

# ARTICLES OF ASSOCIATION

(As adopted by Special Resolution passed  
on 09/03/ 2015)

OF

**ST MARK HOMES CAPITAL LIMITED**

(Incorporated on 18 February 1988)

SATURDAY

COMPANIES HOUSE



\*R436CQH4\*

RM

14/03/2015

#2

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a small flourish.

## INDEX

	Article
PRELIMINARY	1-2
SHARE CAPITAL	3-12
CERTIFICATES	13-17
FORFEITURE AND LIEN	18-28
TRANSFER OF SHARES	29-38
TRANSMISSION OF SHARES	39-41
CONSOLIDATION AND SUB-DIVISION OF SHARES	42-44
CONVERSION OF SHARES INTO STOCK	45-48
INCREASE OR REDUCTION OF CAPITAL AND PURCHASE OF OWN SHARES	49-51
GENERAL MEETINGS	52-73
VOTING	74-85
VARIATION OF RIGHTS	86-87
DIRECTORS AND OTHER OFFICERS	88-93
ALTERNATE DIRECTORS	94-95
MANAGING AND EXECUTIVE DIRECTORS	96-99
POWERS AND DUTIES OF DIRECTORS	100-109
PRESIDENT	110
LOCAL MANAGEMENT	111
BORROWING POWERS	112-116
DISQUALIFICATION OF DIRECTORS	117
RETIREMENT AND APPOINTMENT OF DIRECTORS	118-127
PROCEEDINGS OF DIRECTORS AND COMMITTEES	128-136
ASSOCIATE DIRECTORS	137-141
SECRETARY	142
AUTHENTICATION OF DOCUMENTS	143-144
RESERVES, DIVIDENDS AND MISCELLANEOUS RESERVES	145
DIVIDENDS AND OTHER PAYMENTS	146-156
SCRIP DIVIDENDS	157-163
CAPITALISATION OF PROFITS	164
RECORD DATES	165
ACCOUNTS	166-167
SEALS	168-173
BILLS, NOTES, CHEQUES AND RECEIPTS	174
NOTICES	175-181
UNTRACED SHAREHOLDERS	182
DESTRUCTION OF DOCUMENTS	183
DIVISION OF ASSETS IN SPECIE	184
PROVISION FOR EMPLOYEES	185
INDEMNITY	186

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(As adopted by a Special Resolution passed on 2015)

OF

ST MARK HOMES CAPITAL LIMITED

(72)

PRELIMINARY

1. In these Articles unless there be something in the subject or context inconsistent therewith:-

"Act"	means the Companies Act 1985 including any statutory re-enactment or modification thereof;
"Article"	means one of these Articles;
"Articles"	means these Articles of Association including any amendments duly made from time to time by the Company;
"Auditors"	means the auditors for the time being of the Company.
"Call"	means a call upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of such shares or by way of premium),
"Company"	means St Mark Homes Income Plc;
"Directors" or "Board"	means the board of directors for the time being of the Company,
"dividend"	includes a distribution and bonus if not inconsistent with the subject or context,
"General Meeting"	means any meeting of the members of the Company called or held in accordance with the provisions of Articles 54 to 75 (inclusive),
"Group"	means the Company and any subsidiary or subsidiary undertaking as such terms are defined in the Act;

"holder"	(in relation to shares) means the Member whose name is entered in the Register as the holder of the shares;
"Member"	means a member of the Company;
"month"	means calendar month;
"Office"	means the registered office for the time being of the Company;
"Ordinary Shares"	means the Ordinary Shares of 10 pence each in the capital of the Company;
"paid-up"	means paid up or credited as paid up in respect of the nominal amount of a share;
"Register"	means the Register of Members of the Company to be kept pursuant to section 352 of the Act;
"Seal"	means the common seal of the Company or any official seal that the Company may be permitted to have under the Statutes;
"Secretary"	means the secretary for the time being of the Company, or any person appointed by the Board to perform any of the duties of secretary;
"shareholder"	includes stockholder;
"shares"	unless the context otherwise requires, means together the Ordinary Shares and any other class of shares as may be validly created from time to time and includes stock;
"the Statutes"	means the Act and every other statute from time to time in force in the United Kingdom concerning companies insofar as the same applies to the Company or re-enactment thereof for the time being in force.
"United Kingdom"	means Great Britain and Northern Ireland;
"in writing" and "written"	includes printing, typewriting, lithography, photograph, and other modes of representing and reproducing words in a legible form

1.2 In these Articles: -

- 1.2.1 words importing the singular number only include the plural number and vice versa;
  - 1.2.2 words importing the masculine gender only include the feminine gender;
  - 1.2.3 words importing persons include partnerships, firms, trusts and corporations;
  - 1.2.4 words and expressions defined in the Statutes shall, unless the context otherwise requires, have the same meanings in these Articles;
  - 1.2.5 where for any purpose an Ordinary Resolution of the Company is required, a Special or Extraordinary Resolution shall also be effective, and where an Extraordinary Resolution of the Company is required a Special Resolution shall also be effective;
  - 1.2.6 the headings are for convenience only and shall not affect the construction of these Articles.
2. No regulations set out in any schedule to any Statute or in any regulations concerning companies shall apply as regulations or articles of the Company, and the following shall be the Articles of Association of the Company.

**SHARE CAPITAL**

- 3.1 The capital of the Company as at the date of adoption of this Article is £3,000,040.50 divided into 5,900,000 Ordinary Shares of 50p each, 50,000 Redeemable Preference Shares of £1 each and 81 "A" Ordinary Shares of 50p each ("A" Shares").

3.2 Rights Attaching to the Redeemable Preference Shares

3.2.1 As Regards Income

The Redeemable Preference Shares carry the right to receive a fixed cumulative preferential dividend from the revenue profits of the Company which are available for distribution and which the directors determine to distribute by way of dividend in priority to any dividend payable on the Shares or "A" Shares at the rate of 0.1% per annum (exclusive of any imputed tax credit available to shareholders) on the nominal amount thereof, but confer no other right to a dividend.

3.2.2 As Regards Voting and General Meetings

The Redeemable Preference Shares confer no right to receive notice of, or to attend or vote at general meetings except where the rights of holders of the Redeemable Preference Shares are to be varied or abrogated

### **3.2.3 As Regards Capital**

On a winding up the holders of the Redeemable Preference Shares shall be entitled to be paid out of the assets of the Company available for distribution the nominal amount paid up on such shares pari passu with, and in proportion to, amounts of capital paid to the holders of Shares or "A" Shares, but do not confer any right to participate in any surplus assets of the Company.

### **3.2.4 Redemption**

The Redeemable Preference Shares are capable of being redeemed by the Company at any time and on their redemption the holders thereof shall subject to the provisions of the Act be paid £1 per Redeemable Preference Share held and each Redeemable Preference Share which is redeemed shall thereafter be redesignated as and sub-divided into two Shares of 50p each in the authorised but unissued capital of the Company without any further resolution or consent.

## **3.3 Rights Attaching to the Ordinary and "A" Shares**

### **3.3.1 As Regards Income**

The holders of "A" Shares as a class shall be entitled to receive in respect of each accounting period for which audited accounts for the Company are produced (pro rata to their respective holdings of "A" Shares) 50% of the following, namely:-

$$X - (Y+Z)$$

where X = the profits available for distribution in the relevant accounting period

(hereinafter referred to as the "Preferential Dividend")

where Y = the greater of nil or 4% of the nominal amount and any premium thereon paid up on the entire issued share capital of the Company as at the last day of the relevant accounting period following the date of adoption of these Articles of Association;

where Z = the greater of (a) nil or (b) the amount of profits that would have been available for distribution in the relevant accounting period if there was no Excess, minus "X" in respect of accounting periods ending after 30 September 2003 "Z" shall be nil,

where "Administrative Overheads" shall mean all administrative expenses and overheads of the Company during the relevant accounting period after allowing for net interest income received during the period but excluding:-

- (i) the direct costs of any building contract or agreement entered into by the Company including, without limitation, surveyors and valuation fees;

- (ii) any legal and/or estate agent fees and expenses payable on disposal of any properties owned and/or held by the Company;
- (iii) any fees and expenses payable to the Company's registrars,
- (iv) any fees and expenses payable to the Sponsor to the Company's Offer for Subscription dated on or about 2 September 1998 (or their assignors);
- (v) any Company secretarial fees and expenses;
- (vi) any fees and expenses payable in respect of the Company's OFEX admission and ongoing membership thereof; and
- (vii) legal fees and expenses in respect of contract disputes.

where "Excess" shall mean the amount by which Administrative Overheads in any accounting period of the Company shall exceed 3.75% of invoiced sales of the Company for that period.

If, in any accounting period referred to above, profits available for distribution represent an amount less than "Y", then the shortfall shall be aggregated to the amount of "Y" for the purpose of calculating the rights of "A" shareholders to income under this Article in the following accounting period, and so on until such shortfall is extinguished in full.

Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act, the Preferential Dividend shall become due and payable within a period of six months following the end of the relevant accounting period (or as soon thereafter as the same may lawfully be paid) without any recommendation or resolution of the directors of a Company or members in general meeting and if not then paid shall be a debt due by the Company.

If in any accounting period of the Company the whole or any part of the Preferential Dividend is not paid in full by the due date then the Company shall pay on the date or dates of actual payment in full thereof an amount of interest calculated at the rate of 2 per cent per annum over the base rate from time to time in force of Barclays Bank Plc on such unpaid Preferential Dividend (or the unpaid part thereof) from the due date of payment thereof until the date or dates of actual payment in full and such arrears and interest together shall be a debt owed by the Company to the holders of the "A" Shares.

The holders of the Ordinary Shares as a class shall be entitled to receive the balance of such profits available for distribution in the relevant accounting period.

### 3.3.2 As Regards Capital

On a return of capital on a winding up or otherwise (other than on redemption or purchase of shares) the assets of the Company available for distribution to the shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company, in paying to the holders of the "A" Shares all arrears, deficiencies and accruals (if any) of the Preferential Dividend and interest thereon up to and including the date of

commencement of the winding up (in the case of winding up) or the return of capital (in any other case) and payable whether such dividend has been declared or not, together with a further amount (apportioned as between the holders of the "A" Shares pro rata to their respective holdings thereof) equivalent to the Preferential Dividend, save that references therein to the relevant accounting period shall be to the period from the commencement of the relevant accounting period during which the return of capital or winding up shall occur down to and including the date of commencement of winding up or the return of capital (as appropriate) and references therein to audited accounts shall be to management accounts for such period prepared consistently with the audited accounts.

The balance of such assets shall be divided amongst the holder of Ordinary Shares and "A" Shares (pro rata to their respective holdings of such Shares).

### **3.3.3 As Regards Voting and General Meetings**

Subject to disenfranchisement in the event of non-compliance with a statutory notice requiring disclosure as to beneficial ownership and subject to any special terms as to voting upon which the Shares may be held, each holder of "A" Shares and Shares present in person or by proxy shall on a poll have one vote for every Share of which he is the holder.

4. Subject to the Statutes and to the authority of the Company in General Meeting required by the Statutes, the Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any shares of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine, provided that no such shares shall be issued at a discount and no such shares shall be allotted otherwise than fully paid.
5. The authority conferred by Article 4 shall extend to all shares of the Company from time to time unissued during the currency of such authority. The said authority shall expire on the fifth anniversary of the adoption of these Articles unless varied or revoked or renewed by the Company in General Meeting.
6. In exercising their authority under Article 4, the Directors shall not be required to have regard to sections 89(1) and 90(1) to (8) inclusive of the Act, which sections shall be excluded from applying to the Company.
7. The Directors shall be entitled under the general authority conferred by Article 4 to make at any time before the expiry of such authority any offer or agreement which will or may require shares to be allotted after the expiry of such authority.
8. The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of Calls to be paid and the time of payments of such Calls.



9. If by the conditions of allotment of any share the whole or part of the amount or 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.
10. The joint holder of a share shall be severally as well as jointly liable for payment of all instalments and Calls in respect of such share, and any one of such persons may give effectual receipts for any return of Capital or receipts for any dividends or other monies. The Company shall not be bound to register more than four persons as joint holders of any shares payable in respect of such shares.
11. In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company. Subject to the provisions of the Statutes, such commission may be satisfied by payment of cash or (with the sanction of an Ordinary Resolution of the Company) the allotment of fully paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
12. Save as otherwise provided herein or otherwise required by the Statutes, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction or by law required) be bound to recognise any equitable, contingent, future, partial or other claim to or interest in any share on the part of any other person.

### CERTIFICATES

13. The certificates of title to shares shall be issued under the Seal of the Company.
14. Every Member shall be entitled without payment to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered, and where a Member transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares retained by him and registered in his name. Every such certificate of shares shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon. If any Member shall require additional certificates he shall pay for each additional certificate such reasonable out-of-pocket expenses as the Directors shall determine. A Member shall be entitled to a certificate in the case of issue within two months (or such longer period as the terms of issue shall provide) after allotment or in the case of transfer allotment or within two months after lodgement of transfer.

15. If any certificate becomes worn out or defaced then upon delivery thereof to the Directors they may order the same to be cancelled, and may issue free of charge a new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity with or without security as the Directors deem adequate being given, a new certificate in lieu thereof shall be given free of charge to the party entitled to such lost or destroyed certificate.
16. Every certificate issued under Article 15 shall be issued without payment, but there shall be paid to the Company a sum equal to any exceptional out-of-pocket expenses incurred by the Company.
17. The Company shall not be bound to issue more than one certificate in respect of shares registered in the names of two or more persons and such certificate shall be delivered to the person first named on the Register in respect of such shares and delivery of such certificate as aforesaid shall be sufficient delivery to all.

#### **FORFEITURE AND LIEN**

18. If any Member fails to pay any instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the instalment or any part thereof remains unpaid, serve a notice on such Member requiring him to pay the same, together with any interest that may have accrued thereon and all expenses incurred by the Company by reason of such non-payment.
19. The notice shall name a day (not being less than seven days from the date of the notice) and a place on and at which such Call and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the instalment is payable will be liable to be forfeited.
20. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice shall have been given may at any time thereafter, and before payment of all instalments, interest and expenses due in respect thereof shall be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends payable in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder and in such case references in these Articles to forfeiture shall include surrender.
21. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice as aforesaid. Subject to the provisions of the Statutes, any share so forfeited shall be deemed to be the property of the Company, no voting rights shall be exercised in respect thereof and the Directors may within three years of such forfeiture sell, re-allot, or otherwise dispose of the same in such manner as they think fit either to the person who was before the forfeiture the

holder thereof, or to any other person, and either with or without any past or accruing dividends, and in the case of re-allotment, with or without any money thereon by the former holder being credited as paid thereon. Any share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture shall thereupon be cancelled in accordance with the provisions of the Statutes. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender 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 shareholder whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved or as are by the Statutes given or imposed in the case of past members.

22. The Directors may at any time, before any share so forfeited shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture upon such conditions as they think fit.
23. A statutory declaration in writing that the declarant is a Director or the Secretary and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in connection with the forfeiture, surrender, sale, re-allotment or disposal of the share.
24. Any Member whose shares have been forfeited shall thereupon cease to be a member in respect of such shares but shall notwithstanding be liable to pay, and shall forthwith pay to the Company all instalments, interest, and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the shares or, if no rate is so fixed, at the appropriate rate aforesaid, and the Directors may enforce payment thereof if they think fit.
25. The Company shall have a first and paramount lien upon all shares registered in the name of each Member (whether solely or jointly with other persons) for any amount payable in respect of such shares or other monies owing from time to time to the Company by the holder thereof, whether the period for payment thereof shall have actually arrived or not and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such shares. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.

26. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto, in such manner as they think fit, but no such sale shall be made until the period as aforesaid shall have arrived and until notice in writing stating, and demanding payment of, the sum payable and giving notice of the intention to sell in default of such payment shall have been served on such Member and default shall have been made by him in the payment of such amounts for seven days after such notice.
27. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Member or the person (if any) entitled by transmission to the shares.
28. Upon the sale or re-allotment after forfeiture or upon any sale enforcing any lien in purported exercise of the powers hereinbefore given, the Directors may in the case of a sale nominate some person to execute a transfer of the shares sold in the name and on behalf of the registered holder or his executors or administrators and may in any case cause the name of the purchaser or allottee to be entered in the Register in respect of the shares sold or re-allotted, and the purchaser or allottee shall not be bound to see to the regularity of the proceedings or to the application of the purchase or subscription money, and after his name has been entered in the Register in respect of such shares the validity of the sale or forfeiture shall not be impeached by any person and the remedy of any person aggrieved by the sale or forfeiture shall be in damages only and against the Company exclusively.

#### **TRANSFER OF SHARES**

29. Subject to Article 29.2 the instrument of transfer of any share in the Company shall be in usual form or in such other form as shall be approved by the Directors, and shall be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share by the transferee) and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof and, when registered, the instrument of transfer shall be retained by the Company.
- 29.2 Title to any share in the Company in issue or to be issued (not including any shares referred to in Regulation 17 of the Regulations), may be transferred by means of a relevant system (as defined in the Regulations) such system to include the relevant system of which Crestco Limited is the Operator (as defined in the Regulations) ("the Crest System"); any provision of these Articles of Association shall accordingly not apply to the extent that it is inconsistent with the holding of any shares in the capital of the Company in uncertificated form, or the requirements of the Crest System and the provisions of the Regulations.
30. The Board may refuse to register the transfer of a share which is not fully paid but shall not be bound to specify the grounds on which such registration

is refused provided that such refusal does not prevent dealings taking place on an open market

31. Any sale or transfer or disposal or acquisition of any share or any interest in any share in contravention of the foregoing provisions shall be null and void provided that the Company may without such approval as aforesaid acquire the whole issued share capital of another company.
32. The Directors may, also refuse to register a transfer unless:-
  - 32.1 It is in respect of a fully paid share;
  - 32.2 It is in respect of a share on which the Company does not have a lien,
  - 32.3 it is in respect of only one class of shares;
  - 32.4 It is in favour of not more than four joint holders as transferees; and
  - 32.5 the conditions referred to in Article 35 have been satisfied in respect thereof.
33. If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal and return to him the instrument of transfer
34. Every instrument of transfer must be left at the Office, or at such other place as the Directors may from time to time determine, to be registered, accompanied by the certificate of the shares comprised therein, and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer and thereupon the Directors, subject to the power vested in them by Article 32, shall register the transferee as the holder.
35. No fee shall be payable for registering any transfer, probate, letters of administration, certificates of marriage or death, power of attorney, or other document relating to or affecting the title to any shares or the right to transfer the same
36. The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares provided that the Register shall not be closed for more than thirty days in any year.
37. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in the case of fraud) be returned to the person depositing the same.

#### TRANSMISSION OF SHARES

38. The executors or administrators of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to shares held by him alone; but in the case of shares held by more than one person, the survivor or survivors only shall be recognised by the Company as being entitled to such shares.
39. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon such evidence being produced as may be required by the Directors, elect in writing either to be registered as a Member (in respect of which registration no fee shall be payable) by giving notice in writing to that effect or, without being so registered, execute a transfer to some other person who shall be registered as a transferee of such share and the execution of such transfer shall signify his election as aforesaid; but the Directors shall in either case have the like power of declining or refusing to register such transfer as is provided with respect to an ordinary transfer.
40. The Directors may at any time give notice requiring any such person to elect as aforesaid and if such notice is not complied with within sixty days the Directors may thereafter withhold payment of all dividends and other monies payable in respect of such share until compliance therewith.
41. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a Member in respect of the share, be entitled in respect of it to receive notices of or to exercise any rights conferred by Membership in relation to meetings of the Company.

### CONSOLIDATION AND SUB-DIVISION OF SHARES

42. The Company may by Ordinary Resolution consolidate its shares, or any of them, into shares of a larger amount.
43. The Company may by Ordinary Resolution sub-divide its shares, or any of them, into shares of a smaller amount, and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preferred or other advantage as regards dividend, capital, voting or otherwise over or shall have deferred rights or be subject to such restrictions as compared with the other or others as the Company has power to attach to shares upon the allotment thereof.
44. Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation or sub-division and consolidation of shares Members of the Company are entitled to any issued shares of the Company in fractions the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions for the best prices reasonably obtainable and pay and distribute to or amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the members so entitled to the purchaser thereof and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### CONVERSION OF SHARES INTO STOCK

45. 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.
46. When any shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests thereon, 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 permit, 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 with power at their discretion to waive such rules in any particular case.
47. 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 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.

43. 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.

#### INCREASE OR REDUCTION OF CAPITAL AND PURCHASE OF OWN SHARES

49. The Company may, from time to time, by Ordinary Resolution, increase the capital of the Company by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject to such privileges, priorities, or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects as if they had been part of the original capital.
50. Subject to the provisions of the Statutes any new shares in the capital of the Company may be allotted with such preferential right to dividend and such priority in the distribution of assets, or subject to such postponement of dividends or in the distribution of assets, and with or subject to such preferential or limited or qualified right of voting at General Meetings as the Company may from time to time by Ordinary Resolution determine, or, if no such determination be made, as the Directors shall determine, but so that the rights attached to any issued shares as a class shall not be varied except with the consent of the holders thereof duly given under the provisions of these Articles. Subject as aforesaid any shares in the capital of the Company may be issued on the terms that they are, or, at the option of the Company, are to be liable to be redeemed.
51. The Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any manner authorised by law. The Company may also by Ordinary Resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.
- 51.1 Subject to the provisions of the Statutes, the Company may enter into any contract for the purchase of any of its own shares (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase any such shares. Without prejudice to the generality of the foregoing, the Company may (subject to the provisions of this Article and to any directions which may be given by the Company in general meeting) make a market purchase (within the meaning of section 163 of the



Act) of any of its own shares. Subject to the provisions of the Statutes the Company may agree to the variation of any contract entered into in pursuance of this Article and to release any of its rights or obligations under any such contract.

51.2 Every contract entered into in pursuance of this Article shall be authorised by such resolution of the Company as may be required by the Statutes, and in any event whenever the Company's issued share capital includes any class of convertible shares, the Company shall not purchase any of its own shares without the sanction of an extraordinary resolution of a separate meeting of the holders of that class. The provisions of Articles 86 and 87 shall apply to any such separate meeting as they apply to a meeting convened for the purposes mentioned in those Articles.

51.3 Subject to Article 51.1, the Directors shall have full power to determine the terms of any contract referred to therein, and neither the Company nor the Directors shall be required to select the shares in question rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

51.4 The rights privileges or conditions conferred upon the holders of or attaching to any share or class of shares shall be deemed not to be varied by reason only of anything done by the Company in pursuance of any resolution passed under the powers conferred by this Article.

#### **GENERAL MEETINGS**

52. Annual General Meetings shall be held at such time and place as may be determined by the Directors and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

53. All General Meetings of the Company other than Annual General Meetings shall be called Extraordinary General Meetings

54. The Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company, and Extraordinary General Meetings shall also be convened on such requisition or in default may be convened by such requisitionists as are provided by the Statutes. Any meeting convened under this Article by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

55. An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution shall be called by not less than twenty-one days notice in writing, and all other Extraordinary General Meetings of the Company shall be called by not less than fourteen days notice in writing. The notice shall be exclusive of the day on which it is given and of the day of the meeting and shall specify the place, the day and hour of meeting, and in case of special business the general nature of such business. The notice

shall be given to the Members, other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company, to the Directors and to the Auditors. A notice calling an Annual General Meeting shall specify the meeting as such and the notice convening a meeting to pass a Special Resolution or an Extraordinary Resolution as the case may be shall specify the intention to propose the Resolution as such.

56. A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the immediately preceding Article, be deemed to have been duly called if it is so agreed by such Members as are prescribed in such circumstances by the Statutes.
57. 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 a proxy need not also be a Member.
58. The accidental omission to send a notice to or the non-receipt of any notice by any Member or any Director or the Auditors shall not invalidate the proceedings at any General Meeting.
59. The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and reports of the Directors and of the Auditors, and the documents required by law to be annexed to the balance sheet, to elect Directors and officers in the place of those retiring by rotation or otherwise or ceasing to hold office pursuant to Article 95 and to fix their remuneration if required, to declare dividends, to appoint the Auditors (when Special Notice of the Resolution for such appointment is not required by the Statutes) and to fix, or determine the manner of the fixing of, their remuneration. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.
60. Where by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Statutes 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 Statutes.
61. Subject to the provisions of Article 63 in respect of adjourned meetings, for all purposes the quorum for a General Meeting shall not be less than two Members present in person or by proxy (or in the case of a corporation, by its duly authorised representative).
62. No business shall be transacted at any General Meeting unless the requisite quorum shall be present when the meeting proceeds to business. The appointment of a Chairman in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.

63. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, be dissolved. In any other case it shall stand adjourned to such time (being not less than fourteen days and not more than twenty-eight days thence) and place as the Chairman shall appoint. At any such adjourned meeting the Member or Members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days notice of any meeting adjourned for the want of a quorum and the notice shall state that the Member or Members present as aforesaid shall form a quorum.
64. The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman, or if at any meeting he is present within fifteen minutes after the time appointed for holding the meeting, or he is unwilling to act, the Directors present shall select one of their number to be Chairman, and that failing, the Members present and entitled to vote shall choose some one of their number to be Chairman.
65. The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 65.1 If the place specified in the notice convening a meeting as the place of the meeting (hereinafter called "the Specified Place") is inadequate to accommodate all members entitled to attend who wish to do so, then provided that the following requirements are satisfied the meeting shall be duly constituted and its proceedings valid. These requirements are that the Chairman of the meeting is satisfied that adequate facilities are available to ensure that any Member who is unable to be accommodated in the Specified Place is nonetheless able to participate in the business for which the meeting has been convened, to hear all persons present who speak thereat (whether personally or by microphones or loudspeakers or otherwise) whether in the Specified Place itself or elsewhere, and to be in like manner heard himself by all other Members present.
- 65.2 If the Specified Place is inadequate to accommodate all Members entitled to attend and who wish to do so then the Chairman may, in his absolute discretion, adjourn the meeting and the Chairman of the meeting shall have power to specify some other place for holding the meeting, notwithstanding that by reason of such adjournment some members may be unable to be present at such adjourned meeting. Any such person may nevertheless execute a form of proxy for the adjourned meeting and if he shall do so and shall deliver the same to the Chairman of the meeting or to the Secretary or to a member of the auditors, such proxy shall be valid notwithstanding that it is given at less notice than would otherwise be required under these Articles

66. Whenever a meeting is adjourned for twenty-eight days or more, seven clear days notice in writing at the least specifying the place, the day and hour of the adjourned meeting shall be given to the Members subject as and in manner herein mentioned, to the Directors and to the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Subject to Article 63 and save as aforesaid it shall not be necessary to give any notice of an adjournment.
67. At any General Meeting, a resolution put to the vote of the meeting shall be decided by a show of hands unless (before, or upon the declaration of the result of the show of hands) a poll be duly demanded, in accordance with the provisions of these Articles, and unless a poll be so demanded a declaration by the Chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
68. In the case of an equality of votes the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the votes to which he may be entitled as a Member.
69. A poll may be demanded upon any question by the Chairman or by not less than five Members present in person or by proxy and entitled to vote or by a 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 by a Member or Members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
70. A valid instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of Article 76, a demand by a proxy for a Member or other person entitled to vote shall be deemed to be a demand by that Member or other person.
71. Subject to the provisions of Article 76, if a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment (but not more than thirty days after the date of the meeting or adjourned meeting at which the poll was demanded), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. No notice need be given of a poll not taken immediately.
72. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

73. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### VOTING

74. Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, every Member present in person shall upon a show of hands have one vote and every Member present in person or by proxy shall upon a poll have one vote for every share held by him. If an order is made by any Court of competent jurisdiction on the ground of mental disorder for the detention of or for the appointment of a guardian or receiver or other person to exercise powers with respect to the affairs of a Member then such Member may vote, whether on a show of hands or on a poll, by his receiver and such receiver may, on a poll, vote by proxy.
75. If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the Member whose name stands first on the Register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.
76. No Member shall, unless the Directors otherwise determine, be entitled to be present or to vote, either in person or by proxy, at any General Meeting or upon any poll, or to exercise any privilege as a Member in relation to meetings of the Company in respect of any shares held by him if either:-
- 76.1 any moneys due and payable in respect of those shares remain unpaid; or
- 76.2 a Direction Notice as defined in Article 77 shall have been served and not withdrawn or deemed to have been withdrawn (only if, at the time of service of the same, the Company is a public limited company, and Articles 77 to 81 (inclusive) shall be applied and construed accordingly);
77. If any Member, or any other person appearing to be interested in shares held by such Member, has been duly served with a notice under section 212 of the Act and is in default for the prescribed period referred to in Article 79.2 in supplying to the Company the information thereby, required, then the Directors may in their absolute discretion at any time thereafter serve a notice (a "Direction Notice") upon such member as follows:-
- 77.1 a Direction Notice may direct that, in respect of the shares in relation to which the default occurred (the "Default Shares") (which expression shall include any further shares which are issued in respect of such shares), the Member shall not be entitled to be present or to vote at any General Meeting either personally or by proxy or to exercise any other rights conferred by membership in relation to meetings of the Company, and

77.2 where the Default Shares represent at least 0.25% of the share capital of the Company, then the Direction Notice may additionally direct that:-

77.3 In respect of the Default Shares, any dividend or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Member; and/or

77.4 no transfer of any of the Default Shares held by such Member shall be registered unless:-

77.4.1 the Member is not himself in default as regards supplying the information required; and

77.4.2 the transfer is of part only of the Member's holding and when presented for registration is accompanied by a certificate of the Member in a form satisfactory to the Directors to that effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the Notice, but the failure or omission by the Company to do so shall not invalidate such Direction Notice. Neither the Company nor the Directors shall in any event be liable to any person as a result of the Directors having imposed any restrictions pursuant to this paragraph if the Directors have acted in good faith.

78 Any Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which it was issued continues. Any Direction Notice shall cease to have effect in relation to any shares which are transferred by such member by means of an Approved Transfer. The Directors may at any time give notice cancelling a Direction Notice, in whole or in part, or suspending, in whole or part, the imposition of any restrictions contained in the Direction Notice for a given period.

79 For the purposes of this Article -

79.1 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 (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

- 79.2 the prescribed period in respect of any particular Member is 42 days from the date of service of the said notice under section 212 except where the Default Shares represent at least 0.25% of the share capital of the company in which case such period shall be reduced to 28 days; and
- 79.3 a transfer of shares is an approved transfer if, but only if
- 79.3.1 it is a transfer of shares to an offeror by way or in pursuant of acceptance of a take over offer for a Company (as defined in section 14 of the Companies Securities (Insider Dealing) Act 1985 (as amended by the Criminal Justice Act 1993)); or
- 79.3.2 the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with a Member and any other persons appearing to be interested in such shares and the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or any stock exchange outside the United Kingdom on which the Company's shares are normally traded (apart from any sale resulting from matching bargains) through the relevant market.
80. Nothing contained in Articles 77 to 79 (inclusive) shall limit the power of the Directors under section 216 of the Companies Act 1985.
81. Reference to a person being in default in supplying to the Company the information required by a notice under the said section 212 includes:-
- 81.1 reference to his having failed or refused to give all or any part of it, and
- 81.2 reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.
- 82 On a poll votes may be given personally or by proxy and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. The instrument appointing a proxy shall be in writing in the usual form, or such other form as shall be approved by the Directors, under the hand of the appointor or his duly constituted attorney, or if such appointor is a corporation, under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A proxy need not be a Member of the Company. A Member may appoint more than one proxy to attend on the same occasion. The deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at the meeting thereof or any adjournment thereof.

83. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed, or a notarially certified copy thereof shall be deposited at the Office or at such other place within the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default such instrument shall not be treated as valid.
84. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates and shall be deemed to confer authority to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the Chairman. No instrument of proxy shall be valid after the expiry of twelve months from the date of its execution except at a adjourned meeting or on a poll demanded at a meeting or adjourned meeting in cases where the meeting was originally held within twelve months from such date. The instrument appointing a proxy shall be in usual form or such other form as may be approved by the Directors from time to time and shall be in writing under the hand of the appointor, or of his attorney duly authorised in writing, or if such appointor be a corporation either under its common seal or under the hand of an officer or attorney so authorised. A Member may appoint two or more persons as proxies in the alternative, but if he does so, only one of such proxies may attend as such and vote in stead of such Member on any one occasion.
85. A vote in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the instrument of proxy or the authority under which it was executed or transfer of the share in respect of which the vote was given, provided no intimation in writing of the death, or incapacity, revocation or transfer shall have been received at the Office or such other place as is specified for depositing the instrument of proxy before the time for holding the meeting or the holding of a poll subsequently thereto at which such vote is given

#### VARIATION OF RIGHTS

- 86 Subject to the provisions of the Statutes, if at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may be varied or abrogated (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of any such provision either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking pari passu with or subsequent to the shares of any class shall not (unless otherwise expressly provided by these Articles or the rights attached to such last mentioned shares as a class) be deemed to be a variation of the rights of such shares



87. Any meeting held for the purpose of Article 88 shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company; Provided that (a) no Member, not being a Director, shall be entitled to notice thereof or to attend thereat unless he is a holder of shares of the class the rights or privileges attached to which are intended to be varied or abrogated by the resolution; (b) no vote shall be given except in respect of a share of that class; (c) the quorum at any such meeting shall be at least two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class, and at an adjourned meeting one person holding shares of the class in question or his proxy; and (d) a poll may be demanded in writing by any Member present in person or by proxy and entitled to vote at the meeting.

#### **DIRECTORS AND OTHER OFFICERS**

88. Unless and until otherwise determined by the Company in General Meeting the number of Directors (other than alternate Directors) shall not be less than two and shall not exceed ten.
89. The non-executive Directors shall be paid out of the funds of the Company by way of fees for their services an amount as shall be determined by the Board from time to time.
90. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending Meetings of the Board or of Committees of the Board or General Meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid reasonable additional remuneration and expenses as the Directors may from time to time determine.
91. A Director shall not require a share qualification. A Director shall be entitled to receive notice of and attend and speak at all General Meetings of the Company and at all separate General Meetings of the holders of any class of shares.
92. Without prejudice to the power of the Company pursuant to these Articles the Directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the Board. Subject to the provisions of the Statutes and of these Articles, any Director so appointed shall hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting, 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.
93. Without prejudice to any of the provisions for disqualification of Directors or for retirement by rotation contained in these Articles, the office of a Director shall be vacated if, by notice in writing delivered to the registered office of the

Company or tendered at a meeting of the Board, his resignation is requested by all of the other Directors and all the other Directors are not less than 3 (three) in number.

#### ALTERNATE DIRECTORS

94. Any Director may in writing under his hand appoint (i) any other Director, or (ii) any other person who is approved by the Board as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him; Provided always that no appointment of a person other than a Director shall be operative unless and until the approval of the Board by a majority consisting of two-thirds of the whole Board shall have been given. A Director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid where requisite appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine, provided always that if any Director retires but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. The appointment of an alternate Director shall cease and determine on the happening of any event which, if he was a Director, would render him legally disqualified from acting as a Director or if he has a bankruptcy order made against him or if he compounds with his creditors generally or if he becomes of unsound mind. An alternate Director need not hold a share qualification and shall not be counted in reckoning this maximum number of Directors allowed by the Articles of Association for the time being. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.

95. Every person acting as an alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last mentioned remuneration as shall be agreed between the alternate and the Director appointing him. An alternate Director shall otherwise be subject to the provisions of these Articles with respect to Directors.

#### MANAGING AND EXECUTIVE DIRECTORS

96. Subject to the provisions of the Statutes the Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company or to hold such other executive office in relation to

the management of the business of the Company as they may decide either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any service contract between him and the Company and without prejudice to any claim for damages he may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.

97. A Managing Director or such Executive Director shall (subject to the provisions of Article 124) and without prejudice to any claim for damages any such Managing Director or Executive Director may have for breach of any service contract between him and the Company) be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company, and if he ceases to hold the office of Director from any cause he shall ipso facto immediately (but without prejudice as aforesaid) cease to be a Managing Director or such Executive Director.
98. The salary or remuneration of any managing Director or such Executive Director of the Company shall, subject as provided in any contract, be such as the Board may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, or may include the making of provisions for the payment to him, his widow or other dependents, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as such the Board may from time to time determine.
99. The Directors may from time to time entrust to and confer upon a Managing Director or such Executive Director for the time being the power 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

#### POWERS AND DUTIES OF DIRECTORS

100. The business of the Company shall be managed by the Directors who in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them may exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to such directions (being not inconsistent with any regulations of these Articles or the provisions of the Statutes) as may be given by the Company in General Meeting; Provided that no direction given by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such direction had not been given, and the provisions contained in these Articles

as to any specific power of the Directors shall not be deemed to abridge the general powers hereby given.

- 101.1 The Directors may establish and maintain or procure the establishment and maintenance of or the participation of the Company in any non contributory or contributory pension or superannuation or death, disablement, sickness or other benefit funds or schemes for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or other benefits to any persons who are or were at any time Directors of or in the employment or service of the Company or of any company comprised in the Group, or of any company which is or was a predecessor in business of, or the whole or any part of the undertaking of which has become mediately or immediately vested in, the company or any such other company as aforesaid, or of any company allied or associated with the Company or any company within the Group, and to the wives, husbands, widows, widowers, children and other relatives and dependants of any such person, and may make payments for or towards the insurance of any such persons as aforesaid, and may establish maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of or calculated to be for the benefit of or to advance the interests and well-being of any company comprised within the Group, or of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any company comprised in the Group. Any Director holding or who has held such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, allowance or benefit (whether under any such fund, scheme, insurance or otherwise). A Director or former Director shall not be accountable to the Company or the members for any benefit of any kind conferred under or pursuant to this Article and the receipt of such benefit shall not disqualify any person from being or becoming a Director.
- 101.2. The Directors may establish, maintain, support and subscribe to and contribute to all kinds of trusts, funds and schemes including but without prejudice to the generality of the foregoing share option, profit sharing and share incentive schemes and enter into any other arrangement permitted by law for the benefit of such persons referred to in Article 101.1 hereof or any of them or any class of them and so that any Director shall be entitled to receive and retain any benefit under any such trust, fund, scheme, or arrangement
- 101.3 A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any such remuneration shall be in addition to any remuneration provided for by any other Article. No Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise. Subject to the provisions of the Statutes and save as therein provided no such contract, arrangement transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be avoided nor shall any

Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established but the nature of his interest shall be disclosed by him in accordance with the provisions of the Statutes.

101.4 Save as herein provided, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him) is a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

101.5 A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-

101.5.1 the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

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

101.5.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

101.5.4 any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder 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 company (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances).

101.5.5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme or employees' share scheme under which he may benefit and which either relates to both employees and Directors of the Company or has been approved by or is subject to and

conditional upon approval by the Board of the Inland Revenue for taxation purposes;

101.5.6 any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time Executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees and which does not accord to any Director as such any privilege not accorded to the employees to whom the scheme relates; and

101.5.7 any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, breach of duty or breach of trust for which he may be guilty in relation to the Company or any of its subsidiaries of which he is a director, officer or auditor.

102. 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.

103. 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 company in which the Company is interested, such proposals shall 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 Article 101.5) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

104. If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fully disclosed.

105. A Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement with the Company shall, at the meeting of the Board at which the question of entering into the transaction is first taken into consideration (or if the Director did not at the date of that meeting know his interest existed in the transaction at the first meeting of the Board after he knows that he is or has become interested), declare in accordance with the Acts the nature of his interest. For the purposes of this Article -

- 105.1 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;
- 105.2 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; and
- 105.3 subject to the provisions of the Statutes the Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
106. 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).
107. 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, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company
108. The Directors may exercise the powers conferred upon the Company by section 362 of the Act with regard to the keeping of an overseas branch Register, and the Directors may (subject to the provisions of that section) make and vary such regulations as they may think fit respecting the keeping of any such register.
109. The Directors may at any time require any corporate Member to furnish any information, supported (if the Directors so require) by a statutory declaration, which they may consider necessary for the purpose of determining whether or not such Member is one to which sections 423 to 430 (both inclusive) of and schedule 19 to the Income and Corporation Taxes Act 1968 (or any statutory modification or re-enactment thereof for the time being in force) applies

#### **PRESIDENT**

110. The Directors may from time to time appoint a President of the Company (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

## **LOCAL MANAGEMENT**

111. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit, and the provisions contained in the three next following sub-clauses shall be without prejudice to the general powers conferred by this Article:-

111.1 the Directors from time to time, and at any time, may establish any local board or agencies for managing any of the affairs of the Company in any such specified locality, and may appoint any persons to be members of such local board, or any managers or agents, and may fix their remuneration. And the Directors from time to time, and at any time may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Directors, other than the power of making Calls, and may authorise the members for the time being of any such local Board, or any of them, to fill up the vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation;

111.2 the Directors may at any time and from time to time by power of attorney under the Seal, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents), and for such period and subject to such conditions as the Directors may from time to time think fit, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors may think fit; and

111.3 any such delegates or attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them

## **BORROWING POWERS**

112 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligations of the Company or any third party, subject to a limit in value of 40 per cent of the paid up share capital and any premium thereon from time to time



113. The Directors 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, subject to the limit set out in Article 112.
114. Subject as aforesaid the Directors 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 Directors may confer upon any mortgagees or person 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 Directors 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 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.
115. The Directors 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 purpose of the above limitation be reckoned as part of the money borrowed.
116. The Directors shall keep a Register of Charges in accordance with the Statutes 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 to be kept under the Act shall be the sum of £1

#### **DISQUALIFICATION OF DIRECTORS**

117. The office of a Director shall be vacated -
- 117 1 if not being a Managing Director or Executive Director holding office as such for a fixed period a Director delivers to the Board or to the Secretary a notice in writing of his resignation of his office of Director, or
- 117 2 if a Director ceases to be a Director by virtue of any provision of the Statutes or becomes prohibited by law from being a Director, or
- 117 3 if a Director becomes bankrupt, or compounds with his creditors generally, or

- 117.4 If an order is made by any Court of competent jurisdiction on the ground of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs; or
- 117.5 if not having leave of absence from the Directors he or his alternate (if any) fail to attend the meetings of the Directors for six successive months (unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient) and the Directors resolve that his office be vacated.

#### RETIREMENT, ELECTION AND APPOINTMENT OF DIRECTORS

118. At each 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, then the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a meeting shall retain office until the dissolution of such meeting. The Directors may from time to time appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A Director so appointed shall hold office until the next following Annual General Meeting, but such Director shall be eligible for election. Such Director shall not be taken into account in determining the Directors who are subject to retirement by rotation at that meeting and, if not appointed at the next following Annual General Meeting, shall vacate office at the conclusion of that meeting
- 119 The Directors to retire at each Annual General Meeting shall be the one-third or other nearest number who have been longest in office and who are subject to retirement by rotation. As between two or more who have been in office an equal length of time, the Director to retire shall in default of agreement between them be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election
- 120 The Company at any General Meeting at which any Directors retire in the manner aforesaid, may subject to any resolution reducing the number of Directors, fill up the vacated offices by electing a like number of persons to be Directors and may fill up any other vacancies
- 121 If at any General Meeting at which an election of Directors ought to take place the places of the retiring Directors are not filled up, then, subject to any resolution reducing the number of Directors, the retiring Directors, or such of them as have not had their places filled up shall, if willing, continue in office until the dissolution of the Annual General Meeting in the next year, unless, as regards any particular Director, a resolution for his re-election shall have been put to the meeting and lost
- 122 A resolution for the appointment of two or more persons as Directors by a single resolution 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.

123. No person except a retiring Director shall be elected a Director (unless recommended by the Directors for election) unless notice in writing shall be sent to the Secretary not more than twenty-eight days and not less than seven days before the day of the meeting at which the election is to take place, signed by a Member duly qualified to attend and vote at each meeting stating the name and address of the person who offers himself or is proposed as a candidate, together with a notice in writing signed by such person of his willingness to be elected.
124. The Company in General Meeting may from time to time as special business increase or reduce the number of Directors (subject to Article 88) and may also determine in what rotation such increased or reduced number is to go out of office and without prejudice to the provisions of these Articles, may in General Meeting appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
125. Without prejudice to the provisions of the Statutes, the Company may by Ordinary Resolution remove any Director before the expiration of his term of office.
126. The Company may by Ordinary Resolution appoint another person in place of the Director removed pursuant to the provisions of the Statutes 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.
127. No person shall be disqualified from being appointed a Director, and no Director shall be required to vacate their office, by reason only of the fact that he has attained the age of 70 years or any other age nor shall it be necessary by reason of his age to give special notice under the Companies Act of any resolution. Where the Board convenes any General Meeting 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 70 years or more, the Board shall give notice of his age in years in the notice convening the meeting 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.

## PROCEEDINGS OF DIRECTORS AND COMMITTEES

128. The Directors may meet together in person or by telephone (provided that all parties to the meeting can hear each other) for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall constitute a quorum. Participation in a meeting by telephone shall be deemed to constitute presence in person at such meeting and any person so participating shall be entitled to vote and be

counted in a quorum accordingly. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the Chairman shall have a second or casting vote. One Director may, and the Secretary shall at the request of a Director, at any time summon a meeting of the Directors.

129. Notice of meetings of the Board 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.
130. The Directors may elect a Chairman or Joint Chairman and one or more deputy Chairmen of their meetings (who may also be an Executive Officer in relation to the management or the business of the Company) and determine the period for which he is or they are to hold office, but if no such Chairman or deputy Chairman is elected, or if at any meeting neither the Chairman nor a deputy Chairman is present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.
  - duly convened meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles for the time being vested exercisable by the Directors generally.
- 132 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as effective for all purposes as a resolution of those Directors passed at a meeting duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Provided that such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him
- 133 The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit
- 134 All committees shall in the exercise of the powers delegated to them and in the transaction of business conform to any mode of proceedings and regulations which may be prescribed by the Directors, and subject thereto may regulate their proceedings in the same manner as the Directors may do
- 135 The Directors shall cause minutes to be made of the following matters, namely -
  - 135.1 of all appointments of officers, and committees made by the Directors, and of their salary or remuneration,

- 135.2 of the names of Directors present at every meeting of the Board or of committees of Directors, and all business transacted at such meetings; and
- 135.3 of all orders, resolutions and proceedings of all meetings of the Company of the holders of any class of shares in the Company and of the Directors and committees of the Directors.

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

136. All acts done by a meeting of the Directors, or of a committee, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office be as valid as if every such person had been duly appointed, and were duly qualified and had continued to be a Director.

#### ASSOCIATE DIRECTORS

- 137 The Directors may from time to time appoint any person who is for the time being a manager or other officer or employee of the Company or of any subsidiary of the Company to be an "Associate Director" of the Company upon the terms of this Article
- 138 An Associate Director shall not be required to hold any share qualification and save as otherwise agreed between him and the Company his appointment as an Associate Director shall not affect the terms and conditions of his employment by or service with the Company or any subsidiary of the Company in any other capacity, whether as regards duties, remuneration or otherwise, and, save as aforesaid, his office as Associate Director shall be vacated -
- 138.1 if he becomes of unsound mind or bankrupt or compounds with his creditors, or
- 138.2 if he resigns his office, or
- 138.3 if he ceases to be in the employment or service of the Company or a subsidiary of the Company, or
- 138.4 if he is removed from office by a resolution of the Directors
- 139 The appointment, continuance in office, removal, powers, duties, and remuneration of any Associate Director shall be determined by the Directors who shall have full power to make such arrangements, not being inconsistent with the provisions of this Article as they may think fit

140. An Associate Director shall not except with the approval of the Directors and to the extent of any such approval:-

140.1 have any right of access to the books of the Company.

140.2 be entitled to receive notice of or to attend at meetings of the Directors or of any committee of the Directors.

140.3 be entitled to participate in any other respect in the exercise of the collective powers or duties of the Directors or to exercise any of the powers or rights of a Director individually under these Articles.

141. An Associate Director shall in no circumstances be entitled to vote at any meeting of the Directors or any committee of Directors.

#### SECRETARY

142. Subject to the provisions of the Statutes, the Secretary shall be appointed by the Directors for such term and at such remuneration and upon such conditions as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors but without prejudice to any claim for damages for breach of contract of service between him and the Company. If thought fit, two or more persons may be appointed as Joint Secretaries and the Directors may also appoint from time to time, on such terms as they think fit one or more assistant or deputy secretaries.

#### AUTHENTICATION OF DOCUMENTS

143 Any Director or the Secretary or any person appointed by the Directors 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 Directors and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records, documents or accounts are elsewhere than at the Office, the Local Manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid

144 A document purporting to be a copy of a resolution of the Directors which is certified as such shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors

#### RESERVES, DIVIDENDS AND MISCELLANEOUS RESERVES

145 Subject to the Statutes the Directors may before recommending any dividends whether preferential or otherwise carry to reserve out of the profits

of the Company such sums as they think proper. All sums standing to reserve may be applied from time to time in the discretion of the Directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the Company or for such other purposes as the Directors may think conducive to the objects of the Company or any of them and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

#### DIVIDENDS AND OTHER PAYMENTS

146. Subject as hereinafter provided the Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits, but no larger dividend shall be declared than is recommended by the Directors.
147. No dividend or other moneys payable by the Company shall bear interest against the Company
148. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of Calls shall be treated for the purpose of this Article as paid up on the share. Subject as aforesaid 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 carries any particular rights as to dividends such share shall rank for dividend accordingly
149. In case several persons are registered as joint holders of any share any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share
150. The Directors may from time to time pay an interim dividend to the Members
151. No dividend or interim dividend shall be payable except in accordance with the provisions of the Statutes
152. All dividends interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Subject to resolution by the Board all dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company. The

40 - 00 - 70

payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

153. 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 persons entitled to such dividend (whether the date of payment or some other date) notwithstanding any subsequent transfer or transmission of shares.
154. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all such sums as may be due from him to the Company on account of Calls or otherwise in relation to shares of the Company.
155. The Company may pay any dividend interest or other sum payable in cash or by direct debit, bank transfer, cheque, dividend warrant, or money order and may render the same by post to the Members or persons entitled thereto, and in case of joint holders to the Member whose name stands first in the Register, or to such person and address as the holder or joint holders may direct, and the Company shall not be responsible for any loss of any such cheque, warrant, or order. Every such cheque, warrant, or order shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders may in writing direct, and the payment of the cheques, warrant or order shall be a good discharge to the Company.
156. Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company, and the Directors shall give effect to any such direction provided that no such distribution shall be made unless recommended by the Directors. Where any difficulty arises with regard to the distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments may be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

#### SCRIP DIVIDENDS

157. The Directors may, with the prior sanction of an Ordinary Resolution of the Company, offer Members the right to elect to receive in respect of all or part of their holding of shares, additional shares credited as fully paid instead of cash in respect of all or part of such dividend or dividends and (subject as hereinafter provided) upon such terms and conditions and in such manner as may be specified in such Ordinary Resolution. The Ordinary Resolution shall confer the said power on the Directors in respect of all or part of a particular dividend or in respect of all or any dividends (or any part of such dividends) declared or paid within a specified period but such period may not end later than the date of the Annual General Meeting next following the date of the General Meeting at which such Ordinary Resolution is passed.



158. When such right to elect is to be offered to members pursuant to this Article, the Directors shall notify Members of the said right and shall make available to or provide Members with forms of election (in such form as the Directors may approve) whereby the Members may exercise such right.
159. Each Member who elects to receive additions' shares shall be entitled to receive such whole number of additional shares, calculated at the issue price for each such share and ignoring any fraction of an additional share, as is nearly as possible equal to (but not in excess of) the cash amount of the dividend which such Member would otherwise have received.
160. Following election by Members in accordance herewith, the Directors shall appropriate out of the profits of the Company available for distribution in accordance with the Act an amount equal to the aggregate nominal value of the number of shares required to be allotted to Members who have given notice of election as aforesaid and shall apply such amount in paying up in full such number of additional shares. The obligation of the Directors to make such appropriation in respect of the shares of a particular Member shall be subject to the right of the Directors under these Articles to retain any dividend or other moneys payable on or in respect of the shares of such Member.
161. The shares so allotted credited fully paid shall not be entitled to participate in the dividend then being declared or paid but shall in all other respects rank pari passu with the fully paid shares then in issue.
162. The Directors may on any occasion determine that the rights of election hereunder shall be subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory.
163. The Directors may undertake and do such acts and things as they may consider necessary or expedient for the purpose of giving effect to the provisions of this Article including (without limiting the foregoing) making such provisions as they may think fit in relation to any fraction of any share (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members).

#### **CAPITALISATION OF PROFITS**

164. The Directors may with the authority of an Ordinary Resolution -
- 164.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or, any sum standing to the credit of the Company's share premium account or capital redemption reserve funds,

- 164.2 appropriate the profits or 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, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other; provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members credited as fully paid; and provided that in the case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in part of 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;
- 164.3 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 on' to the extent that such partly paid Ordinary Shares rank for dividend;
- 164.4 make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit in the case of shares or debentures becoming distributable under this Article in fractions;
- 164.5 authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalisation (any agreement made under such authority being thereupon effective and binding on all such Members); and
- 164.6 generally do all acts and things required to give effect to such resolution as aforesaid

### RECORD DATES

- 165 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 any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

### ACCOUNTS

166. The Directors at all from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the accounting records of the Company, or any of them, shall be open to the inspection of the Members, and no Member shall have any right of inspecting any accounting record or other document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting. The Register shall be open for inspection by any Member or other person entitled to inspect the same, and any person other than a Member inspecting the same shall pay a fee of 5p.
167. A printed copy of every profit and loss account and balance sheet, including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in General Meeting, together with copies of the Directors' and of the Auditors' reports shall (in accordance with and subject as provided by the Statutes) not less than twenty-one clear days before the date of the meeting be sent to every Member (whether he is or is not entitled to receive notices of General Meetings of the Company) and every holder of debentures of the Company (whether he is or is not entitled) and the Auditors and all other persons, being persons so entitled. Provided that the Company shall not be required to send copies of the documents as aforesaid in any case where the Company is entitled to and does serve a summary financial statement in accordance with section 251 of the Act

### SEALS

- 168 Subject to Article 172 the Directors shall provide a Seal and shall have power from time to time to destroy the same and to substitute a new seal in lieu thereof.
169. The Directors may resolve (if it shall be lawful) that the Company shall not have a Seal.
- 170 The Directors may exercise the powers conferred on the Company by the Act thereof with regard to having an official Seal solely for sealing documents creating or evidencing securities of the Company Any such documents to which such Seal is affixed need not be signed by any person
- 171 The Directors shall provide for the safe custody of every seal (if any) of the Company The Seal (if any) shall never be affixed to any document except

by the authority of a resolution of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions. Subject as in this Article provided two Directors or one Director and the Secretary or some other person authorised by a resolution of the Directors shall sign autographically every instrument to which the Seal shall be affixed and in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed. As regards certificates for shares, stock or debenture or loan stock (except where the trust deed constituting any debenture stock or loan stock provides to the contrary) or representing any other form of security of the Company to which an official seal of the Company is required to be affixed, the Directors may by resolution determine that such signatures shall be dispensed with or affixed by some method or system such as a mechanical or electrical signature.

172. Subject to the provisions of the Act, any instrument signed by a Director and the Secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company as a deed shall have the same effect as if executed under the Seal, if its execution in that way is authorised by the Directors or a committee of Directors authorised to do so by the board of Directors.
173. The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

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

174. 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 instrument which shall be signed by such persons or person as the Directors may appoint for the purpose.

#### **NOTICES**

175. A notice may be served by the Company upon any Member, either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address, or any other address in the United Kingdom which the Member shall have in writing given to the Company as his address for service.
176. Members whose registered address shall not be in the United Kingdom, and who shall not have given to the Company an address for service of notices in the United Kingdom, shall not be entitled to receive any notices whatsoever, but the Directors may, if they think proper, serve any notice upon such Member in manner above mentioned.
177. A notice or other document addressed to a Member at his registered address or address for service in the United Kingdom shall, if served by post be deemed to have been served at the latest within twenty-four hours if prepaid.

40 - 00 - 70

as first class and within forty-eight hours if prepaid as second class, after the same shall have been posted, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed and duly posted.

178. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting of the company by notices sent through the post such General Meeting may be convened by notice advertisement which shall be inserted once in at least one leading national daily newspaper.
179. Any notice given by advertisement shall be deemed to have been served immediately before noon on the day on which the advertisement (or if more than one, the later or latest) appears.
180. All notices directed to be given to the Members shall with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient to all the holders of such share.
181. Service of a notice at the registered address or the address for service in the United Kingdom of any person whose name remains registered as the holder or joint holder of any share, shall notwithstanding the death of such person and whether or not the Company have notice of his decease be deemed to be sufficient notice to his executors or administrators, and to the survivor or survivors of the joint holders, and to all other persons entitled to such share.

#### UNTRACED SHAREHOLDERS

182. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that -

182 1 for a period of twelve years (during which time at least three dividends shall have become payable in respect of such share or stock) no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or other the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from a Member or the person entitled by transmission; and

182 2 the Company has at the expiration of the said period of twelve years by advertisement in both a leading national daily newspaper and in a newspaper circulating on the area in which the address referred to in Article 185 1 is located given notice of its intention to sell such share or stock, and

- 182.3 the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by the transmission to such share or stock. The Company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof and in respect of any unclaimed dividends, capital repayments or other such obligations to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

## DESTRUCTION OF DOCUMENTS

183. The Company may destroy:-

- 183.1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- 183.2 any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate variation cancellation or notification was recorded by the Company;
- 183.3 any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration, and
- 183.4 any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly issued and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document in accordance with the recorded particulars thereof in the books or records of the Company, Provided always that -

- 183.5 the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim.

183.6 nothing contained in this Article 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 in Article 186.5 above are not fulfilled; and

183.7 references in this Article to the destruction of any document include references to its disposal in any manner.

#### DIVISION OF ASSETS IN SPECIE

184 A liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may with the authority of an Extraordinary Resolution, divide among the Members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may set such value as he deemed fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between Members or classes of Members but so that if any such division shall be otherwise than in accordance with the existing rights of the Members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a Special Resolution passed in accordance with section 582 of the Act.

#### PROVISION FOR EMPLOYEES

185 The Company shall exercise the power conferred upon it by section 719 (1) 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 86.

#### INDEMNITY

186. Subject to the provisions of the Statutes, every Director or other officer for the time being of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.