OF SHARE CAPITAL.....		37
50.	Alterations by ordinary resolution .....	37
51.	New shares subject to these Articles .....	37
52.	Fractions arising .....	38
53.	Power to reduce Capital .....	38
PURCHASE OF OWN SHARES .....		38
54.	Power to purchase own shares .....	38
GENERAL MEETINGS.....		39
55.	Types of general meetings.....	39
56.	Class Meetings.....	39
57.	Convening general meetings .....	39
NOTICE OF GENERAL MEETINGS .....		40
58.	Period of notice .....	40
59.	Contents of notice .....	40
60.	Meetings at short notice .....	41
61.	Special Notice .....	42
62.	General meetings at more than one place .....	42
63.	Accidental omission to give notice .....	43
64.	Security at meetings .....	43
PROCEEDINGS AT GENERAL MEETINGS.....		44
65.	Quorum .....	44
66.	If quorum not present.....	44
67.	Chairman.....	44
68.	Directors entitled to speak.....	45
69.	Adjournments .....	45
70.	Amendments to resolutions .....	46
71.	Methods of voting .....	46
72.	Declaration of result.....	47
73.	Chairman's casting vote .....	47
74.	Withdrawal of demand for poll.....	47
75.	Conduct of poll .....	47
76.	When poll to be taken .....	47
77.	Notice of poll .....	48
78.	Effectiveness of special and extraordinary resolutions .....	48
VOTES OF MEMBERS .....		48
79.	Right to vote .....	48
80.	Votes of joint holders .....	48
81.	Member under incapacity.....	48
82.	Calls in arrears.....	49

83.	Section 212 of Act, restrictions if in default.....	49
84.	Provisions supplementary to Article 83 .....	50
85.	Errors in voting.....	52
86.	Objection to voting.....	52
87.	Supplementary provisions on voting.....	52
PROXIES AND CORPORATE REPRESENTATIVES .....		52
88.	Appointment of proxy .....	52
89.	Form of proxy .....	52
90.	Delivery of form of proxy .....	53
91.	Validity of form of proxy.....	53
92.	Corporate representatives .....	54
93.	Revocation of authority .....	54
NUMBER OF DIRECTORS.....		54
94.	Limits on the number of directors.....	54
APPOINTMENT AND RETIREMENT OF DIRECTORS.....		55
95.	Number of directors to retire .....	55
96.	Which directors to retire .....	55
97.	When director deemed to be re-appointed.....	56
98.	Eligibility for election .....	56
99.	Separate resolutions on appointment .....	56
100.	Additional powers of the Company .....	56
101.	Power to remove Director by Extraordinary Resolution .....	57
102.	Power to appoint Director in place of one removed.....	57
103.	Appointment by board.....	57
104.	Position of retiring directors.....	57
105.	Age limit.....	58
106.	No share qualification .....	58
ALTERNATE DIRECTORS .....		58
107.	Power to appoint alternates .....	58
108.	Alternates entitled to receive notice.....	58
109.	Alternates representing more than one director .....	59
110.	Expenses and remuneration of alternates.....	59
111.	Termination of appointment.....	59
112.	Method of appointment and revocation .....	59
113.	Alternate not an agent of appointor .....	60
POWERS AND DUTIES OF THE DIRECTORS.....		60
114.	Business to be managed by directors.....	60
115.	Exercise of voting powers.....	60
116.	Directors may join boards of other companies .....	60
DELEGATION OF POWERS OF THE BOARD .....		61
117.	Committees of the board .....	61
118.	Local boards, etc. ....	61
119.	Agents .....	62
120.	Offices including the title director.....	62
BORROWING POWERS .....		62
121.	Power to borrow.....	62
122.	Mode of borrowing.....	63
123.	Security for payment of moneys borrowed or raised.....	63
124.	Security for payment of monies .....	63
125.	Register of Charges to be kept .....	64

DISQUALIFICATION AND REMOVAL OF DIRECTORS.....	64
126. Disqualification as a director.....	64
127. Power of the Company to remove directors.....	65
REMUNERATION OF NON-EXECUTIVE DIRECTORS.....	65
128. Ordinary remuneration.....	65
129. Additional remuneration for special services.....	66
DIRECTORS' EXPENSES.....	66
130. Directors may be paid expenses.....	66
MANAGING AND EXECUTIVE DIRECTORS.....	66
131. Appointment to executive office.....	66
132. Termination of appointment to executive office.....	67
133. Emoluments to be determined by the board.....	67
134. Powers.....	67
135. President.....	68
DIRECTORS' INTERESTS.....	68
136. Directors may contract with the Company.....	68
137. Exercise by Company of voting rights.....	69
GRATUITIES, PENSIONS AND INSURANCE.....	69
138. Gratuities and pensions.....	69
139. Insurance.....	69
140. Directors not liable to account.....	70
141. Provision for employees on cessation or transfer of business.....	70
PROCEEDINGS OF DIRECTORS.....	70
142. Convening meetings.....	70
143. Notice of board meetings.....	71
144. Quorum.....	71
145. Powers of directors if number falls below minimum.....	71
146. Chairman and deputy chairman.....	72
147. Validity of acts of the board.....	72
148. Resolution in writing.....	72
149. Meetings by telephone etc.....	73
150. Directors' power to vote on contracts in which they are interested.....	73
151. Exclusion of director from quorum.....	75
152. Amendment of restrictions on voting.....	75
153. Voting on the appointment of a director.....	75
154. Division of proposals.....	75
155. Decision of chairman final and conclusive.....	76
SECRETARY.....	76
156. Appointment and removal of secretary.....	76
MINUTES.....	76
157. Minutes required to be kept.....	76
THE SEAL.....	77
158. Provision for seals.....	77
159. Execution by Seal.....	77
160. Authority required for use of seal.....	77
161. Certificates for shares and debentures.....	77
162. Official seal for use abroad.....	78
163. Execution of instrument as deed under hand.....	78
164. Delivery of deeds.....	78

REGISTERS .....	78
165. Overseas and local registers .....	78
166. Certified copies .....	78
DIVIDENDS .....	79
167. Declaration of dividends .....	79
168. Interim dividends .....	79
169. Apportionment of dividends .....	79
170. Dividends in specie .....	80
171. Scrip dividends .....	80
172. Permitted deductions and retentions .....	83
173. Procedure for payment .....	83
174. Interest not payable .....	84
175. Forfeiture of unclaimed dividends .....	84
176. To whom the dividends belong .....	84
CAPITALISATION OF PROFITS AND RESERVES .....	84
177. Power to capitalise .....	84
RECORD DATES .....	86
178. Record dates for dividends, etc. ....	86
ACCOUNTS .....	87
179. Rights to inspect records .....	87
180. Delivery of balance sheets and profit and loss accounts .....	87
NOTICES .....	87
181. When notice required to be in writing .....	87
182. Method of giving notice .....	87
183. Deemed receipt of notice .....	88
184. Notice to persons entitled by transmission .....	88
185. Transferees etc. bound by prior notice .....	89
186. When notices by post deemed served .....	89
187. Notice during disruption of postal address .....	89
188. Power of company to destroy documents .....	90
UNTRACED SHAREHOLDERS .....	91
189. Power to dispose of shares of untraced shareholders .....	91
190. Transfer on sale .....	92
191. Proceeds of Sale .....	92
BILLS, NOTES, CHEQUES AND RECEIPTS .....	93
192. Signature of Negotiable Instruments .....	93
WINDING UP .....	93
193. Liquidator may distribute in specie .....	93
195. Disposal of assets by liquidator .....	93
INDEMNITY .....	94
195. Indemnity to directors and secretary .....	94

No: 3400222

**THE COMPANIES ACTS 1985 AND 1989**

---

**A PUBLIC COMPANY LIMITED BY SHARES**

---

**ARTICLES OF ASSOCIATION**

**of**

**GREENWICH INSURANCE HOLDINGS PLC**

**(Adopted by Special Resolution on 30 October 1998)**

**PRELIMINARY**

**1. Definitions**

In these Articles, except where the subject or context otherwise requires:

"Act" means The Companies Act 1985 including any modification or re-enactment thereof for the time being in force;

"Articles" means these articles of association as altered from time to time by special resolution;

"auditors" means the auditors for the time being of the Company;

"the board" means the directors or any of them acting as the board of directors of the Company;

**"certificated share"** means a share of the Company which is not an uncertificated share;

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

**"Companies Acts"** has the meaning given by section 744 of the Act and includes any enactment passed after those Acts which may, by virtue of that or any other such enactment, be cited together with those Acts as the "Companies Acts" (with or without the addition of an indication of the date of any such enactment);

**"Change of Control"** means any transaction (other than Listing) which results in any person together with his Connected Persons and their respective nominees acquiring or holding more than 30 per cent. of the Equity Share Capital provided that the continuing existence of their aggregate current level as at the date of the adoption of this Article of the shareholdings of any shareholders (together with any Connected Persons and their respective nominees) engaged in the executive management of the Company shall not constitute a Change of Control;

**"Connected Person"** means, in relation to any person, a person who is either:

- (i) acting in concert (as defined in the City Code on Takeovers and Mergers) with such aforesaid person; or
- (ii) a "connected person" as defined in section 839 of the Income and Corporation Taxes Act 1988 of such aforesaid person;

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

**"dividend"** means dividend or bonus;

**"Equity Shares"** means all the shares other than the Preference Shares comprised in the equity share capital of the Company as defined in section 744 of the Companies Act 1985 and **"Equity Share Capital"** shall be construed accordingly;



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

**"Listing"** means the admission of all or any part of the Equity Share Capital to the Official List of the London Stock Exchange or to trading on the Alternative Investment Market or the taking effect of any grant of permission to deal in the same on any recognised investment exchange (as that term is used in the Financial Services Act 1986) or in or on any exchange or market replacing the same and **"Listed"** shall be construed accordingly;

**"London Stock Exchange"** means London Stock Exchange Limited;

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

**"Memorandum"** means the memorandum of association of the Company as amended from time to time;

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

**"Ordinary Shares"** means the ordinary shares of 50 pence each in the capital of the Company;

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

**"Preference Shares"** means the non-voting participating convertible redeemable preference shares of 50 pence each in the capital of the Company;

**"recognised clearing house"** means any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services Act 1986;

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

**"the Regulations"** means the Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272) including any modification thereof or any regulations in substitution therefor made under section 207 of the Companies Act 1989 for the time being in force;

"**seal**" means the common seal of the Company and includes any official seal kept by the Company by virtue of section 39 or 40 of the Act;

"**secretary**" means the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;

"**Shares**" means all of the shares in the capital of the Company from time to time;

"**uncertificated share**" means a share of the Company to which Article 16 applies;

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

## **2. Interpretation**

2.1 References to a document being executed include references to its being executed under hand or under seal or by any other method.

2.2 References to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.

2.3 Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

2.4 Save as aforesaid any words or expressions defined in the Act (but excluding any modification thereof not in force at the date of adoption of these Articles) shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

2.5 Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

2.6 Headings are inserted for convenience only and do not affect the construction of these Articles.

- 2.7 In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto; (b) the word **board** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

3. **Table "A" excluded**

The regulations in Table A as in force at the date of the incorporation of the Company shall not apply to the Company.

## **SHARE CAPITAL**

4. **Share Capital**

The share capital of the Company on the adoption of these Articles is £75,625,000 divided into 150,000,000 Ordinary Shares and 1,250,000 Preference Shares.

5. **The Rights of Ordinary Shares and Preference Shares**

- 5.1 The special rights and restrictions attached to and imposed on the Preference Shares are as follows:

5.1.1 **As regards Income**

- (a) In respect of periods ending on or before 31 December 2002, the profits of the Company available for dividend and resolved to be distributed shall be distributed among the holders of the Ordinary Shares and the Preference Shares rateably according to the amounts paid up or credited as paid up on such shares.

- (b) In respect of periods commencing on or after 1 January 2003, the holders of Preference shares which have not been converted or redeemed shall be entitled to receive in respect of each Preference Share held, in priority to any payment of dividend to the holders of any other class of share, and the Company shall pay a fixed cumulative preferential cash dividend (the "**Preference Dividend**") at the rate of 10 pence per annum on such Share.

To the extent that the Company may lawfully do so, the Preference Dividend shall be paid by four equal instalments on 31 March, 30 June, 30 September and 31 December in each year in respect of the three month period ending on those dates, the first such payment to be made on 31 March 2003. If any date on which payment is due to be made is not a Business day, that payment shall be made on the next Business Day without any interest or payment in respect of such delay.

Subject to payment in full of the Preference Dividend and any arrears thereof, any remaining profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the holders of the Ordinary Shares rateably according to the amounts paid up or credited as paid up on such Shares.

The Preference Dividend shall ipso facto (notwithstanding any other provisions of these Articles and in particular notwithstanding that there has not been a recommendation of the Directors or resolution of the Company in General Meeting) be immediately payable on the due date for payment specified in this Article 5.1.1(b) unless and to the extent that the Company is prohibited by law from paying any such dividend whereupon such dividends shall be payable on such later date as soon as the Company is able to pay the same without being so prohibited.

### 5.1.2 As regards Capital

On a return of assets on a liquidation, reduction of capital or otherwise, the assets of the Company available for distribution among the members shall be applied:

- (a) first, in repaying to the holders of the Preference Shares the amounts paid up or credited as paid up (including any premium) on each Preference Share, together (in the case of such a return of assets on or after 1 January 2003) with a sum equal to all arrears and accruals of the Preference Dividend thereon; and
- (b) secondly, in distributing the balance of such assets amongst the holders of the Ordinary Shares rateably according to the amounts paid up or credited as paid up on each share held by them.

### 5.1.3 As regards Conversion

- (a) The Preference Shares shall be capable of conversion into Ordinary Shares on the basis of one Ordinary Share for every complete 50 pence in nominal amount of Preference Shares ("Conversion") at the option of the holder on any Business Day on or before 31 December 2003 (each a "Conversion Date"), if the holder thereof shall have notified the Company in writing of the holder's intention so to convert (the "Conversion Notice"), such Conversion Notice to be received by the Company during the period of 21 days ending on the day before the relevant Conversion Date.
- (b) If while any of the Preference Shares remain capable of Conversion:
  - (i) a Change of Control occurs; or
  - (ii) Listing occurs

the Company shall forthwith give notice of the same to the holders thereof and the Preference Shares shall automatically stand converted and the date of the occurrence of any such event shall be a Conversion Date. Provided Always that in the case of a Change of Control if any holder gives notice to the Company within seven days of receiving the Company's notice in that behalf which either (i) is accompanied by reasonable evidence to the Company that the transaction in question is not bona fide and on arm's length terms, or (ii) is given by the holder because as a consequence of the transaction in question no person together with his Connected Persons and their respective nominees acquires or holds more than 50 per cent. of the Equity Share Capital, then such event shall not operate to effect conversion of the Preference Shares which it holds, the same shall not be converted but shall continue as Preference Shares with all the rights attaching to them hereunder including the rights under this Article 5.1.3(b).

- (c) Any Conversion pursuant to the rights granted by Articles 5.1.3(a) and 5.1.3(b) above shall be made on the following terms:
  - (i) Conversion shall be effected and shall take place on the relevant Conversion Date;
  - (ii) the holders of Preference Shares the subject of Conversion shall deliver to the Company the certificates in respect of such shares at the same time as the Conversion Notice (or such later time as the directors of the Company may in their discretion permit) and the Company shall within 14 days after the Conversion Date issue to such holders respectively certificates for the Ordinary Shares resulting from Conversion and, if appropriate, certificates for any Preference Shares remaining unconverted;

- (iii) the dividend (if any) on the Preference Shares the subject of Conversion shall cease to accrue with effect from the dividend payment date last preceding the relevant Conversion Date. The Ordinary Shares resulting from Conversion shall carry the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares by reference to a record date on or after the relevant Conversion Date and shall rank *pari passu* in all other respects and form one class with the ordinary share capital of the Company then in issue and fully paid; and
  - (iv) any Conversion shall be without prejudice to the right of the holders of Preference Shares immediately before Conversion to be entitled to claim and pursue any unpaid arrears of dividend which may have become due and payable prior to Conversion.
- (d) If, while any of the Preference Shares remain capable of Conversion, the Company is placed in liquidation, the Company shall forthwith give notice in writing to each holder of Preference Shares who shall, in respect of all or any of his Preference Shares, be entitled, during the period of 30 days after the date of the resolution for winding up the Company or (as the case may be) after the date of the order of the court for such winding-up, serve a Conversion Notice on the Company.
- (e) So long as any conversion right remains exercisable and unless the holders of three-quarters of all the Preference Shares then in issue shall have consented or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of Preference Shares, the following provisions shall apply:
  - (i) the Company will not do any act or thing resulting in an adjustment of the conversion rate, and nor

shall any such adjustment be made which would involve the issue of Ordinary Shares at a discount;

- (ii) no further shares ranking in priority to the Preference Shares shall be created or issued;
- (iii) the Company shall send to the holders of Preference Shares a copy of every document sent to the holders of the Ordinary Shares at the same time as the same is sent to the holders of the Ordinary Shares;
- (iv) the Company shall at all times keep sufficient unissued Ordinary Shares in order to implement Conversion in full of all Preference Shares and all other shares and other securities for the time being capable of being converted then or thereafter into Ordinary Shares.

- (f) Conversion of the Preference Shares may be effected in such manner as the directors of the Company shall from time to time determine (subject to the provisions of the Companies Acts for the time being in force) and, without prejudice to the generality of the foregoing, may be effected by the issue of new Ordinary Shares and the redemption at the same time of the Preference Shares at par. In the case of Conversion effected by means of the redemption of Preference Shares, the directors of the Company may effect redemption of the relative Preference Shares out of profits of the Company which would otherwise be available for dividend, out of the proceeds of a fresh issue of shares made for the purposes of such redemption or in any other manner for the time being permitted by law. In the case of redemption out of such profits, the directors of the Company shall apply the redemption moneys in subscription in the name of the holder of the Preference Shares to be converted for the appropriate number of Ordinary Shares at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the Ordinary Shares to be subscribed.



- (g) If the directors of the Company determine that Conversion shall be effected by redemption of Preference Shares out of a new issue, then such of the Preference Shares as are to be converted on any Conversion Date or Deemed Conversion Date (the "**Relevant Shares**") shall be redeemed at par out of the proceeds of a fresh issue of the number of Ordinary Shares into which the Relevant Shares are required to be converted at the applicable conversion rate, such issue to be at such premium, if any, as shall represent the amount by which the redemption moneys in respect of the Relevant Shares exceed the nominal amount of such Ordinary Shares. Such determination shall be of no effect unless either the directors of the Company shall have entered into an agreement with a person selected by them for the allotment to such person of such number of Ordinary Shares at such premium as aforesaid if and so often as there are Relevant Shares and the directors of the Company determine to redeem the same in accordance with this Article, or the directors of the Company shall otherwise be duly authorised to make the aforesaid fresh issue under the provisions of the Companies Acts for the time being in force. The person to whom Ordinary Shares shall be allotted under the provisions of this Article shall renounce the allotment thereof in favour of the holders of the Relevant Shares in due proportion against payment to such person by the directors of the Company of the redemption moneys in respect of the Relevant Shares. In any such case, the Conversion Notice given by a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the directors of the Company to pay on behalf of the holder the redemption moneys in respect thereof to the subscriber of the Ordinary Shares renounced in his favour.
- (h) Fractions of Ordinary Shares arising on Conversion shall not be renounced to the holders of the Relevant Shares otherwise entitled thereto but (if any such arrangements can be made) such fractions shall be aggregated and sold on behalf of such holders at the best price reasonably obtainable and the net

proceeds of the sale shall be distributed pro rata among such holders unless in respect of any holding of the Relevant Shares the amount to be distributed will be less than £2.50 in which case such amount shall not be so distributed but shall be retained for the benefit of the Company. For the purpose of implementing the provisions of this Article, the directors of the Company may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to any such fractions and generally make all arrangements which appear to them necessary or appropriate for the settlement and disposal of fractional entitlements.

- (i) If, immediately after any Conversion Date, 100,000 or less Preference Shares shall remain in issue, the Company shall be entitled (subject to the provisions of the Companies Acts for the time being in force) by not more than 56 days' nor less than 28 days' notice in writing given not later than 30 days after such Conversion Date to require all the remaining holders of Preference Shares to convert, on the expiry of such notice, the whole of their holding of such shares into Ordinary Shares and the provisions of this Article 5.1.3(i) relating to Conversion shall apply as if each holder of Preference Shares had duly served an effective notice of conversion for all the Preference Shares held by him on the expiry of such notice given by the Company.
- (j) If while any of the Preference Shares remain capable of Conversion any offer or invitation (by way of rights or otherwise) is made by the Company to the holders of the Ordinary Shares generally, the Company shall make or, so far as it is able, procure that there is made a like offer or invitation at the same time to each holder Preference Shares as if his conversion rights had been exercisable and exercised in full and the record date for such offer or invitation provided that the Company shall be under no obligation to make or procure the making of such an offer or invitation to any holder of Preference Shares resident in, or otherwise subject to the

jurisdiction of, any state whose law would make such an offer or invitation unlawful or subject to any consent or registration requirements.

#### 5.1.4 **Redemption**

- (a) If a Change or Changes of Control which together have effected Conversion of the Preference Shares, or Listing shall not have occurred on or before 31 December 2002, all the Preference Shares not previously converted into Ordinary Shares shall be redeemed on 31 December 2002. The Company shall give the holders of the Preference Shares not less than 28 days' notice in writing of such redemption.
- (b) Any notice of redemption given by the Company shall specify the number of Preference Shares to be redeemed, the date fixed for redemption (referred to in this Article as the "**Redemption Date**") and the place at which the certificates for such Preference Shares are to be presented for redemption and upon such date each of the holders of the Preference Shares concerned shall be bound to deliver to the Company at such place the certificates for such of the Shares of which he is the holder (in order that the same may be cancelled) or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate. Upon such delivery, the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the Register) of such Shares the amount due to him in respect of such redemption as set out in Article 5.1.4(f).
- (c) If and to the extent the Company shall be unable, in compliance with law, to redeem any of the Preference Shares in accordance with the provisions of this Article on the due date for redemption specified herein then the Company shall redeem such Preference Shares as soon after such date as the Company shall be able to do so in compliance with the provisions of the law.

- (d) If any holder of Preference Shares whose Preference Shares are to be redeemed shall fail or refuse to deliver up the certificate for his Preference Shares the Company may retain the redemption moneys in respect of those Preference Shares until delivery of the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate) but shall thereupon pay the redemption moneys to the holder of the Preference Shares in question in accordance with Article 5.1.4(f).
- (e) All Preference Shares redeemed will be cancelled and may not be re-issued.
- (f) There shall be paid on the redemption of each Preference Share an amount equal to the Required IRR. If the redemption occurs on or before 31 December 2002 the Required IRR shall be 20 per cent. If the provisions of Article 5.1.4(c) shall apply and redemption of any Preference Shares shall be effected after 31 December 2002, the Required IRR shall be 25 per cent. if the redemption is effected on or before 31 December 2003, 30 per cent. in the next following year and so on in each succeeding year increasing by 5 percentile points.
- (g) As from the relevant Redemption Date the Preference Dividend in respect of any Preference Shares which are to be redeemed on such date shall cease to accrue.
- (h) Subject to compliance with the law, the Company is authorised to purchase Preference Shares, whether by tender or by private treaty.

#### **5.1.5 Voting and General Meetings**

The Preference Shares shall not entitle the holders thereof to vote upon any resolution other than:

- (a) any resolution modifying, affecting, varying, extending or surrendering any of the rights or privileges attached to the Preference Shares; or
- (b) after 31 December 2002, any resolution to wind up the Company; or
- (c) after 31 December 2002 and while any amount of any dividend remains unpaid for more than 3 months after the first date when it was otherwise due to be paid, any resolution put to any General Meeting of the Company or presented for signature by all the shareholders of the Company.

In any case when the holders are entitled to vote, each Preference Share shall carry two votes.

#### **5.1.6 Transfers**

The Preference Shares shall be transferable.

#### **5.1.7 Directors**

After 31 December 2002 the holders of the Preference Shares shall as a class be entitled by notice in writing to the Company to nominate up to two persons at any one time to be directors of the Company and upon such persons being nominated they shall be appointed Directors accordingly. They shall also be entitled to remove any one or more of such persons by notice in writing to the Company and to appoint another or others in lieu of those removed, and so on. If there is a division among the holders of the Preference Shares about those to be nominated a vote shall be taken in respect of each candidate at a Separate Class Meeting of the holders and the candidate or candidates with most votes shall fill the vacancy or vacancies.

Nominations or removal notices shall be signed by the Chairman of the Separate Class Meeting of the holders of Preference Shares at which resolutions for appointment or removal are passed, unless there is only one holder of the Preference Shares, when a notice signed by that holder alone

shall be sufficient. Where there are more candidates to be nominated than there are vacancies to be filled, a vote shall be taken on each. Those in respect of whose nomination the largest majority or majorities are given shall in order of magnitude be put forward as the persons nominated under this Article 5.1.7.

In the event that the number of directors of the Company holding office is equal at the relevant time to any maximum number stipulated by these Articles, this Article 5.1.7 shall operate so as to increase such maximum number to the extent required to enable a person or persons to be appointed pursuant to this Article 5.1.7.

- 5.2 Subject to the rights of the holders of Preference Shares set out in Article 5.1.1, the profits which the Company may determine to distribute in respect of any financial year or other period for which its accounts are made up shall be distributed among the holders of Ordinary Shares according to the amount paid up on the Ordinary Shares held by them respectively. And, subject to the rights of the holders of Preference Shares set out in Article 5.1.2, on a distribution of surplus assets in a winding up, the balance of such assets shall belong to and be distributed among the holders of Ordinary Shares in proportion to the amounts paid up on the Ordinary Shares held by them respectively.

**6. Shares with special rights**

Subject to the provisions of the Companies Acts and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the board shall determine.

**7. Share warrants to bearer**

- 7.1 The board may issue under a seal of the Company, or in such other manner as the board may authorise, share warrants to bearer in respect of any fully paid up shares, and all shares while represented by such warrants shall be transferable by delivery of the warrants relating thereto. In any case in which a warrant is so issued, the board may provide by coupons or otherwise for the payment of dividends or other moneys on the shares represented by such warrant. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on such

warrants may be applied by some mechanical means or printed on them or that the warrants need not be signed by any person.

7.2 The directors may determine and from time to time vary the conditions upon which share warrants to bearer shall be issued and, in particular, the conditions upon which a new warrant or coupon will be issued in place of one worn out, defaced, lost or destroyed (provided that no new warrant shall be issued unless the Company is satisfied beyond reasonable doubt that the original has been destroyed) or upon which the bearer shall be entitled to attend and vote at general meetings, or upon which a warrant may be surrendered and the name of the bearer entered in the register in respect of the shares therein specified. The bearer of such a warrant shall be subject to the conditions for the time being in force in relation thereto, whether made before or after the issue thereof and, subject to such conditions and to the provisions of the Companies Acts, such bearer shall be deemed to be a member of the Company and shall have the same rights and privileges as he would have if his name had been included in the register as the holder of the shares comprised in such warrant.

7.3 The Company shall not be bound by or be compelled in any way to recognise, even when having notice thereof, any other right in respect of the share represented by a share warrant than an absolute right thereto in the bearer thereof for the time being.

## **8. Allotment of Shares**

8.1 The board has general and unconditional authority, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 80 amount, for each prescribed period.

8.2 The board has general power, pursuant to Section 95 of the Act, to allot equity securities pursuant to the authority conferred by Article 8.1, as if section 89(1) of the Act does not apply to such allotment, for each prescribed period. This power is limited to:

8.2.1 allotments of equity securities where the securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of Ordinary Shares and, if in accordance with their rights the board so determines, holders of other equity securities of any class made in proportion (as nearly as may be) to their existing holdings of Ordinary Shares or (as the case may be) other equity securities of the class

concerned (so that any offer to other holders of equity securities of any class shall be on the basis of their rights to receive such offer or, failing which, shall be on the basis that their holdings had been converted into or that they had subscribed for Ordinary Shares on the basis then applicable) but subject to the board having a right to make such exclusions or other arrangements in connection with such offering as it deems necessary or expedient:

- (a) to deal with equity securities representing fractional entitlements; and
- (b) to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory; and

8.2.2 allotments of equity securities for cash other than pursuant to Article 8.2.1 up to an aggregate nominal amount equal to the section 89 amount.

8.3 By the authority and power conferred by Articles 8.1 and 8.2, the board may during a prescribed period make an offer or agreement which would or might require equity securities or other relevant securities to be allotted after the prescribed period and may allot securities in pursuance of that offer or agreement.

8.4 In this Article 8:

"section 80 amount" means the amount stated in the relevant ordinary or special resolution;

"section 89 amount" means the amount stated in the relevant special resolution;

the nominal amount of securities is, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of shares which may be allotted pursuant to those rights.

8.5 The board may at any time after the allotment of a share but before a person has been entered in the register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on the terms and conditions the board thinks fit.



9. **Unissued Shares**

Subject to the provisions of the Companies Acts relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant thereto, and, in the case of redeemable shares, the provisions of Article 11, all unissued shares for the time being in the capital of the Company shall be at the disposal of the board, and the board may (subject as aforesaid) allot (with or without conferring a right of renunciation), grant options over, offer or otherwise deal with or dispose of them to such persons, on such terms and conditions, and at such times as it thinks fit but no share may be issued at a discount.

10. **Instalments on shares to be duly paid**

If by the conditions of allotment of any share the whole or any part of the amount of issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.

11. **Redeemable Shares**

Subject to the provisions of the Companies Acts, and without prejudice to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as the Company before the issue of the shares may by special resolution determine or as may otherwise be provided by these Articles.

12. **Commissions**

The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Companies Acts. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

**13. Trusts not recognised**

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

## **VARIATION OF RIGHTS**

**14. Method of varying rights and circumstances when rights deemed to be varied**

14.1 Subject to the provisions of the Companies Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated whether or not the Company is being wound up, either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting, pursuant to Article 56 hereto, of the holders of the shares of the class (but not otherwise).

14.2 For the purposes of this Article, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights shall be deemed to be varied by the reduction of the capital paid up on those shares otherwise than by a purchase or redemption by the Company of its own shares and by the allotment of other shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares, but shall not otherwise be deemed to be varied by the creation or issue of other shares ranking *pari passu* with, or subsequent to, such first mentioned shares or by the purchase or redemption by the Company of any of its own shares.

## **SHARE CERTIFICATES**

**15. Uncertificated shares**

- 15.1 Unless otherwise determined by the board and permitted by the Regulations, the Company shall not issue and no person shall be entitled to receive a certificate in respect of any share at any time and for so long as the title to that share is evidenced otherwise than by a certificate and transfers may be made otherwise than by a written instrument by virtue of the Regulations. The board shall have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing and transfer of uncertificated shares (subject always to the Regulations and the facilities and requirements of the relevant system concerned).
- 15.2 Conversion of certificated shares into uncertificated shares, and vice versa, may be made in such manner as the board may, in their absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the relevant system concerned).
- 15.3 The Company shall enter on the register of members how many shares are held by each member in uncertificated form and in certificated form and shall maintain the register in each case as is required by the Regulations and the relevant system concerned.
- 15.4 Notwithstanding any provision of these Articles, a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which apply only in respect of certificated or uncertificated shares.
- 15.5 The provisions of Articles 16.1 and 16.2 shall not apply to uncertificated shares.

**16. Certificated shares**

- 16.1 If determined by the board and permitted by Regulations, every member, upon becoming the holder of any shares (except a recognised clearing house or a nominee of a recognised clearing house of a recognised investment exchange in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such

reasonable sum as the board may from time to time determine. Every certificate shall be executed under the seal or in accordance with Article 161 or 165 and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

- 16.2 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity (with or without security) and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

## **LIEN**

### **17. Company to have lien on shares**

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

### **18. Enforcement of lien by sale**

- 18.1 The Company may sell, in such manner as the board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within seven clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder or otherwise by operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 18.2 To give effect to any such sale the board may authorise some person to convert shares to be sold which are certificated shares into uncertificated shares, and vice versa (so

far as is consistent with the facilities and requirements of the relevant system concerned), and, in respect of certificated shares, to execute an instrument of transfer of the shares sold or, in respect of uncertificated shares, to make other arrangements consistent with the facilities and requirements of the relevant system concerned for their transfer, to, or in accordance with, the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

- 18.3 The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable, and any residue shall (subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

## **CALLS ON SHARES**

### **19. Power to make calls**

Subject to the terms of allotment, the board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may be revoked in whole or part and the time fixed for payment of a call may be postponed in whole or part as the board may determine. 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.

### **20. Time when call made**

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

### **21. Liability of joint holders**

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

**22. Instalments to be treated as calls**

If by the terms of any prospectus or by the conditions of allotment any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a call duly made by the directors of which due notice had been given.

**23. Interest payable**

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, such rate, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined by the Act), as may be determined by the board, but the board may waive payment of such interest wholly or in part. The person from whom payment is due shall not receive any dividend in respect of the amount unpaid.

**24. Deemed calls**

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and notified and payable on the date so fixed or in accordance with the terms of the allotment, and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

**25. Differentiation on calls**

Subject to the terms of allotment, the board may make arrangements on the issue of shares for a difference between the allottees and/or holders in the amounts and times of payment of calls on their shares.

**26. Payment of calls in advance**

The board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and such payment in advance of calls shall extinguish **pro tanto** the liability upon the shares in respect of which it is made, and may pay upon all or any of the moneys so advanced (until the same would but for such advance become presently payable) interest at such rate not exceeding (unless the Company by ordinary resolution may otherwise direct) 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act) as may be agreed upon between the board and such member.

## **FORFEITURE AND SURRENDER**

### **27. Notice requiring payment of call**

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give to the person from whom it is due not less than fourteen clear days' notice in writing requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

### **28. Forfeiture for non-compliance**

If any such notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the board and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before the forfeiture the holder of the share, and an entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the register opposite the entry of the share; but no forfeiture shall be invalidated by any omission or neglect to give such notice or to make such entries.

### **29. Sale of forfeited shares**

Subject to the provisions of the Companies Acts, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the board determines, either to the person who was before the forfeiture the holder or to any other person, and at any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the board may authorise some person to execute an instrument of transfer of the share to that person. The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share.

**30. Liability following forfeiture**

A person any of whose shares have been forfeited shall cease to be a member in respect of the shares and shall, in the case of certificated shares, surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest thereon at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at such rate, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act) as the board may determine, from the date of forfeiture until payment, but 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 for any consideration received on their disposal.

**31. Surrender**

The board may accept the surrender of any share which it is in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited.

**32. Extinction of rights**

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as



are by these Articles expressly saved, or as are by the Companies Acts given or imposed in the case of past members.

**33. Evidence of forfeiture of surrender**

A statutory declaration by a director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary of any share which is a certificated share or the making of such other arrangements, consistent with the facilities and requirements of the relevant system concerned, in relation to any share which is an uncertificated share) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **TRANSFER OF SHARES**

**34. Transfers of uncertificated shares**

All transfers of uncertificated shares shall be made in accordance with and be subject to the Regulations and the facilities and requirements of the relevant system concerned and, subject thereto, in accordance with any arrangements made by the board pursuant to Article 15.

**35. Transfers of certificated shares**

The instrument of transfer of a certificated share may be in any usual form or in any other form which the board may approve and shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

**36. Transfers of partly paid shares**

The board may, in its absolute discretion and without giving any reason, refuse to register the transfer of any share which is not fully paid, provided that such refusal does not prevent dealings in the share from taking place on an open and proper basis.

**37. Invalid transfer**

The board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

- (a) is lodged, duly stamped, at the office or at such other place as the board may appoint accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; and
- (b) is in respect of only one class of shares.

The board may also refuse to register the transfer of any shares to be held jointly by more than four persons.

The board may also refuse to register a transfer of uncertificated shares in such other circumstances (if any) as may be permitted by the Regulations and the requirements of the relevant system concerned.

**38. Transfers by a recognised clearing house**

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 lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

**39. Notice of refusal to register**

If the board refuses to register the transfer, it shall send to the transferee notice of the refusal within two months after the date on which, in respect of certificated shares, the instrument of transfer was lodged with the Company or, in respect of uncertificated

shares, the date on which the Operator-instruction was received by the Company or by a sponsoring system participator acting on its behalf.

**40. Suspension of registration**

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the board may determine.

**41. No fee payable on registration**

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

**42. Retention of transfers**

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

## **TRANSMISSION OF SHARES**

**43. Transmission**

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

**44. Elections/permitted required**

- 44.1** A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may, upon such evidence being produced as the board may properly require as to his entitlement (and in the case of uncertificated shares, subject to the facilities and requirements of the relevant system concerned), elect either to become the holder of the share or to have some person nominated by

him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to any such notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred.

- 44.2 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 sixty 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.

45. **Rights of persons entitled by transmission**

A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall, upon such evidence being produced as the board may properly require as to his entitlement and subject to the requirements of Article 44, have the same rights in relation to the share as he would have had if he were the holder of the share, and may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled in respect of it to receive notice of or to attend or vote at any meeting of the Company or to receive notice of or to attend or vote at any separate meeting of the holders of any class of shares in the Company.

## **CONVERSION OF SHARES INTO STOCK**

### **46. Conversion**

The Company may by ordinary resolution convert any fully paid up shares into stock of the same class as the shares which shall be so converted, and reconvert such stock into fully paid up shares of the same class and of any denomination.

### **47. Transfer of stock**

When any shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulations as and subject to which any shares in the capital of the Company may be transferred, or as near thereto as circumstances admit, but the directors may from time to time fix the minimum amount of stock transferable (which minimum shall not exceed the nominal amount of the shares from which the stock arose) and direct that fractions of that minimum shall not be transferred, but with power at their discretion to waive such rules in any particular case.

### **48. Rights of holders of stock**

The several holders of such stock shall be entitled to participate in the dividends and profits of the Company according to the class of stock and the amount of their respective interests in such stock, and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as would have been conferred by shares of the same class of equal amount in the capital of the Company, but so that none of such privileges or advantages, except the participation in the dividends and profits of the Company and in the assets of the Company on a winding up shall be conferred by any such amounts of stock as would not, if existing in the shares, have conferred such privileges or advantages.

### **49. Definitions**

All such provisions of these Articles relating to shares as are applicable to fully paid-up shares shall apply to stock, and in all such provisions the words "share" and

"shareholder" shall include "stock" and "stockholder". No such conversion shall affect or prejudice any preference or other special privilege.

## **ALTERATION OF SHARE CAPITAL**

### **50. Alterations by ordinary resolution**

The Company may by ordinary resolution:

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subject to the provisions of the Companies Acts, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or may have such deferred rights or be subject to such restrictions as compared with the others as the Company has power to attach to shares upon allotment thereof; and
- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

### **51. New shares subject to these Articles**

All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise, and, unless otherwise provided by these Articles, by the resolution creating the new shares or by the conditions of issue, the new shares shall be unclassified shares.

**52. Fractions arising**

Whenever as a result of a consolidation or sub-division of shares any fractions arise, the board may settle the matter in any manner it deems fit and in particular may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Companies Act, the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members, and the board may convert such shares which are certificated shares into uncertificated shares and vice versa and, in respect of certificated shares, authorise some person to execute an instrument of transfer of the shares or, in respect of uncertificated shares make other arrangements consistent with the facilities and requirements of the relevant system concerned for their transfer to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

**53. Power to reduce capital**

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

## **PURCHASE OF OWN SHARES**

**54. Power to purchase own shares**

Subject to and in accordance with the provisions of the Companies Acts and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the Companies Acts and by an extraordinary resolution passed at a separate general meeting of the holders of each class of shares (if any) which, at the date on which the contract is authorised by the Company in

general meeting, entitle them, either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the Company.

## **GENERAL MEETINGS**

### **55. Types of general meeting**

All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings. The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act.

### **56. Class meetings**

All provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply to every separate general meeting of the holders of any class of shares in the capital of the Company, except that:

- (a) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class and
- (b) any holder of shares of the class present in person or by proxy may demand a poll; and
- (c) each holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.

### **57. Convening general meetings**

Subject to the provisions of Article 55, the board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Companies Acts, shall forthwith proceed to convene an extraordinary general meeting in accordance with the requirements of the Companies Acts. If there are not within the United Kingdom sufficient directors to call a general meeting, any director of the Company may call a general meeting.



## NOTICE OF GENERAL MEETINGS

### 58. Period of Notice

- 58.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice.
- 58.2 Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to each of the directors and to the auditors for the time being of the Company.
- 58.3 For the purposes of giving notice of any general meeting to members who hold uncertificated shares, the board may determine that the members in respect of such shares entitled to receive such notices are those persons entered on the register of members at the close of business on a day determined by them, such day not being more than twenty-one days before the day that the notice of general meeting is despatched.

### 59. Contents of Notice

- 59.1 The notice shall specify the time and place of the meeting (including any satellite meeting place arranged for the purposes of Article 62.1, which shall be identified as such in the notice) and, in the case of special business, the general nature of such business. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of:
- (a) the declaration of dividends;
  - (b) the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the accounts;

- (c) the appointment and re-appointment of directors;
- (d) the appointment of auditors where special notice of the resolution for such appointment is not required by the Companies Acts; and
- (e) the fixing of, or the determining of the method of fixing, the remuneration of the directors and/or auditors.

59.2 In every notice calling a meeting of the Company or any class of the members 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, on a poll, vote instead of him, and that proxy need not also be a member.

59.3 The notice shall, in the case of an annual general meeting, specify the meeting as such, and, in the case of a meeting to pass a special or extraordinary resolution, specify the intention to propose the resolution as a special or extraordinary resolution, as the case may be.

59.4 The notice shall include details of any arrangements made for the purpose of Article 62.3 (making clear that participation in those arrangements will not amount to attendance at the meeting to which the notice relates).

59.5 A notice of general meeting to members may specify a time, being not more than 48 hours before the time fixed for the meeting, by which a person who holds uncertificated shares must be entered on the register of members in order to have the right to attend or vote at the meeting. Changes made to entries on the register of members after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting.

#### 60. **Meetings at short notice**

A general meeting shall, notwithstanding that it is called by shorter notice than that specified in Article 58.1, be deemed to have been duly called if it is so agreed by such members as are prescribed in that behalf by the Companies Acts.

61. **Special Notice**

Where by any provision contained in the Companies Acts special notice is required of a resolution, the resolution shall not be effective unless at least twenty-eight clear days' notice of the intention to move it has been given to the Company (or such shorter period as the Companies Acts permit) before the meeting at which it is moved, and the Company shall give to its members, subject as in these Articles provided, notice of any such resolution as provided by the Companies Acts.

62. **General meetings at more than one place**

62.1 The Directors may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world and the members present in person or by proxy at satellite meeting places shall be counted in the quorum for and entitled to vote at the general meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to (i) participate in the business for which the meeting has been convened, (ii) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place and (iii) be heard and seen by all other persons so present in the same way. The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

62.2 If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in Article 62.1, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid. The provisions of Article 69.2 shall apply to such adjournment.

62.3 The directors may make arrangements for persons entitled to attend a general meeting to be able to view and/or hear the proceedings of any general meeting and/or to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise), by attending a venue anywhere in the world not being a satellite meeting place and those attending any such venue shall not be

regarded as present and shall not be entitled to vote at the meeting at or from that venue and the inability for any reason of any member present in person or by proxy at such a venue to view and/or hear all or any of the proceedings of the meeting and/or to speak at the meeting shall not in any way affect the validity of such proceedings.

62.4 The directors may from time to time make such arrangements for controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some other means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.

62.5 For the purposes of this regulation, the right for a member to participate in the business of any general meeting shall include, without limitation, the right to: speak; vote on any show of hands; vote on any poll; be represented by a proxy; and have access to all documents which are required by the Companies Acts and these regulations to be made available at the meeting.

63. **Accidental omission to give notice**

The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by these Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any such person, shall not invalidate the proceedings at that meeting.

64. **Security at meetings**

The directors and, at any general meeting, the chairman may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security and orderly conduct of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The directors are and, at any general meeting, the chairman is

entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **65. Quorum**

No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, three persons present in person or by proxy and entitled to vote upon the business to be transacted shall be a quorum.

### **66. If quorum not present**

66.1 If such a quorum is not present within thirty minutes from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such time (being not less than fourteen days nor more than twenty-eight days later) and place as the chairman of the meeting may determine.

66.2 At an adjourned meeting the quorum shall be any member present in person or by proxy and entitled to vote. If a quorum is not present within fifteen minutes from the time fixed for the start of the meeting, the adjourned meeting shall be dissolved.

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

### **67. Chairman**

The chairman, if any, of the board or, in his absence, any deputy chairman of the Company or, in his absence, some other director nominated by the board, shall preside as chairman of the meeting, but if neither the chairman, deputy chairman nor such other director (if any) is present within five minutes after the time appointed for holding the meeting or is not willing to act as chairman, the directors present shall elect one of their number to be chairman. If there is only one director present and willing to act, he shall be chairman. If no director is willing to act as chairman, or if

no director is present within five minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

**68. Directors entitled to speak**

A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

**69. Adjournments**

69.1 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition (and without prejudice to the chairman's power to adjourn a meeting conferred by Article 62 above), the chairman may adjourn the meeting to another time and place without such consent if it appears to him that:

- (i) it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present; or
- (ii) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or
- (iii) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

69.2 Any such adjournment may be for such time and/or to such other place (or, in the case of a meeting held at a principal meeting place and a satellite meeting place, such other places) as the chairman may, in his absolute discretion determine, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meetings. Any such member may nevertheless execute a form of proxy for the adjourned meeting which, if delivered by him to the chairman or the secretary, shall be valid even though it is given at less notice than would otherwise be required by these Articles. When a meeting is adjourned for twenty-eight days or more at least seven clear days' notice shall be given to all the members, each of the directors and the

auditors specifying the time and place (or places, in the case of a meeting to which Article 62 applies) of the adjourned meeting and, it shall not be necessary to specify in such notice the general nature of the business to be transacted at the adjourned meeting. Subject to Article 66 and 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.

**70. Amendments to resolutions**

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

**71. Methods of voting**

A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of a vote on the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person or by proxy having the right to vote at the meeting; or
- (c) any member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) any member or members present in person or by proxy 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,

and a demand by a person as proxy for a member shall be the same as a demand by the member.

**72. Declaration of result**

Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**73. Chairman's casting vote**

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

**74. Withdrawal of demand for poll**

The demand for a poll may, before the poll is taken, 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. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll.

**75. Conduct of poll**

Subject to Article 76, a poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

**76. When poll to be taken**

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question



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

**77. Notice of poll**

No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

**78. Effectiveness of special and extraordinary resolutions**

Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective.

## **VOTES OF MEMBERS**

**79. Right to vote**

Subject to Article 59.5 and to any rights or restrictions attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

**80. Votes of joint holders**

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

**81. Member under incapacity**

A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning

mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court or official, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

82. **Calls in arrears**

No member shall, unless the directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

83. **Section 212 of Act, restrictions if in default**

83.1 If at any time the board is satisfied that any member or any other person appearing to be interested in shares held by such member has been duly served with a notice under section 212 of the Act (a "**section 212 notice**") and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the board may, in its absolute discretion at any time thereafter by notice (a "**direction notice**") to such member direct that:

83.1.1 in respect of the shares in relation to which the default occurred (the "**default shares**") the member shall not be entitled to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company;

83.1.2 where the default shares represent at least ¼ per cent. of the class of shares concerned, then the direction notice may additionally direct that:

(a) except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the default shares, whether in respect of capital or dividend or otherwise,

and the Company shall not meet any liability to pay interest on any such payment when it is finally paid to the member;

- (b) no other distribution shall be made on the default shares;
- (c) no transfer of any of the shares held by such member shall be registered unless:
  - (i) the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the board may in its absolute discretion require 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; or
  - (ii) the transfer is an approved transfer.

83.2 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.

83.3 Any direction notice shall cease to have effect seven days after the earlier of:

83.3.1 receipt by the Company of notice of an approved transfer, but only in relation to the shares transferred; or

83.3.2 receipt by the Company, in a form satisfactory to the board, of all the information required by the relevant section 212 notice.

83.4 The board may at any time give notice cancelling a direction notice.

#### 84. Provisions supplementary to Article 83

84.1 For the purposes of Article 83:

84.1.1 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 212 which either (i) names such person as being so interested or (ii) fails to establish the identities of all those interested in the shares and (after taking into account the said notification and any other relevant section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

84.1.2 the prescribed period is twenty-eight days from the date of service of the said notice under the section 212 notice unless the default shares represent at least  $\frac{1}{4}$  per cent. of the issued shares of that class, when the prescribed period is fourteen days from that date;

84.1.3 a transfer of shares is an approved transfer if but only if:

- (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer (as defined in section 428 of the Act); or
- (b) the board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares the subject of the transfer to a party unconnected with the member and with other persons appearing to be interested in such shares; or
- (c) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

84.2 Nothing contained in Article 83 shall limit the power of the Company under section 216 of the Act.

85. **Errors in voting**

If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.

86. **Objection to voting**

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered, and every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

87. **Supplementary provisions on voting**

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

## **PROXIES AND CORPORATE REPRESENTATIVES**

88. **Appointment of proxy**

An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under its common seal or the hand of a duly authorised officer, attorney or other person authorised to sign it.

89. **Form of proxy**

Instruments of proxy shall be in any usual form or in any other form which the board may approve (which shall include provision for two-way voting) and the board may, if it thinks fit, but subject to the provisions of the Act, at the Company's expense send out with the notice of any meeting forms of instrument of proxy for use at the meeting. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion.

90. **Delivery of form of proxy**

The instrument appointing a proxy and any power of attorney or other written authority under which it is executed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority shall:

- (a) be deposited by personal delivery, post or facsimile transmission at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. No instrument of proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution. When two or more valid instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.

91. **Validity of form of proxy**

An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at a meeting, except with the permission of the chairman. The instrument of proxy shall also be deemed to confer authority 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.

92. **Corporate representatives**

Any corporation or corporation sole which is a member of the Company (in this Article the "grantor") may (in the case of a corporation, by resolution of its directors or other governing body or by authority to be given under seal or under the hand of an officer duly authorised by it) authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. A person so authorised shall be entitled to exercise the same power on behalf of the grantor as the grantor could exercise if it were an individual member of the Company, save that a director, the secretary or other person authorised for the purpose by the secretary may require such person to produce a certified copy of the resolution of authorisation or other authority before permitting him to exercise his powers. The grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

93. **Revocation of authority**

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited at least 3 hours 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.

## **NUMBER OF DIRECTORS**

94. **Limits on the number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be not less than two and the number of directors shall

not be subject to any maximum. The continuing directors may not act notwithstanding any vacancy in their body, provided that if the number of the remaining directors be less than the prescribed minimum the remaining director or directors shall forthwith appoint an additional director or additional directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment. If there be no director or directors able or willing to act then any two shareholders may summon a general meeting for the purpose of appointing directors. Any additional director so appointed shall (subject to the provisions of the Companies Acts and these Articles) hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of directors at such meeting.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

**95. Number of directors to retire**

At every annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall return from office; but if there is only one director who is subject to retirement by rotation, he shall retire.

**96. Which directors to retire**

Subject to the provisions of the Companies Acts and these Articles, the directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who become or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the directors after the date of the notice but before the close of the meeting.



**97. When director deemed to be re-appointed**

If the Company, at the meeting at which a director retires by rotation or otherwise, does not fill the vacancy, the retiring director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the director is put to the meeting and lost. The director re-appointed as aforesaid shall continue in office until the dissolution of the annual general meeting in the next year.

**98. Eligibility for election**

No person other than a director retiring by rotation shall be appointed a director at any general meeting unless:

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

**99. Separate resolutions on appointment**

Except as otherwise authorised by the Companies Acts, the appointment of any person proposed as a director shall be effected by a separate resolution. A single resolution for the appointment of two or more directors shall be void unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it.

**100. Additional powers of the Company**

Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire. The

appointment of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.

**101. Power to remove director by extraordinary resolution**

Without prejudice to the provisions of the Companies Acts, the Company may by extraordinary resolution remove any director before the expiration of his term of office.

**102. Power to appoint Director in place of one removed**

The Company may by ordinary resolution appoint another person in place of the director removed pursuant to the provisions of the Companies Acts or by extraordinary resolution, and the person so appointed shall hold office during such time only as the director in whose place he is appointed would have held the same if he had not been removed, but this provision shall not prevent him from being eligible for re-election.

**103. Appointment by board**

The board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director and in either case whether or not for a fixed term, provided that the appointment does not cause the number of directors to exceed the number, if any, fixed by or in accordance with these Articles as the maximum number of directors. Irrespective of the terms of his appointment, a director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

**104. Position of retiring directors**

A director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

105. **Age limit**

No person shall be disqualified from being appointed or re-appointed a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary by reason of his age to give special notice under the Companies Acts of any resolution. Where the board convenes any general meeting of the Company at which (to the knowledge of the board) a director will be proposed for appointment or re-appointment who at the date for which the meeting is convened will have attained the age of seventy years or more, the board shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any appointment or re-appointment of that director, at that meeting.

106. **No share qualification**

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

## **ALTERNATE DIRECTORS**

107. **Power to appoint alternates**

Any director (other than an alternate director) may appoint (i) any other director, or (ii) any person approved by the board (by a majority consisting of two-thirds of the whole board) and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

108. **Alternates entitled to receive notice**

An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of the board of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor (except as regards power to appoint an alternate) as a director in his absence. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

109. **Alternates representing more than one director**

A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the board or any committee of the board to one vote for every director whom he represents (and who is not present) in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

110. **Expenses and remuneration of alternates**

An alternate director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a director but shall not in respect of his services as an alternate director be entitled to receive any remuneration from the Company except such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

111. **Termination of appointment**

An alternate director shall cease to be an alternate director:

- (a) if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his re-appointment;
- (b) on the happening of any event which, if he were a director, would cause him to vacate his office as director; or
- (c) if he resigns his office by notice to the Company.

112. **Method of appointment and revocation**

Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment and shall take

effect in accordance with the terms of the notice (subject to any approval required by Article 107) upon receipt of such notice at the office.

**113. Alternate not an agent of appointor**

Save as otherwise expressly provided in these Articles, an alternate director shall be deemed for all purposes to be a director and, accordingly, except where the context otherwise requires, references to a director shall be deemed to include a reference to an alternate director. An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

## **POWERS AND DUTIES OF THE DIRECTORS**

**114. Business to be managed by the directors**

Subject to the provisions of the Companies Acts, the Memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company including the power to dispose of all or any part of the undertaking of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the directors by these Articles.

**115. Exercise of voting powers**

The directors 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 in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers or servants of such company or voting or providing for the payment of remuneration to such officers or servants).

**116. Directors may join boards of other companies**

A director of the Company may continue or become a director or other officer, servant or member of any company promoted by the Company or in which it may be

interested as a vendor, shareholder, or otherwise but, subject to any contract between himself and the Company, such director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

## **DELEGATION OF POWERS OF THE BOARD**

### **117. Committees of the board**

The board may delegate any of its powers to any committee consisting of one or more directors. The board may also delegate to any director holding any executive office such of its powers as the board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the board may specify, and may be revoked or altered. The board may co-opt on to any such committee persons other than directors, who may enjoy voting rights in the committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are directors. Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying.

### **118. Local boards, etc**

The board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made upon such terms and subject to such conditions as the board may decide and the board may remove any person so appointed and may revoke or

vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

**119. Agents**

The board may, by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the board determines, including authority for the agent or agents to delegate all or any of his or their powers, authorities and discretions, and may revoke or vary such delegation.

**120. Offices including the title director**

The board may appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that the holder is a director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these Articles.

## **BORROWING POWERS**

**121. Power to borrow**

121.1 Subject to any limitations or restrictions on borrowing imposed by way of ordinary resolution, the board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

121.2 No person dealing with the Company shall be concerned to see or enquire whether any restriction on borrowing is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the

security had at the time when the debt was incurred or security given express notice that the said limit had been or would thereby be exceeded.

122. **Mode of borrowing**

Subject to any restrictions or limitations imposed by way of ordinary resolution, the board may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures, or securities, to exchange the same for shares in the Company of any class authorised to be issued.

123. **Security for payment of moneys borrowed or raised**

Subject as aforesaid the board may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security, and the board may confer upon any mortgagees or persons in whom any debenture or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or raised, and confer upon the trustees or any receiver to be appointed by them or by any debenture holder such rights and powers as the board may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

124. **Security for payment of monies**

The board may give security for the payment of any moneys payable by the Company in like manner as for the payment of moneys borrowed or raised, but in such case the amount shall for the purposes of the above limitation be reckoned as part of the money borrowed.



125. **Register of Charges to be kept**

The Company shall keep a Register of Charges in accordance with the Companies Acts and the fee to be paid by any person other than a creditor or member of the Company for each inspection of the Register of Charges shall be the sum of 5 pence.

**DISQUALIFICATION AND REMOVAL OF DIRECTORS**

126. **Disqualification as a director**

The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provisions of the Companies Acts or these Articles or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- (c) he is, or may be, suffering from mental disorder and either:
  - (i) 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 1960; or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice to the Company or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 104; or

- (e) he shall for more than six consecutive months have been absent without permission of the board from meetings of the board held during that period and his alternate director (if any) shall not during such period have attended in his stead and that board resolves that his office be vacated provided that the aforesaid shall not apply if the directors absence is due to illness, unavoidable accident or other cause which may seem to the directors to be sufficient;
- (f) he is requested to resign in writing by not less than three quarters of the other directors. In calculating the number of directors who are required to make such a request to the director, (i) there shall be excluded any alternate director appointed by him acting in his capacity as such, and (ii) a director and any alternate director appointed by him and acting in his capacity as such shall constitute a single director for this purpose, so that the signature of either shall be sufficient.

**127. Power of the Company to remove directors**

The Company may, in accordance with and subject to the provisions of the Companies Acts, by ordinary resolution of which special notice has been given remove any director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement) and, by ordinary resolution, appoint another person in place of a director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director in whose place he is appointed was last elected a director. In default of such appointment the vacancy arising upon the removal of a director from office may be filled as a casual vacancy.

## **REMUNERATION OF DIRECTORS**

**128. Ordinary remuneration**

The ordinary remuneration of the directors who do not hold executive office for their services (excluding amounts payable under any other provision of these Articles) shall

be determined by the board, subject to a maximum aggregate sum for such non-executive directors' pay as determined from time to time by ordinary resolution. Subject thereto, each such non-executive director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the board.

**129. Additional remuneration for special services**

Any director who does not hold executive office and who serves on any committee of the directors, by the request of the board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may (without prejudice to the provisions of Article 128) be paid such extra remuneration by way of salary, commission or otherwise as the board may determine.

## **DIRECTORS' EXPENSES**

**130. Directors may be paid expenses**

The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the board or committees of the board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

## **MANAGING AND EXECUTIVE DIRECTORS**

**131. Appointment to executive office**

Subject to the provisions of the Companies Acts, the board may appoint one or more of its body to be managing director or joint managing director or the holder of any other executive office (except that of auditor) under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the board determines. The board may

revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company by reason thereof.

**132. Termination of appointment to executive office**

Any appointment of a managing director or other director to an executive office shall terminate if he ceases to be a director but without prejudice to any rights or claims which he may have against the Company by reason of such cesser. A director appointed to an executive office shall not ipso facto cease to be a director if his appointment to such executive office terminates. A managing director or any other director holding executive office shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of directors but he shall be subject to the same provisions as to removal and as to vacation of office as the other directors of the Company.

**133. Emoluments to be determined by the board**

The emoluments of a managing director or any other director holding executive office for his services as such shall be determined by the board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

**134. Powers**

The directors may from time to time entrust to and confer upon a managing director or any other directors holding executive office for the time being such of the powers exercisable under these Articles by the directors, other than power to make calls or forfeit shares, as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the

powers of the directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

135. **President**

The Directors may from time to time appoint an individual who may serve as president of the Company or with such other title as the directors may determine (who need not be a Director of the Company) and may determine his duties and remuneration and the period for which he is to hold office.

**DIRECTORS' INTERESTS**

136. **Directors may contract with the Company**

136.1 Subject to the provisions of the Companies Acts, and provided that he has disclosed to the board the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

136.2 For the purposes of this Article:

- (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 or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (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.

**137. Exercise by Company of voting rights**

The board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

## **GRATUITIES, PENSIONS AND INSURANCE**

**138. Gratuities and pensions**

The board may (by establishment of or maintenance of schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present director or employee of the Company or any of its subsidiaries or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

**139. Insurance**

Without prejudice to the provisions of Article 138, the board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were

at any time directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

**140. Directors not liable to account**

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

**141. Provision for employees on cessation or transfer of business**

The Company shall exercise the power conferred upon it by Section 719 of the Act only with the prior sanction of a special resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of three-fourths in nominal value of the issued shares of each class or the prior sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of Article 56.

## **PROCEEDINGS OF DIRECTORS**

**142. Convening meetings**

Subject to the provisions of these Articles, the board may regulate its proceedings as it thinks fit. A director may, and the secretary at the request of a director shall, call a

meeting of the board. Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or other address given by him to the Company for this purpose. It shall not be necessary to give notice of a board meeting to any director who is for the time being absent from the United Kingdom. No account is to be taken of directors absent from the United Kingdom when considering the adequacy of the period of notice of the meeting. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. Any director may waive notice of a meeting and any such waiver may be retrospective.

**143. Notice of board meetings**

Notice of board meetings shall be deemed to be duly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings, shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, whether or not out of the United Kingdom.

**144. Quorum**

The quorum for the transaction of the business of the board may be fixed by the board and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no director objects.

**145. Powers of directors if number falls below minimum**

The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.



146. **Chairman and deputy chairman**

The board may appoint one of their number to be the chairman or joint chairman, and one of their number to be the deputy chairman, of the board and may at any time remove either of them from such office. Unless he is unwilling to do so, the director appointed as chairman, or in his stead the director appointed as deputy chairman, shall preside at every meeting of the board at which he is present. If there is no director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

147. **Validity of acts of the board**

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director or alternate director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or any member of the committee or alternate director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote.

148. **Resolution in writing**

A resolution in writing signed by all the directors entitled to receive notice of a meeting of the board or of a committee of the board (not being less than the number of directors required to form a quorum of the board) shall be as valid and effectual as if it had been passed at a meeting of the board or (as the case may be) a committee of the board duly convened and held and for this purpose:

- (a) a resolution may consist of several documents to the same effect each signed by one or more directors;
- (b) a resolution signed by an alternate director need not also be signed by his appointor; and

- (c) a resolution signed by a director who has appointed an alternate director need not also be signed by the alternate director in that capacity.

149. **Meetings by telephone etc.**

Without prejudice to the first sentence of Article 142, a meeting of the board or of a committee of the board may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is. The word "**meeting**" in these Articles shall be construed accordingly.

150. **Directors' power to vote on contracts in which they are interested**

150.1 Save as otherwise provided by these Articles, a director shall not vote at a meeting of the board or a committee of the board on any resolution of the board concerning a matter in which he has an interest (other than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company) which is material unless his interest arises only because the case falls within one or more of the following Articles:

- (a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent by him to, or an obligation incurred by him at the request of or for the benefit of, the Company or any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (c) his interest arises in relation to the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer

or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of the public;

- (d) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities of or by the Company or any of its subsidiaries for subscription, purchase or exchange;
- (e) the resolution relates to a proposal concerning any other body corporate in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- (f) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes;
- (g) the resolution relates to any contract or arrangement concerning the adoption, modification or operation of any scheme for enabling employees including full time executive directors of the Company and/or any of its subsidiaries to acquire shares of the Company or any arrangement for the benefit of employees of the Company or of any of its subsidiaries and which does not provide in respect of any director as such any privilege or advantage not accorded to the employees to whom the contract or arrangement relates; and
- (h) any proposal concerning any insurance which the Company is empowered to purchase or maintain for or for the benefit of any directors of the Company or for persons who include directors of the Company provided that for the purposes of this Article insurance shall mean only insurance against liability incurred by a director in respect of any such act or omission by him as is referred to in Article 139 or any other insurance which the Company is empowered to purchase or maintain for or for the

benefit of any groups of persons consisting of or including directors of the Company.

150.2 For the purpose of determining whether a proposal concerns a body corporate in which a director is interested, there shall be disregarded any shares held by a director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust in which the director is only interested as a unit holder. For the purposes of this Article, an interest of a person who is, for any purpose of the Companies Acts (excluding any statutory modification thereof not in force when this Article becomes binding on the Company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

151. **Exclusion of director from quorum**

A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

152. **Amendment of restrictions on voting**

The company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of any provision of these Articles prohibiting a director from voting at a meeting of the board or a committee of the board.

153. **Voting on the appointment of a director**

A director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

154. **Division of proposals**

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or

employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned (if not debarred from voting under the proviso to Article 150.1(e)) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

**155. Decision of chairman final and conclusive**

If a question arises at a meeting of the board or of a committee of the board as to the entitlement of a director to vote or be counted in a quorum, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed. If any such question arises in respect of the chairman of the meeting, it shall be decided by resolution of the board (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the chairman have not been fairly disclosed.

## **SECRETARY**

**156. Appointment and removal of secretary**

Subject to the provisions of the Companies Acts, the secretary shall be appointed by the board for such term, at such remuneration and upon such conditions as it may think fit, and any secretary so appointed may be removed by the board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

## **MINUTES**

**157 Minutes required to be kept**

**157.1** The Board shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the board and of their salary or remuneration; and

- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, of the board, and of committees of the board, including the names of the directors present at each such meeting.

157.2 Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

## **THE SEAL**

### **158. Provision for seals**

The directors shall provide a common seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in lieu thereof.

### **159. Execution by Seal**

Any document may be executed under the seal by impressing the seal by mechanical means or by printing the seal or a facsimile of it on such document or by applying the seal or a facsimile of it by any other means to such document.

### **160. Authority required for use of seal**

The seal shall only be used by the authority of a resolution of the board or of a committee of the board. The board may determine who shall sign any instrument executed under the seal and unless otherwise so determined it shall be signed by at least one director and the secretary or by at least two directors.

### **161. Certificates for shares and debentures**

The board may by resolution determine either generally or in any particular case that any certificates for shares or debentures or representing any other form of security executed under the seal or in accordance with Article 134 may have signatures affixed to them by some mechanical means, or printed thereon or, in the case of a certificate executed under the seal, need not bear any signature.

162. **Official seal for use abroad**

The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad.

163. **Execution of instrument as deed under hand**

Where the Act so permits, any instrument signed, with the authority of a resolution of the board or of a committee of the board, by one director and the secretary or by two directors and expressed to be executed by the Company, shall have the same effect as if executed under the seal.

164. **Delivery of deeds**

A document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of its having been executed by the Company.

## **REGISTERS**

165. **Overseas and local registers**

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

166. **Certified copies**

Any director or the secretary or any person appointed by the board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the holders of any class of shares of 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. A document purporting to be a copy of a resolution, or the minutes of or an extract from the minutes of a meeting of the Company or the holders of any class of shares of the

Company or of the board or any committee of the board that is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of the proceedings at a duly constituted meeting.

## **DIVIDENDS**

### **167. Declaration of dividends**

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

### **168. Interim dividends**

Subject to the provisions of the Companies Acts, the board may pay interim dividends if it appears to the board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the board that the profits available for distribution justify the payment. Provided the board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

### **169. Apportionment of dividends**

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is



paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for a dividend accordingly.

**170. Dividends in specie**

A general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other body corporate. Where any difficulty arises in regard to the distribution, the board may settle the same as it thinks fit, and in particular, may fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

**171. Scrip dividends**

The directors may, if authorised by an ordinary resolution of the Company, offer any holders of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of all or any dividends specified by the ordinary resolution and (subject as hereinafter provided) upon such terms and conditions and in such manner as may be specified in such resolution. The following provisions shall apply.

- (a) An ordinary resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period.
- (b) Each holder of shares shall be entitled to such number of new shares as are together as nearly as possible equal in value to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. If at any time the shares of the Company are listed or quoted on the London Stock Exchange (whether on the Alternative Investment Market, the Official List or otherwise), the value of each new share shall be:-
  - (i) equal to the average quotation for the Ordinary Shares, that is, the average of the middle market quotations for those shares on the London Stock Exchange, on the day on which such shares

are first quoted ex the relevant dividend and the four subsequent dealing days; or

- (ii) calculated in such other manner as may be determined by or in accordance with the ordinary resolution,

but shall never be less than the par value of the share.

A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount.

- (c) On or as soon as practicable after announcing that any dividend is to be declared or recommended, the directors, if they intend to offer an election in respect of that dividend, shall also announce that intention. If, after determining the basis of allotment, the directors decide to proceed with the offer, they shall notify the holders of shares in writing of the terms and conditions of the right of election offered to them, specifying the procedure to be followed and place at which, and the latest time by which, elections or notices amending or terminating existing elections must be lodged in order to be effective, provided that the directors may make, in relation to uncertificated shares, such other arrangements as they may in their absolute discretion think fit (subject always to the facilities and requirements of the relevant system concerned).
- (d) The directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be appropriated to give effect to it after the basis of allotment is determined.
- (e) The directors may exclude from any offer any holders of shares where the directors believe 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.
- (f) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on shares in respect of which an election has been made (the "elected shares") and instead

such number of additional shares shall be allotted to each holder of elected shares as is arrived at on the basis stated in (b) above. For such purpose the directors shall appropriate 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 directors may determine a sum equal to the aggregate nominal amount of the additional shares to be allotted and apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to each such holder of elected shares as is arrived at on the basis stated in (b) above.

- (g) The additional shares when allotted shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue except that they will not be entitled to participation in the relevant dividend. Unless the directors otherwise determine (and subject always to the Regulations and/or the requirements of the relevant system concerned) the Ordinary Shares so allotted shall be issued as certificated shares (where the Ordinary Shares in respect of which they have been allotted were certificated shares) or as uncertificated shares (where the Ordinary Shares in respect of which they have been allotted were uncertificated shares).
- (h) No fraction of a share shall be allotted. The directors may make such provision as they think fit for any fractional entitlements including provision whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any holder and such accruals or retentions are applied to the allotment of fully paid shares to such holder and/or provision whereby cash payments may be made to holders in respect of their fractional entitlements.
- (i) The directors may do all acts and things considered necessary or expedient to give effect to the allotments and issue of any shares pursuant to this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person, acting on behalf of the holders concerned, to enter into an agreement with the Company providing for such allotment and incidental matters and any agreement made under such authority shall be effective and binding on all concerned.

- (j) The directors may, in their discretion, amend, suspend or terminate any offer which is in operation.

**172. Permitted deductions and retentions**

The board may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company in respect of that share. The directors may retain the dividends payable upon shares in respect of which any person is under the provisions of these Articles as to transmission of shares entitled to become a member, or which any person under those provisions is entitled to transfer, until such person (or their transferee) shall become a member in respect of such shares.

**173. Procedure for payment**

Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent by post to the registered address of the holder of the share (in this Article the "**holder**") or any person entitled to the share by reason of the death or bankruptcy of the holder or otherwise by operation of law (in this Article the "**person entitled**") or, if two or more persons are the holders or are jointly entitled, to the registered address of the person who is first named in the register or to such person and to such address as the holders or the persons entitled may in writing direct. Every cheque or warrant in respect of a dividend or other moneys payable in respect of a share shall be made payable to or to the order of the holder or person entitled or to such other person as the holder or person entitled may in writing direct. Any such dividend or other money may also be paid by any other method (including direct debit, bank or other funds transfer system) which the board considers appropriate, or, in relation to uncertificated shares, such other method as the directors may in their absolute discretion think fit (subject always to the facilities and requirements of the relevant system concerned) and to or through such person as the holder or person entitled may in writing direct (or, in relation to uncertificated shares, to or through such person or into such account attributable to such person as may be consistent with the facilities and requirements of the relevant system concerned). Every such cheque or warrant so sent or transfer of funds so made shall be at the risk of the holder or person entitled. Payment of a cheque or warrant by the bank on which it was drawn or the transfer of the funds by the bank instructed to make the same or, in relation to uncertificated shares, the making of payment by such method as is consistent with the facilities and requirements of the relevant system concerned, shall be a good discharge to the

Company. The Company shall have no responsibility for any sums lost or delayed in the course of payment by a method properly selected by the board pursuant to this Article, or where it has acted on any directions given by the holder or person entitled. Any joint holder or person jointly entitled may give receipts for any dividend or other moneys payable in respect of the share.

**174. Interest not payable**

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

**175. Forfeiture of unclaimed dividends**

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the board so resolves, be forfeited and cease to remain owing by the Company. The payment by the board of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account; such payment shall not constitute the Company a trustee thereof. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if such instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions. The entitlement conferred on the Company by this Article in respect of any member shall cease if such member claims a dividend or cashes a dividend warrant or cheque.

**176. To whom the dividends belong**

Every dividend shall belong and be paid (subject to the Company's lien) to those members who shall be on the register at the date fixed by the directors for the purpose of determining the person entitled to such dividend (whether the date of payment or some other date) notwithstanding any subsequent transfer or transmission of shares.

## **CAPITALISATION OF PROFITS AND RESERVES**

**177. Power to capitalise**

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

- (a) subject as hereinafter provided, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including the Company's share premium account and capital redemption reserve, if any;
- (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of Ordinary Shares (whether or not fully paid) held by them respectively on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and apply such 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 paying up in full unissued shares, debentures or other obligations of the Company of a nominal amount equal to that sum, and allot the shares, debentures or other obligations credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid and in the case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves and would not be reduced below that aggregate by the payment thereof as shown in the latest audited accounts of the Company or such other accounts as may be relevant;
- (c) make such provision by authorising the sale and transfer to any person of fractions to which any members would be come entitled or resolve that the distribution be made as nearly as practicable in the correct proportion but not exactly so or may ignore fractions altogether or resolve that cash payments be made to any members in order to adjust the rights of all parties or otherwise as (in each case) the board determines where shares or debentures become, or would otherwise become, distributable under this Article in fractions;

- (d) resolve that any shares allotted under this Article to any member in respect of a holding by him of any partly paid Ordinary Shares shall, so long as such Ordinary Shares remain partly paid rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;
- (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for either:
  - (i) the allotment to such members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled upon such capitalisation; or
  - (ii) the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares,and any agreement made under such authority shall be binding on all such members; and
- (e) generally do all acts and things required to give effect to such resolution as aforesaid.

## **RECORD DATES**

### **178. Record dates**

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

## ACCOUNTS

### 179. **Rights to inspect records**

No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

### 180. **Delivery of balance sheets and profit and loss accounts**

A copy of every balance sheet and profit and loss account (including any documents required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the directors' and auditors' reports shall, at least twenty-one days previously to the meeting, be delivered or sent by post to every member and to every debenture holder of the Company of whose address the Company is aware, and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Companies Acts or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders, provided that the requirements of this Article shall be deemed satisfied in relation to any member by sending to such member, where permitted by the Companies Acts and instead of such copies, a summary financial statement derived from the Company's annual accounts and the report of the directors and prepared in the form and containing the information prescribed by the Companies Acts and any regulations made thereunder.

## NOTICES

### 181. **When notice required to be in writing**

Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the board need not be in writing.

### 182. **Method of giving notice**

The Company may serve or deliver any notice or other document on or to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address (or at any other address in the United Kingdom



which the member shall have in writing given to the Company as his address for service) or by leaving it at that address. In the case of joint holders of a share, all notices or other documents shall be served on or delivered to the joint holder whose name stands first in the register in respect of the joint holding and any notice or other document so served or delivered shall be deemed for all purposes sufficient service on or delivery to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise:

- (a) no such members shall be entitled to receive any notice from the Company; and
- (b) without prejudice to the generality of the foregoing, any notice of a general meeting of the Company which is in fact given or purports to be given to such members shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

**183. Deemed receipt of notice**

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

**184. Notice to persons entitled by transmission**

A notice or other document may be served or delivered by the Company on or to the persons entitled by transmission to a share, whether in consequence of the death or bankruptcy of a member or otherwise by sending or delivering it, in any manner authorised by these Articles for the service or delivery of a notice or other document on or to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice or other document may be served or delivered in any manner in which it might have been served or delivered if the death or bankruptcy or other event giving rise to the transmission had not occurred.

**185. Transferees etc. bound by prior notice**

Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a share shall be bound by any direction notice issued under Article 83.1 to a person from whom he derives his title.

**186. When notices by post deemed served**

Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice sent by post shall be deemed to be given:

- (a) if sent by first class post from an address in the United Kingdom or another country to another address in the United Kingdom or, as the case may be, that other country, on the day following that on which the envelope containing it was posted;
- (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, on the day following that on which the envelope containing it was posted; and
- (c) in any other case, on the second day following that on which the envelope containing it was posted.

**187. Notice during disruption of postal address**

If at any time the Company is unable effectively to convene a general meeting by notices sent through the post in the United Kingdom as a result of the suspension or curtailment of postal services, notice of such general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised on the same date in at least two daily newspapers having a national circulation and such notice shall be deemed to have been served on all persons who are entitled to have notice of meetings served on them at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days

prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

## **DESTRUCTION OF DOCUMENTS**

### **188. Power of company to destroy documents**

The Company shall be entitled to destroy all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the register, at any time after the expiration of six years from the date of registration thereof and all dividend mandates or variations or cancellations thereof and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof and all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded. It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled;

- (c) references herein to the destruction of any document include references to the disposal thereof in any manner;
- (d) references to this Article to instruments of transfer shall include, in relation to uncertificated shares, Operator-instructions relating to the transfer of such shares; and
- (e) in relation to uncertificated shares, the provisions of this Article shall apply only to the extent the same are consistent with the Regulations.

### **UNTRACED SHAREHOLDERS**

#### **189. Power to dispose of shares of untraced shareholders**

189.1 The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by virtue of transmission on death, bankruptcy, or otherwise by operation of law if and provided that:

- (a) during a period of twelve years prior to the date of the publication of the advertisements referred to in Article 189.1 (b) below (or, if published on different dates, the first hereof) at least three dividends in respect of the shares in question have been declared and all dividend warrants and cheques which have been sent in the manner authorised by these Articles in respect of the shares in question have remained uncashed; and
- (b) the Company shall as soon as practicable after expiry of the said period of twelve years have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person giving notice of its intention to sell the shares; and
- (c) during the said period of twelve years and the period of three months following the publication of the said advertisements the Company shall have received no indication either of the whereabouts or of the existence of such member or person; and

- (d) if the shares are listed or quoted on the London Stock Exchange, notice shall have been given to the Quotations Department of the London Stock Exchange of the Company's intention to make such sale prior to the publication of advertisements.

189.2 If during any twelve year period referred to in Article 189.1 (a) above, further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Article (other than the requirement that they be in issue for twelve years) have been satisfied in regard to the further shares, the Company may also sell the further shares.

#### 190. **Transfer on sale**

To give effect to any such sale, the board may authorise some person to execute an instrument of transfer of the said shares, or (so far as is consistent with the facilities and requirements of the relevant system concerned) to convert a certificated share to be sold into an uncertificated share or vice versa, or, in relation to uncertificated shares, to make arrangements consistent with the facilities and requirements of the relevant system concerned for the transfer of such shares and such instrument of transfer, conversion or arrangements shall be as effective as if it or they had been executed or made by the registered holder of, or person entitled by transmission to, such shares and (save as may be provided in the Regulations) the transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

#### 191. **Proceeds of Sale**

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. 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 as the board from time to time thinks fit.

## **BILLS, NOTES, CHEQUES AND RECEIPTS**

### **192. Signature of Negotiable Instruments**

The directors may draw, make, accept, or endorse, or authorise any other person or persons to draw, make, accept, or endorse any cheques, bills of exchange, promissory notes or other negotiable instruments, provided that every cheque, bill of exchange, promissory note or other negotiable instrument drawn, made or accepted shall be signed by such persons or person as the directors may appoint for the purpose.

## **WINDING UP**

### **193. Liquidator may distribute in specie**

If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

### **194. Disposal of assets by liquidator**

The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either then already constituted or about to be constituted for the purpose of carrying out the sale.

## INDEMNITY

### 195. Indemnity to directors and secretary

Subject to the provisions of the Companies Acts but without prejudice to any indemnity to which a director may otherwise be entitled, every director or company secretary of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution or discharge of his duties or the exercise of his powers or otherwise in relation thereto, including (but without limitation) any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

---

NEF/PXL/17472/CC219777.01