

3782379

**PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**CARILLION PLC**

**As adopted by Special Resolution passed on 10 May, 2006  
and amended by Special Resolution passed on 9 May 2007**



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No 3782379

THE COMPANIES ACT 1985

## PUBLIC COMPANY LIMITED BY SHARES

### ARTICLES OF ASSOCIATION

of

Carillion plc

#### INTRODUCTION

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#### 1 Table A not to apply

The regulations in Table A in The Companies (Tables A to F) Regulations 1985 shall not apply to the Company

#### 2 Interpretation

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

"Act"	The Companies Act 1985
"address"	In relation to electronic communications includes any number or address used for the purposes of such communications
"Articles"	These Articles of Association as from time to time altered
"communications"	The same as in the Electronic Communications Act 2000
"CREST Regulations"	The Uncertificated Securities Regulations 2001 as amended from time to time and any provisions of or under the Statutes which supplement or replace such Regulations
"Demerger"	The demerger of the construction services business of Tarmac by means of a reduction of the capital of New Tarmac
"electronic communication"	The same as in the Electronic Communications Act 2000
"in writing"	Written or produced by any substitute for writing or partly one and partly another
"London Stock Exchange"	London Stock Exchange plc

<b>"month"</b>	Calendar month
<b>"New Tarmac"</b>	Tarmac Group Limited, a company registered in England and Wales (Number 3751525)
<b>"Office"</b>	The registered office of the Company from time to time
<b>"Operator"</b>	CRESTCo Limited or such other person as may from time to time be approved by H M Treasury as Operator under the CREST Regulations
<b>"Operator-instruction"</b>	A properly authenticated dematerialised instruction attributable to the Operator
<b>"paid"</b>	Paid or credited as paid
<b>"participating security"</b>	A security title to units of which is permitted by the Operator to be transferred by means of a relevant system
<b>"Register"</b>	The register of members of the Company
<b>"relevant system"</b>	A computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument pursuant to the CREST Regulations
<b>"Scheme"</b>	The scheme of arrangement under section 425 of the Act under which New Tarmac became the holding company of Tarmac
<b>"Seal"</b>	The Common Seal of the Company
<b>"Securities Seal"</b>	An official seal kept by the Company by virtue of Section 40 of the Act
<b>"Statutes"</b>	The Act, the CREST Regulations and every other statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies and affecting the Company
<b>"Tarmac"</b>	Tarmac Holdings Limited, a company registered in England and Wales (Number 132583)
<b>"Transfer Office"</b>	The place where the Register is situate from time to time
<b>"United Kingdom"</b>	Great Britain and Northern Ireland
<b>"year"</b>	Calendar year

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

The expressions "**recognised clearing house**" and "**recognised investment exchange**" shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services and Markets Act 2000

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

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

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

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

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

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof from time to time in force (whether coming into force before or after the incorporation of the Company)

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

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

References to a share (or to a holding of shares) being in certificated or uncertificated form are references, respectively, to that share being a certificated or an uncertificated unit of a security for the purposes of the CREST Regulations

## **SHARE CAPITAL**

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

The share capital of the Company at the date of the incorporation of the Company consists of £162,500,000 divided into 325,000,000 shares of 50 pence each

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

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

## **5 Consolidation, subdivision and cancellation**

### **5.1 The Company may by Ordinary Resolution**

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its then existing shares,
- (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled,
- (c) subdivide its shares, or any of them, into shares of smaller amount than its then existing shares (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares

### **5.2** Whenever as a result of a consolidation or subdivision of shares any members would become entitled to fractions of a share, the Directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Directors may authorise some person to transfer the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale. So far as the Statutes allow, the Directors may treat shares of a member in certificated form and in uncertificated form as separate holdings in giving effect to subdivisions and/or consolidations and may cause any shares arising on consolidation or subdivision and representing fractional entitlements to be entered in the Register as shares in certificated form where this is desirable to facilitate the sale thereof

## **6 Purchase of own shares**

Subject to the provisions of the Statutes, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class (including any redeemable shares) but so that if there shall be in issue any shares which are admitted to the Official List of the London Stock Exchange and which are convertible into equity share capital of the Company of the class proposed to be purchased, then the Company shall not purchase, or enter into a contract under which it will or may purchase, such equity shares unless either

- (a) the terms of issue of such convertible shares include provisions permitting the Company to purchase its own equity shares or providing for adjustment to the conversion terms upon such a purchase, or
- (b) the purchase, or the contract, has first been approved by an Extraordinary Resolution passed at a separate meeting of the holders of such convertible shares

## **7 Reduction of capital**

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

## **SHARES**

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

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

## **9 Directors' power to allot**

**9.1** Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper

**9.2** The Directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Act to exercise for each Allotment Period all the powers of the Company to allot and to make offers or agreements to allot relevant securities up to an aggregate nominal amount equal to the Section 80 Amount

**9.3** During each Allotment Period the Directors shall be empowered to allot equity securities wholly for cash pursuant to and within the terms of the authority in paragraph 9.2 above and to sell treasury shares wholly for cash

(a) in connection with a Rights Issue, and

(b) otherwise than in connection with a Rights Issue, up to an aggregate nominal amount equal to the Section 89 Amount,

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

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

**9.5** For the purposes of this Article

(a) **"Rights Issue"** means an offer of equity securities open for acceptance for a period fixed by the Directors to (i) holders on the Register on a record date fixed by the Directors of Ordinary Shares in proportion to their respective holdings (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings) and (ii) other persons so entitled by virtue of the rights attaching to any other

equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory,

- (b) **"Allotment Period"** means any period (not exceeding five years on any occasion) for which the authority conferred by paragraphs 9 2 and 9 3 above is granted by Resolution of the Company in General Meeting stating the Section 80 Amount and Section 89 Amount for such period,
- (c) the **"Section 80 Amount"** shall for each Allotment Period be that stated in the relevant Resolution granting the authority conferred by paragraph 9 2 above for such period or any increased amount fixed by Resolution of the Company in General Meeting,
- (d) the **"Section 89 Amount"** shall for each Allotment Period be that stated in the relevant Special Resolution granting the power conferred by paragraph 9 3 above for such period or any increased amount fixed by Special Resolution,
- (e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights, and
- (f) words and expressions defined in or for the purposes of Part IV of the Act shall bear the meanings herein and, for the avoidance of doubt, references to 'allotments' shall include the sale of any treasury shares

#### **10 Commissions on issue of shares**

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

#### **11 Renunciation of allotment**

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

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

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

#### **12 Trust etc. interests not recognised**

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided)

any other right in respect of any share, except an absolute right to the entirety thereof in the holder

## **SHARE CERTIFICATES**

### **13 Issue of share certificates**

Every person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the Register in respect of shares in certificated form shall upon the issue or transfer to him of such shares be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully-paid shares) within five business days after lodgment of the transfer or (in the case of a transfer of partly-paid shares) within two months after lodgment of the transfer

### **14 Form of share certificate**

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

### **15 Joint holders**

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

### **16 Replacement of share certificates**

- 16.1** Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge
- 16.2** If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request and may impose such charge as they deem appropriate for so doing
- 16.3** If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit
- 16.4** In the case of shares held jointly by several persons, any such request may be made by any one of the joint holders

## **CALLS ON SHARES**

### **17 Power to make calls**

The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of allotment of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

### **18 Liability for calls**

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

### **19 Interest on overdue amounts**

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

### **20 Other sums due on shares**

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

### **21 Power to differentiate between holders**

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

### **22 Payment of calls in advance**

The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and to the extent it reduces the same such payment in advance of calls shall extinguish the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate as the member paying such sum and the Directors may agree.



## **FORFEITURE AND LIEN**

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

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

### **24 Forfeiture for non-compliance**

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

### **25 Disposal of forfeited shares**

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

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

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

**27 Lien on partly-paid shares**

The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and, subject to the Act, the Company shall also have a first and paramount lien on every share (not being a fully-paid share) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article

**28 Sale of shares subject to lien**

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

**29 Proceeds of sale of shares subject to lien**

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

**30 Evidence of forfeiture**

A statutory declaration in writing that the declarant is a Director or the Secretary and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration shall (subject to the relevant share transfer being made, 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 not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share

## VARIATION OF RIGHTS

### 31 Manner of variation of rights

- 31.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up
- 31.2 All the provisions of these Articles relating to General Meetings and to the proceedings at such General Meetings shall apply, after making any necessary changes, to every such separate meeting except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him
- 31.3 The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied

### 32 Matters not constituting variation of rights

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by (a) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto or (b) the purchase by the Company of any of its own shares

## TRANSFER OF SHARES

### 33 Form of transfer

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

#### **34 Balance certificate**

Where some only of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and, to the extent that the balance is to be held in certificated form, a new certificate for the balance of such shares issued in lieu without charge

#### **35 Right to refuse registration**

**35.1** The Directors may decline to recognise any instrument of transfer relating to shares in certificated form unless it is in respect of only one class of share and is lodged (duly stamped if required) at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do) In the case of a transfer of shares in certificated form by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgment of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question

**35.2** The Directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares (not being fully-paid shares) provided that, where any such shares are admitted to the Official List of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis

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

**35.4** The Directors may also refuse to register a transfer of uncertificated shares in the circumstances set out in the CREST Regulations

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

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

(b) the Operator-instruction was received by the Company (in the case of shares held in uncertificated form),

send to the allottee or transferee notice of the refusal

**35.6** For all purposes in these Articles relating to the registration of transfer of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Directors shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer

#### **36 No fee on registration**

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

### **37 Closure of Register**

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine and either generally or in respect of any class of shares, except that, in respect of any shares which are participating securities, the Register shall not be closed without the consent of the Operator

### **38 Branch Register**

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

### **39 Further provisions on shares in uncertificated form**

**39.1** Subject to the Statutes and the rules (as defined in the CREST Regulations), the Directors may determine that any class of shares may be held in uncertificated form and that title to such shares may be transferred by means of a relevant system or that shares of any class should cease to be held and transferred as aforesaid

**39.2** The provisions of these Articles shall not apply to shares of any class which are in uncertificated form to the extent that such Articles are inconsistent with

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

and, without prejudice to the generality of this Article, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the Operator, so long as that is permitted or required by the CREST Regulations, of an Operator register of securities in respect of that class of securities in uncertificated form

**39.3** The Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the CREST Regulations and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance on such assumption, in particular, any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled)

## **TRANSMISSION OF SHARES**

### **40 Persons entitled on death**

In case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators at his discretion (or the beneficiary or next of kin of the deceased, if no executors or administrators if any) of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased member (whether sole or joint) from any liability in respect of any share held by him

### **41 Election by persons entitled by transmission**

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

### **42 Rights of persons entitled by transmission**

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

### **43 Share Warrants**

**43 1** The Company may with respect to fully-paid shares issue share warrants stating that the bearer is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of future dividends or other moneys on or in respect of the shares included in such share warrants

**43 2** A share warrant shall entitle the bearer thereof to the shares included in it, and the shares may be transferred by the delivery of the share warrant, and the provisions of these Articles with respect to transfer and transmission of shares shall not apply thereto. Each share warrant shall be in such manner as the Directors may decide (which may include use of the Seal or the Securities Seal (or, in the case of shares in a branch register, an official Seal for use in the relevant territory) and/or manual or facsimile signatures by one or more Directors) and shall specify the number and classes of shares to which it relates and the amount paid up thereon. No share warrant shall be issued representing shares of more than one class

- 43.3** The Directors shall be at liberty to accept a certificate (in such form and from such person as the Directors may approve) to the effect that a specified person is shown in the records of the person issuing such certificate as being entitled to the shares comprised in a specified share warrant as sufficient evidence of the facts stated in such certificate, and may treat the deposit of such certificate at the Transfer Office (or any other place specified from time to time by the Directors) as equivalent to the deposit there of the share warrant and may, in addition to other powers they may exercise, allot to the person named in such certificate any shares to which the bearer of the share warrant referred to in such certificate may be entitled and the right of the allottee to the allotment shall not, after allotment, be questioned by any person
- 43.4** The Directors may determine and from time to time vary the conditions (a) upon which share warrants shall be issued, and in particular (but without limitation) upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, lost or destroyed (provided that no new share warrant may be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original share warrant has been destroyed), (b) upon which (subject as hereinafter provided) the bearer of a share warrant shall be entitled to attend and vote at general meetings, and (c) upon which a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares therein specified Subject to such conditions and to these Articles, the bearer of a share warrant shall be subject to the conditions from time to time in force relating to share warrants, whether made before or after the issue of such share warrant
- 43.5** Subject to any conditions from time to time in force relating to share warrants and as otherwise expressly provided in these Articles, the bearer of a share warrant may at any time deposit the share warrant at the Transfer Office (or at such other place as the Directors may from time to time appoint) and, so long as the share warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, of giving notice of intention to submit a resolution to a meeting and of attending and voting, giving a proxy and exercising the other privileges of a member at any meeting held after the expiration of 48 hours from the time of deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited share warrant, provided that in the case of a share warrant deposited elsewhere than at the Transfer Office (or such other place as aforesaid), the depositor shall have obtained from the person with whom the same is deposited a certificate of such deposit in such form as the Directors may require specifying, among other things, the share warrant and the number of shares included therein, and shall have lodged the same at the Transfer Office (or such other place as aforesaid) not less than 48 hours before the time of the meeting at which the depositor desires to attend or to be represented Not more than one person shall be recognised as a depositor of any share warrant Every share warrant which shall have been so deposited as aforesaid shall remain so deposited until after the closing of the meeting at which the depositor desires to attend or to be represented
- 43.6** Subject as otherwise expressly provided in these Articles or in any conditions from time to time in force relating to share warrants, no person shall, as bearer of a share warrant, be entitled to sign a requisition for calling a meeting of the Company or give notice of intention to submit a resolution to a meeting or attend or vote or give a proxy or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices from the Company, but the bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register as the holder of the shares included in the share warrant, and he shall be deemed to be a member of the Company

#### **44 Stock**

- 44.1** The Company may from time to time by Ordinary Resolution convert any paid up shares into stock or reconvert any stock into paid up shares of any denomination
- 44.2** The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine
- 44.3** The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, return of capital, voting and other matters as if they held shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage

### **UNTRACED SHAREHOLDERS**

#### **45 Untraced shareholders**

- 45 1** The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that
- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph 45 1(b) below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares have become payable and no dividend in respect of those shares has been claimed, and
  - (b) the Company shall on expiry of such period of 12 years have inserted advertisements in both a national newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected under these Articles is located giving notice of its intention to sell the said shares, and
  - (c) during the period of three months following the publication of such advertisements the Company shall have received no communication from such member or person, and
  - (d) notice shall have been given to the London Stock Exchange of its intention to make such sale
- 45 2** To give effect to any such sale the Company may appoint any person to transfer, as transferor, the said shares and such transfer shall be as effective as if it had been carried out by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in



respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit

- 45.3** In the case of shares in uncertificated form, the foregoing provisions of this Article are subject to any restrictions applicable under the CREST Regulations

## **GENERAL MEETINGS**

### **46 Annual and Extraordinary General Meetings**

The Company shall in each year hold an Annual General Meeting. Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. All other General Meetings shall be called Extraordinary General Meetings and the Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene such Extraordinary General Meetings.

### **47 Time and place of General Meetings**

Subject to the Statutes, the Directors shall determine the time and place of all General Meetings.

## **NOTICE OF GENERAL MEETINGS**

### **48 Notice of General Meetings**

An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice at the least and any other Extraordinary General Meeting by 14 days' notice at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company. Provided that the Company may determine that only those persons entered on the Register at the close of business on a day determined by the Company, such day being no more than 21 days before the day that notice of the meeting is sent, shall be entitled to receive such a notice and Provided also that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed.

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

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. A member

present in person or by proxy at a General Meeting shall be deemed to have received proper notice of that meeting and, where applicable, of the purpose of that meeting

#### **49 Contents of notice of General Meetings**

- 49.1** Every notice calling a General Meeting shall specify the place and the day and time of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company
- 49.2** The notice shall specify the general nature of the business to be transacted at the meeting, and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect
- 49.3** In the case of an Annual General Meeting, the notice shall also specify the meeting as such
- 49.4** For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting

#### **50 Postponement of General Meetings**

If the Directors, in their absolute discretion, consider that it is impractical or undesirable for any reason to hold a General Meeting on the date or at the time or place specified in the notice calling the General Meeting, they may postpone or move the General Meeting to another date, time and/or place. The Directors shall take reasonable steps to ensure that notice of the date, time and place of the rearranged meeting is given to any member trying to attend the meeting at the original time and place. Notice of the date, time and place of the rearranged meeting shall, if practicable, also be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such rearranged meeting shall not be required. If a meeting is rearranged in this way, the appointment of a proxy will be valid if it is received as required by these Articles not less than 48 hours before the time appointed for holding the rearranged meeting. The Directors may also postpone or move the rearranged meeting under this Article.

## PROCEEDINGS AT GENERAL MEETINGS

### 51 Chairman

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

### 52 Quorum

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

### 53 Lack of quorum

If within five minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such day, time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine. If at the adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the members present in person or by proxy shall be a quorum.

### 54 Security Arrangements

The Directors may direct that persons wishing to attend any General Meeting should submit to such searches or other security arrangements or restrictions as the Directors shall consider appropriate in the circumstances and shall be entitled in their absolute discretion to, or to authorise some one or more persons who shall include a Director or the Secretary or the chairman of the meeting to, refuse entry to, or to eject from, such General Meeting any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

### 55 Entitlement to Attend and Speak

Each Director shall be entitled to attend and speak at any General Meeting of the Company. Any proxy appointed by a member shall also be entitled to speak at any General Meeting of the Company. The chairman of the meeting may invite any person to attend and speak at any General Meeting of the Company where he considers that this will assist in the deliberations of the meeting.

### 56 Adjournment

The chairman of the meeting may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either *sine die* or to

another time or place where it appears to him that (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business, or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned without a date for its reconvening being specified, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or if no date for its being reconvened is specified, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

#### **57 Notice of adjourned meeting**

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

#### **58 Amendments to resolutions**

In the case of a resolution duly proposed as an Ordinary Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may be considered or voted upon unless either (a) at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such Ordinary Resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office, or (b) the chairman of the meeting in his absolute discretion decides that it may be considered or voted upon. In the case of a resolution duly proposed as a Special or Extraordinary Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is put to the vote.

### **POLLS**

#### **59 Demand for poll**

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

- (a) the chairman of the meeting, or
- (b) not less than three persons present and entitled to vote, being either members present in person or proxies appointed by members, or
- (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting, or

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

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

**59.3** A poll is not allowed on a vote to elect a chairman of a meeting, nor is a poll allowed on a vote to adjourn a meeting, unless the chairman of the meeting demands a poll.

## **60 Procedure on a poll**

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

## **61 Voting on a poll**

On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. If a member appoints more than one proxy to attend on the same occasion he shall specify the number of shares in respect of which each proxy is entitled to exercise the related votes and shall ensure that no proxy is appointed to exercise the votes which any other proxy has been appointed by that member to exercise.

## **62 Timing of poll**

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

# **VOTES OF MEMBERS**

## **63 Votes attaching to shares**

Subject to Article 49.4 and to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and every proxy appointed by a member and present

at a General Meeting of the Company (other than the chairman of the meeting) shall have one vote. A proxy shall not have more than one vote on a show of hands even if he is also a member or is a proxy for more than one member. On a poll every member who is present in person or by proxy shall, subject to any special terms as to voting upon which any shares may be issued or may at the relevant time be held and to any other provisions of these Articles, have one vote for every share of which he is the holder.

**64 Votes of joint holders**

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

**65 Chairman's casting vote**

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

**66 Restriction on voting in particular circumstances**

**66.1** No member shall, unless the Directors otherwise determine, be entitled in respect of any share held by him to vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

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

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

(b) any other shares held by the member,

the member shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred (other than pursuant to an approved transfer or pursuant to paragraph 66.3(b) below) be entitled to attend or vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings.

**66.3** Where the default shares represent 0.25 per cent or more of the issued shares of the class in question (calculated exclusive of any shares of that class held as treasury shares), the Directors may in their absolute discretion by notice (a "**direction notice**") to such member direct that

(a) any dividend or part thereof or other money which would otherwise be payable in respect of the default shares shall be retained by the Company without any liability to

pay interest thereon when such dividend or other money is finally paid to the member and the member shall not be entitled to elect to receive shares in lieu of dividend, and/or

- (b) no transfer of any of the shares held by such member shall be registered unless the transfer is an approved transfer or
  - (i) the member is not himself in default as regards supplying the information required, and
  - (ii) the transfer is of part only of the member's holding and, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are default shares

provided that, in the case of shares in uncertificated form, the Directors may only exercise their discretion not to register a transfer if permitted to do so by the CREST Regulations

Any direction notice may treat shares of a member in certificated and uncertificated form as separate holdings and either apply only to the former or to the latter or make different provision for the former and the latter

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

- 66.4** The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice
- 66.5** Save as herein provided, any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect thereafter upon the Directors so determining (such determination to be made within a period of one week of the default being duly remedied with written notice thereof being given forthwith to the member)
- 66.6** Any direction notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with paragraph 66.3(b) above
- 66.7** For the purposes of this Article
  - (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a notice under the said Section 212 and either (i) the member has named such person as being so interested or (ii) (after taking into account the response of the member to the said notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares, and
  - (b) a transfer of shares is an approved transfer if
    - (i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer (as defined in Section 428 of the Act), or

- (ii) the Directors are satisfied that the transfer is made pursuant to a *bona fide* sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with any person appearing to be interested in such shares including any such sale made through the London Stock Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded. For the purposes of this sub-paragraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares

**66.8** The provisions of this Article are in addition and without prejudice to the provisions of the Act

**67 Voting by guardian**

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

**68 Validity and result of vote**

**68.1** No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive

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

**PROXIES AND CORPORATE REPRESENTATIVES**

**69 Proxy need not be a member**

A proxy need not be a member of the Company

**70 Appointment of proxy**

The appointment of a proxy shall be in any usual or common form or in any other form which the Directors may approve and

- (a) in the case of an individual shall be signed by the appointor or his attorney, and
- (b) in the case of a corporation shall be (i) given under its common seal or (ii) signed by any two directors or a director and the secretary of the corporation or (iii) signed on its behalf by an attorney or duly authorised officer of the corporation



The signature on such appointment need not be witnessed Where the appointment of a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged pursuant to the next following Article as if it were an appointment contained in an instrument in writing, failing which the appointment may be treated as invalid

## **71 Delivery of appointment of proxy**

### **71.1 The appointment of a proxy shall**

- (a) in the case of an instrument in writing be left at such place or one of such places (if any) as may be specified for that purpose (or, if no place is so specified, at the Transfer Office)
- (b) in the case of an appointment contained in an electronic communication be received at the address or addresses (if any) specified for that purpose

in or by way of note to or in any document accompanying the notice convening the meeting or in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid The appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates An appointment of a proxy relating to more than one meeting (including any adjournment of it) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates

- 71.2** When two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share, if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned

## **72 Appointment of proxies by electronic communications**

The Directors may from time to time lay down regulations governing the appointment of proxies by electronic communications, in particular concerning the integrity and authenticity of such communications

## **73 Rights of proxy**

The appointment of a proxy shall be deemed to include the right to demand or join in demanding a poll

## **74 Revocation of proxy**

A vote cast or demand for a poll made by proxy shall not be invalidated by the previous death or insanity of the member or by the revocation of the appointment of the proxy or of the authority under which the appointment was made unless notice of such death, insanity or revocation shall have been received by the Company at the Transfer Office or at the address

(if any) specified for receiving an appointment contained in an electronic communication at least forty eight hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast

**75 Corporations acting by representatives**

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any shareholders' meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## **DIRECTORS**

**76 Number of Directors**

Subject as hereinafter provided, the Directors shall not be less than four and not more than 16 in number. The Company may by Ordinary Resolution from time to time vary the minimum number and/or maximum number of Directors.

**77 Share qualification**

A Director shall not be required to hold any shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

**78 Directors' fees**

The ordinary remuneration of the Directors shall from time to time be determined by the Directors except that such remuneration (excluding amounts payable under any other provision of the Articles) shall not exceed £250,000 per annum in aggregate or such higher amount as may from time to time be determined by Ordinary Resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

**79 Other remuneration of Directors**

Any Director who holds any executive office (including for this purpose the office of Chairman, Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine.

## **80 Directors' expenses**

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or shareholders' meetings or otherwise in connection with the business of the Company or in the discharge of his duties as a Director. The Company may fund a Director's expenditure on defending proceedings or in connection with any application under the Statutes and may do anything to enable a Director to avoid incurring such expenditure both as provided in the Statutes.

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

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

## **82 Appointment of executive Directors**

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

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

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

## **83 Powers of executive Directors**

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

# **APPOINTMENT AND RETIREMENT OF DIRECTORS**

## **84 Age limit**

No person shall be disqualified from being appointed or elected as a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age. It shall not be necessary by reason of a person's age to give special

notice under the Statutes of any resolution in connection with his election. However, any Director who is of the age of 70 or more shall retire in accordance with these Articles. Where the Directors convene any General Meeting of the Company at which (to the knowledge of the Directors) a Director will be proposed for election or re-election who at the date for which the meeting is convened will have attained the age of 70 years or more, the Directors shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any election or re-election of that Director, at that meeting.

**85 Retirement by rotation and otherwise**

Each Director shall retire from office and shall be eligible for re-election at the third Annual General Meeting after the meeting at which he was elected or last re-elected. In addition, a Director who would not otherwise be required to retire shall retire if he has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of an Annual General Meeting.

**86 Re-election of retiring Director**

The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for election. The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

**87 Election of two or more Directors**

A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it, and any resolution moved in contravention of this provision shall be void.

**88 Nomination of Director for election**

No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any General Meeting unless not less than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

**89 Election or appointment of additional Director**

The Company may by Ordinary Resolution elect, and without prejudice thereto the Directors shall have power at any time to appoint, any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not thereby

exceed the maximum number (if any) fixed by or in accordance with these Articles. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for election.

## **90 Vacation of office**

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

- (a) if he shall become prohibited by law from acting as a Director,
- (b) if he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer,
- (c) if he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act,
- (d) if he is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health and the other Directors resolve that his office is vacated, or
- (e) if he shall be absent from meetings of the Directors (whether or not an alternate Director appointed by him attends) for six months without leave and the Directors shall resolve that his office be vacated, or
- (f) if a notice in writing is served upon him, signed by not less than three-quarters of his co-Directors from time to time, to the effect that his office as Director shall on receipt of such notice be vacated, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company. Any such notice may consist of several documents in the like form each signed by one or more Directors. A facsimile transmission or other document produced by electronic means and bearing the signature of a Director, printed with that Director's authority and confirmed orally by that Director as being valid, shall be deemed to be a notice in writing signed by that Director.

In this Article references to writing include the use of electronic communications subject to such terms and conditions as the Directors may decide.

## **91 Removal of Director**

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

## **MEETINGS AND PROCEEDINGS OF DIRECTORS**

### **92 Convening of meetings of Directors**

- 92.1** Subject to the provisions of these Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any Director may, and the Secretary at the request of a Director shall, summon a meeting of the Directors. Notice of a meeting of the Directors shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or 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 Secretary that notices of meetings of the Directors shall during his absence be sent in writing to him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent and if no request is made to the Secretary it shall not be necessary to give notice of a meeting of the Directors to any Director who is absent from the United Kingdom at the relevant time. Any Director may waive notice of any meeting and any such waiver may be retroactive. In this Article references to writing include the use of electronic communications subject to such terms and conditions as the Directors may decide.
- 92.2** The Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and a quorum in that event shall be two persons so linked. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

### **93 Quorum**

The quorum necessary for the transaction of business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions from time to time exercisable by the Directors. Subject to the provisions of the Articles, any Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting of the Directors if no other Director objects and if otherwise a quorum of Directors would not be present.

### **94 Chairman**

- 94.1** The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen), and determine the period for which each is to hold office. The Directors may at any time remove a Chairman or a Deputy Chairman from that office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- 94.2** If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as

between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors

**95 Casting vote**

Questions arising at any meeting of the Directors shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or a casting vote

**96 Number of Directors below minimum**

The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles or is below the number fixed by or in accordance with these Articles as the quorum or there is only one continuing Director, the continuing Directors or Director may act for the purpose of filling such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members (excluding any member holding shares as treasury shares) may summon a General Meeting for the purpose of appointing Directors

**97 Written resolutions**

A resolution in writing signed by all the Directors from time to time in the United Kingdom and entitled to vote thereon (being not less in number than a quorum for meetings of the Directors) shall be as valid and effectual as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form each signed by one or more Directors. A facsimile transmission or other document produced by electronic means and bearing the signature of a Director, printed with that Director's authority and confirmed orally by that Director as being valid, shall be deemed to be a document in writing signed by that Director

**98 Validity of proceedings**

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

## **DIRECTORS' INTERESTS**

**99 Directors may have interests**

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

- (a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested,

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

## **100 Restrictions on voting**

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

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

- (a) the giving of any security, guarantee or indemnity in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security,
- (b) the giving to him of any other indemnity where all other Directors are being offered indemnities on substantially similar terms,
- (c) the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other Directors are being offered substantially the same arrangements,
- (d) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate,
- (e) any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him within the meaning of Section 346 of the Act) does not have an interest (as that term is used in Sections 198 to 211 of the Act) in 1 per cent or more of the issued equity share capital of any class of such body corporate (calculated exclusive of any shares in that company held as treasury shares) or of any third company through which his interest is derived or of the voting rights



available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances),

- (f) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates,
- (g) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors, provided that for the purposes of this paragraph insurance shall mean only insurance against liability incurred by a Director in respect of any act or omission by him as referred to in Article 147 2 or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors of the Company, and
- (h) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which relates both to Directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates

**100.3** A Director shall not vote on or be counted in the quorum in relation to any resolution of the meeting of the Directors concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested

**100.4** Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph 100 2(c) above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment

**100.5** If a question arises at any time as to the materiality of a Director's interest (other than the chairman of the meeting) or as to the entitlement of any Director (other than the chairman of the meeting) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of such Director (so far as it is known to that Director) has not been fairly disclosed. If any question arises in respect of the chairman of the meeting, the question shall be decided by a resolution of the meeting of the Directors (for which purpose the chairman of the meeting shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the meeting of the Directors

**100.6** 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

## **101 Directors' interests - general**

For the purposes of the two preceding Articles

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

## **COMMITTEES OF THE DIRECTORS**

### **102 Appointment and constitution of committees**

- 102.1** The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees. Any such committee shall, unless the Directors otherwise resolve, have power to sub-delegate to sub-committees any of the powers or discretions delegated to it. Any such committee or sub-committee shall consist of one or more Directors and (if thought fit) one or more other named person or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee or sub-committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee or sub-committee. Any committee or sub-committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee or sub-committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee or sub-committee.

### **103 Proceedings of committee meetings**

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

## **POWERS OF DIRECTORS**

### **104 General powers**

The business and affairs of the Company shall be managed by the Directors, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers

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

#### **105 Local boards**

The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby

#### **106 Appointment of attorney**

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

#### **107 President**

The Directors may from time to time elect a President of the Company and may determine the period for which he shall hold office. Such President may be either honorary or paid such remuneration as the Directors in their discretion shall think fit, and need not be a Director but shall, if not a Director, be entitled to receive notice of and attend and speak, but not to vote, at all meetings of the board of Directors

#### **108 Designations**

The Directors may from time to time appoint any person to an office or employment having a designation or title including the word "Director" or attach to any existing office or employment with the Company such a designation or title. The inclusion of the word "Director" in the designation or title of any office or employment with the Company (other than the office of Managing or Joint Managing or Deputy or Assistant Managing Director) shall not imply that the holder thereof is a Director of the Company nor shall such holder thereby be empowered in

any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these Articles

**109 Signature on cheques etc.**

All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine

**110 Borrowing powers**

110 1 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, to issue debentures and other securities and to give security, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party

110 2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings only in so far as by the exercise of the rights or powers of control the Directors can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the group (exclusive of borrowings owing by one member of the group to another member of the group) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to five times the adjusted capital and reserves

For the purposes of this paragraph of this Article -

(a) "the adjusted capital and reserves" means the aggregate from time to time of -

- (i) the amount paid up on the issued share capital of the Company (including any shares held as treasury shares), and
- (ii) the amount standing to the credit of the reserves of the Company including any share premium account, capital redemption reserve and credit balance on profit and loss account,

as shown by the then latest audited balance sheet but after

- (iii) deducting from the aggregate any debit balance on profit and loss account subsisting at the date of that audited balance sheet except to the extent that a deduction has already been made on that account,
- (iv) making such adjustments as may be appropriate to reflect any variation in the amount of the paid up share capital, share premium account, capital redemption reserve or other reserve since the date of the audited balance sheet,

- (v) excluding any sums set aside for taxation,
  - (vi) deducting any amount for goodwill or any other intangible asset (not being an amount representing part of the cost of a bona fide commercial acquisition of shares or other property) shown as an asset in such balance sheet (as adjusted), and
  - (vi) excluding the effect on the reserves of the Company of any retirement benefits scheme surplus or deficit which would otherwise be reflected in accordance with any applicable accounting standard
- (b) "borrowings" include not only borrowings but also the following except in so far as otherwise taken into account -
- (i) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary undertaking beneficially owned otherwise than by a member of the group,
  - (ii) the nominal amount of any other issued and paid up share capital and the principal amount of any debentures or borrowed moneys which is not at the relevant time beneficially owned by a member of the group, the redemption or repayment of which is the subject of a guarantee or indemnity by a member of the group or which any member of the group may be required to purchase,
  - (iii) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the group,
  - (iv) the principal amount of any debenture (whether secured or unsecured) of a member of the group beneficially owned otherwise than by a member of the group,
  - (v) any fixed or minimum premium payable by a member of the group on final repayment of any borrowing or deemed borrowing, and
  - (vi) the minority proportion of moneys borrowed by a member of the group and owing to a partly-owned subsidiary undertaking,

but do not include -

- (vii) borrowings incurred by any member of the group for the purpose of repaying within six months of the borrowing the whole or any part of any borrowings of that or any other member of the group outstanding at the relevant time, pending their application for that purpose within that period,

- (viii) borrowings incurred by any member of the group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured,
- (ix) borrowings of, or amounts secured on assets of, an undertaking which became a subsidiary undertaking of the Company after the date as at which the latest audited balance sheet was prepared, to the extent their amount does not exceed their amount immediately after it became such a subsidiary undertaking,
- (x) the minority proportion of moneys borrowed by a partly-owned subsidiary undertaking and not owing to another member of the group, or
- (xi) borrowings to finance a project or assets incurred by a member of the group (the “**relevant group member**”) which has no activities or material assets other than those comprised in the project or assets so financed and in respect of which the person to whom the borrowings are owed by the relevant group member has no recourse to any member of the group for the repayment of or payment of any sum relating to those borrowings other than
  - (a) recourse to the relevant group member’s interest in the cash flow from the project or the assets, and/or
  - (b) recourse to the relevant group member by way of enforcement of any security interest given by the relevant group member over the assets comprised in that project or the assets financed to secure those borrowings (and the proceeds of such enforcement), and/or
  - (c) recourse to shareholders of the relevant group member for the purpose only of enforcement of any security interest given by that shareholder over shares (or the like) of the relevant group member to secure those borrowings, and/or
  - (d) recourse in respect of contributions to the equity (or equivalent) of the relevant group member, and/or
  - (e) recourse under any form of assurance, undertaking or support, which recourse is limited to a claim for damages for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof), and/or

- (f) recourse under any advance payment guarantee, tender, performance or other bond, standby letter of credit or similar instrument in exchange for the transfer to the member of the group of assets providing such support (including, without limitation, cash), where the value of the relevant assets transferred is at least equal to the maximum exposure under the relevant instrument,
- (c) when the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowing then outstanding which is denominated or repayable in a currency other than sterling shall be notionally converted into sterling at the rate of exchange prevailing in London on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the last business day six months before that date and so that for these purposes the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank, selected by the Directors, as being the most appropriate rate for the purchase by the Company of the currency in question for sterling on the day in question,
- (d) if the amount of adjusted capital and reserves is being calculated in connection with a transaction involving a company becoming or ceasing to be a member of the group, the amount is to be calculated as if the transaction had already occurred,
- (e) in relation to the adjusted capital and reserves, share capital which has been allotted shall be treated as issued and share capital called up or payable at any fixed future date within the following six months shall be treated as already paid and, if the Company proposes to issue any shares for cash and such issue has been underwritten, such shares shall be deemed to have been issued and any subscription moneys (including any premium) payable in respect thereof within the following six months shall be deemed to have been paid up,
- (f) "audited balance sheet" means the audited balance sheet of the Company prepared for the purposes of the Statutes for a financial year unless an audited consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings required to be dealt with in group accounts has been prepared for those purposes for the same financial year, in which case it means that audited consolidated balance sheet, and in that case all references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively,
- (g) the Company may from time to time change the accounting convention on which the audited balance sheet is based provided that any new convention adopted complies with the requirements of the Statutes, if the Company

should prepare its main audited balance sheet on the basis of one convention, but a supplementary audited balance sheet on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet,

- (h) "the group" means the Company and its subsidiary undertakings (if any),
- (i) "the minority proportion" means a proportion equal to the proportion of the issued share capital of a partly-owned subsidiary undertaking which is not attributable to a member of the group, and
- (j) a certificate or report by the Auditors from time to time of the Company as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of that amount or of that fact

110 3 No person dealing with the Company or any of its subsidiary undertakings shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded

## **ALTERNATE DIRECTORS**

### **111 Alternate Directors**

- 111.1 Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors or unless the appointee is another Director, shall have effect only upon and subject to being so approved
- 111 2 The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director, otherwise than by retirement at a General Meeting at which he is re-elected
- 111.3 An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is from time to time absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this paragraph shall also apply, after making any necessary changes, to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as



aforesaid) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor

- 111.4** An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct
- 111.5** In this Article references to writing include the use of electronic communications subject to such terms and conditions as the Directors may decide

## **SECRETARY**

### **112 Secretary**

The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Deputy and/or Assistant Secretaries.

## **THE SEAL**

### **113 The Seal**

- 113.1** The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf. The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued.
- 113.2** Every instrument to which the Seal or the Securities Seal shall be affixed (other than a certificate for or evidencing shares, debentures or other securities (including options) issued by the Company) shall be signed autographically by one Director and the Secretary or by two Directors or by such other person or persons as the Directors may approve, save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.
- 113.3** The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.
- 113.4** Any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument which makes it clear on its face that it is intended to have effect as a deed shall be so signed without the authority of the Directors or of a committee authorised by the Directors in that behalf.

## **AUTHENTICATION OF DOCUMENTS**

### **114 Authentication of documents**

Any Director or the Secretary or Deputy Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed at a shareholders' meeting or at a meeting of the Directors or any committee, and any book, record, document or account relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and, where any book, record, document or account is elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

## **RESERVES**

### **115 Establishment of reserves**

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

### **116 Business bought as from past date**

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

## **DIVIDENDS**

### **117 Final dividends**

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

#### **118 Fixed and interim dividends**

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

#### **119 Distribution *in specie***

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

#### **120 No dividend except out of profits**

No cash dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

#### **121 Ranking of shares for dividend**

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

#### **122 Manner of payment of dividends**

- 122.1** Any dividend or other moneys payable on or in respect of a share shall be paid to the member or to such other person as the member (or, in the case of joint holders of a share, all of them) may in writing direct. Such dividend or other moneys may be paid (i) by cheque sent by post to the payee or, where there is more than one payee, to any one of them, or (ii) by inter-bank transfer to such account as the payee or payees shall in writing direct, or (iii) using the facilities of a relevant system, or (iv) by such other method of payment as the member (or in the case of joint holders of a share, all of them) may agree to. Every such cheque shall be sent at the risk of the person or persons entitled to the money represented thereby, and payment of a cheque by the banker upon whom it is drawn, and any transfer or payment within (ii) or (iii) above, shall be a good discharge to the Company.

**122.2** Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Directors may determine. The rate of exchange to be used to determine the foreign currency equivalent of any sum so paid shall be such market rate selected by the Directors as they shall consider appropriate ruling at any time between the close of business in London on the date which is the business day last preceding the date on which the Directors publicly announce their intention to recommend or pay (as the case may be) that specific dividend and the close of business on the date on which that specific dividend is paid.

**122.3** The Company may cease to send any cheque, warrant or order by post for any dividend on any shares which is normally paid in that manner if in respect of at least two consecutive dividends payable on those shares the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these Articles, shall recommence sending cheques, warrants or orders in respect of the dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

### **123 Joint holders**

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

### **124 Record date for dividends**

Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights as between themselves in respect of such dividend of transferors and transferees of any such shares. The power to fix any such record date shall include the power to fix a time on the chosen date.

### **125 No interest on dividends**

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

### **126 Retention of dividends**

**126.1** The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the moneys payable to the Company in respect of that share.

**126.2** The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

**127 Unclaimed dividend**

The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of 12 years from the date on which such dividend was declared or became due for payment shall be forfeited and shall revert to the Company

**128 Waiver of dividend**

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

**CAPITALISATION OF PROFITS AND RESERVES**

**129 Dividend mandates**

All mandates and other instructions to Tarmac which, by virtue of the Scheme or otherwise, were deemed to be valid and effective mandates and instructions to New Tarmac in relation to the corresponding shares in New Tarmac allotted and issued pursuant to the Scheme are, unless subsequently validly superseded, also deemed to be valid and effective mandates and instructions to the Company in relation to the corresponding shares of the Company allotted and issued pursuant to the Demerger

**130 Capitalisation of profits and reserves**

- 130.1** The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account or retained earnings
- 130.2** Such capitalisation shall be effected by appropriating such sum to the holders of Ordinary Shares on the Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares from time to time issued, unissued shares of any other class) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid Where the amount capitalised is applied in paying up in full unissued shares, the Company will also be entitled to participate in the relevant distribution in relation to any shares of the relevant class held by it as treasury shares and the proportionate entitlement of the relevant class of members to the distribution will be calculated accordingly
- 130.3** The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company

rather than to the members concerned) The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned Notwithstanding any other provisions contained in these Articles, if an adjustment is made to the subscription price payable by an option holder under any employees' share scheme established by the Company which results in the adjusted price per share payable on the exercise of an option being less than the nominal value of an Ordinary Share (the "**Adjusted Price**"), the directors may capitalise all or part of the Company's reserves available for distribution (excluding any share premium account, capital redemption reserve or other undistributable reserve), upon the issue of any Ordinary Shares following the exercise of the relevant option (the "**New Shares**") The amount to be so capitalised shall be equal to the difference between the Adjusted Price and the nominal value of the New Shares The Directors shall apply such amount in paying up in full the balance payable on the New Shares The Directors may take such steps as they consider necessary to ensure that the Company has sufficient reserves available for such application No further authority of the Company in General Meeting shall be required

## **SCRIP DIVIDENDS**

### **131 Scrip Dividends**

- 131.1** Subject as hereinafter provided, the Directors may offer to ordinary shareholders (excluding any member holding shares as treasury shares) the right to receive, in lieu of dividend (or part thereof), an allotment of new Ordinary Shares credited as fully paid instead of cash in respect of all or part of such dividend or dividends as may be declared by the Company or by the Directors pursuant to Article 117 and 118 (as the case may be), subject to such exclusions or restrictions as the Directors may, in their absolute discretion, deem necessary or desirable in relation to compliance with legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory
- 131.2** The Directors shall not make such an offer unless so authorised by an Ordinary Resolution passed at any General Meeting, which authority may extend to dividends declared or paid prior to the fifth Annual General Meeting of the Company occurring thereafter, but no further Provided that this Article shall, without the need for any further Ordinary Resolution, authorise the Directors to offer rights of election in respect of any dividend declared or proposed for a period of five years after the date of the adoption of these Articles
- 131.3** The Directors may either offer such rights of election in respect of the next dividend (or part thereof) proposed to be paid, or may offer such rights of election in respect of that dividend and all subsequent dividends, until such time as the election is revoked, or may allow shareholders to make an election in either form
- 131.4** The basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value (calculated by reference to the average quotation) of the additional Ordinary Shares to be allotted in lieu of any amount of dividend shall be not less than an amount equal to the net cash amount that such holders would have otherwise received by way of a dividend and may at the discretion of the Directors exceed an amount equal to the sum of the net cash amount of such dividend together with the associated tax credit For such purposes, the "average quotation" of an Ordinary Share shall be (1) the average of the middle market quotations of an Ordinary Share on the London Stock Exchange,

as derived from the Daily Official List, on each of the first five business days on which the Ordinary Shares are quoted "ex" the relevant dividend or (2) established in such other manner as may be determined by the Directors, and "associated tax credit" shall be the tax credit which would become available to the recipient of a dividend under section 231 of the Income and Corporation Taxes Act 1988 on the assumption that such recipient is an individual resident in the United Kingdom for taxation purposes

- 131.5** If the Directors determine to offer such right of election on any occasion, they shall give notice to the ordinary shareholders of such right and shall specify the procedures to be followed in order to exercise such right which, for the avoidance of doubt, may include election by means of a relevant system, provided that they need not give such notice to a shareholder who has previously made, and has not revoked, an earlier election to receive Ordinary Shares in lieu of all future dividends, but instead shall send him a reminder that he has made such an election, indicating how that election may be revoked in time for the next dividend proposed to be paid. The accidental omission to give notice of any right of election to, or the non receipt of any such notice by, any ordinary shareholder entitled to the same shall neither invalidate any offer of an election nor give rise to any claim, suit or action.
- 131.6** Unless the Directors otherwise determine, or unless the CREST Regulations and/or the rules of the relevant system concerned otherwise require, the new Ordinary Share or Shares which a member has elected to receive instead of cash in respect of the whole (or some part) of the specified dividend declared or paid in respect of his elected Ordinary Shares shall be in uncertificated form (in respect of the member's elected Ordinary Shares which were in uncertificated form on the date of the member's election) and in certificated form (in respect of the member's elected Ordinary Shares which were in certificated form on the date of the member's election).
- 131.7** On each occasion the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on Ordinary Shares in respect whereof the share election has been duly exercised and has not been revoked (the "**elected Ordinary Shares**"), and in lieu thereof additional shares (but not any fraction of a share) shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Directors shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or profit and loss account or retained earnings as the Directors may determine, a sum equal to the aggregate nominal amount of additional Ordinary Shares to be allotted on that occasion on such basis and shall apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares on such basis.
- 131.8** The additional Ordinary Shares so allotted on any occasion shall rank *pari passu* in all respects with the fully-paid Ordinary Shares in issue on the record date for the relevant dividend save only as regards participation in the relevant dividend.
- 131.9** Article 130 shall apply, after making any necessary changes, to any capitalisation made pursuant to this Article.
- 131.10** No fraction of an Ordinary Share shall be allotted. The Directors may make such provision as they think fit for any fractional entitlements including, without limitation, provision whereby, in whole or in part, the benefit thereof accrues to the Company and/or fractional entitlements are accrued and/or retained and in either case accumulated on behalf of any ordinary shareholder.

- 131.11** The Directors may on any occasion determine that rights of election shall not be made available to any ordinary shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination
- 131.12** In relation to any particular proposed dividend, the Directors may in their absolute discretion decide (i) that shareholders shall not be entitled to make any election in respect thereof and that any election previously made shall not extend to such dividend or (ii) at any time prior to the allotment of the Ordinary Shares which would otherwise be allotted in lieu thereof, that all elections to take shares in lieu of such dividend shall be treated as not applying to that dividend, and if so the dividend shall be paid in cash as if no elections had been made in respect of it
- 131.13** The Directors may decide how any costs relating to making new shares available in place of a cash dividend will be met, including deciding to deduct an amount from the entitlement of a shareholder under this Article

## **ACCOUNTS**

### **132 Accounting records**

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

### **133 Copies of accounts for members**

A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than 21 days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles Provided that this Article shall not require a copy of these documents to be sent to any member to whom a summary financial statement is sent in accordance with the Statutes and the Articles nor to more than one of joint holders nor to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office The Company may meet, but shall be under no obligation to meet, any request from any of its members to be sent additional copies of its full accounts and reports, or summary financial statements, or other communications with members

### **134 Summary Financial Statements**

The Company may send summary financial statements to members of the Company instead of copies of its full accounts and reports and for the purposes of this Article sending includes



using electronic communications and publication on a web site in accordance with the Statutes

## **AUDITORS**

### **135 Validity of Auditor's acts**

Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified

### **136 Auditor's right to attend General Meetings**

An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor

## **NOTICES**

### **137 Service of notices**

**137.1** Any notice or other document may be served on or delivered to any member by the Company

- (a) personally,
- (b) by sending it (in accordance with the Statutes) using electronic communications to an address for the time being notified by him to the Company for that purpose or by publication on a website in accordance with the Statutes, or
- (c) by sending it by post in a pre-paid envelope addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register any such notice or document may be posted or delivered either in the United Kingdom or in the territory in which such branch register is maintained, or
- (d) by means of a relevant system, or
- (e) by any other means authorised in writing by the member concerned

**137.2** Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of 24 hours (or, where second-class mail is employed, at the expiration of 48 hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped or prepaid and posted

**137.3** Where a notice or other document is served or sent by electronic communication, service or delivery shall be deemed to be effected on the day following that on which it was served or sent, and in proving such service or delivery it shall be sufficient to prove that such notice or

other document was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators

- 137 4** Where a notice or other document is served or delivered by the Company by means of a relevant system, it shall be deemed to have been served or delivered when the Company or any sponsoring system-participant acting on its behalf sends the issuer-instruction relating to the notice
- 137 5** Where a notice or other document is served, sent or delivered by the Company by any other means authorised in writing by the member concerned, it shall be deemed to have been served, received or delivered when the Company has carried out the action it has been authorised to take for that purpose
- 137 6** Where a notice or other document is served or delivered personally, service or delivery shall be deemed to be effected on the day it was so served or delivered
- 137 7** The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding
- 137 8** Any notice required to be given by the Company to members (including for this purpose holders of share warrants) and not expressly provided for by these Articles or by the terms of issue of any shares shall be sufficiently given if given by advertisement. Any such notice shall be advertised once in a leading national daily newspaper in each of London and, if deemed appropriate by the Directors, New York and shall be taken as given at noon on the day on which such advertisement appears. The holder of a share warrant shall be entitled in respect thereof to notice only by advertisement as herein provided
- 137 9** Notwithstanding anything else in these Articles, a member or other person who would otherwise be entitled to receive any notice or other document, shall not be entitled to receive the relevant document if on each of the three most recent previous occasions on which the relevant person shall have been sent any documents by the Company, the documents shall have been returned undelivered to the Company unless since the earliest of those three occasions, the relevant person shall have written to the Company at the Transfer Office either confirming the correctness of the relevant address shown in the Company's records or supplying a new address to which, in accordance with these Articles, the documents are to be sent to him

#### **138 Joint holders**

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

#### **139 Deceased and bankrupt members**

A person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or

delivered to him at such address any notice or document to which the said member would have been entitled and may in addition supply an address for the service of notices by electronic communications, and service or delivery to one of such addresses shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member or sent using electronic communications to an address for the time being notified by him to the Company for that purpose in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

**140 Overseas members**

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

**141 Suspension of postal services or electronic communication systems**

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom or some part of the United Kingdom or of the relevant electronic communication system the Company is unable effectively to convene a shareholders' meeting, such meeting may be convened by a notice advertised in one national newspaper in London and such notice shall be deemed to have been duly served on all members entitled thereto on the day when the advertisement appears (or first appears). In any such case the Company shall send confirmatory copies of the notice by post or by electronic communications to the members entitled to receive them, if at least seven days prior to the meeting the sending of notices by post or by electronic communications throughout the United Kingdom again becomes practicable.

**142 Record Date for Service**

Any notice or document may be served, sent or delivered by the Company by reference to the Register as it stands at any time not more than 15 days before the date of service, sending or delivery. No change in the Register after that time shall invalidate that service, sending or delivery. Where any notice or document is served on or sent or delivered to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service, sending or delivery of that notice or document.

**143 Statutory requirements as to notices**

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

## **WINDING UP**

### **144 Directors' power to petition**

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

### **145 Distribution of assets *in specie***

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

## **DESTRUCTION OF DOCUMENTS**

### **146 Destruction of documents**

Subject to compliance with the rules (as defined in the CREST Regulations) applicable to shares of the Company in uncertificated form, the Company shall be entitled to destroy or delete all instruments of transfer of shares or Operator-instructions for the transfer of shares or other documents which have been registered or on the basis of which registration was made at any time after the expiration of six years from the date of registration thereof and all Share Warrants (including Coupons or talons detailed therefrom) which shall have been cancelled at any time after the expiration of six years from the date of cancellation thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or Operator-instruction or other document so destroyed or deleted was duly and properly made and every instrument of transfer or Operator-instruction so destroyed or deleted was a valid and effective instrument duly and properly registered and every share certificate, Share Warrant Coupon or talon so destroyed was a valid and effective certificate duly and properly cancelled and every other document or instruction hereinbefore mentioned so destroyed or deleted was a valid and effective document or instruction in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that

- (a) the provisions aforesaid shall apply only to the destruction or deletion of a document or an instruction in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant,

- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction or deletion of any such document or instruction earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article,
- (c) references herein to the destruction or deletion of any document or instruction include references to the disposal thereof in any manner

## **INDEMNITY**

### **147 Indemnity**

- 147.1** Subject to the provisions of the Statutes, the Company may indemnify any Director, Secretary or other officer of the Company or of any Relevant Company (as defined in paragraph 147 3 below) against any liability
- 147.2** Subject to the provisions of the Statutes,, the Company may purchase and maintain insurance for or for the benefit of any person who is or was at any time a Director or officer of any Relevant Company (as defined in paragraph 147 3 below) or who is or was at any time a trustee or a director of a corporate trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme
- 147.3** For the purpose of paragraph 147 2 above "**Relevant Company**" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body

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NAMES AND ADDRESSES OF SUBSCRIBERS

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Ogier Nominees Limited

Pirouet House, Union Street, St Helier, Jersey  
JE4 9WG

Reigo Nominees Limited

Pirouet House, Union Street, St Helier, Jersey  
JE4 9WG

**For and on behalf of**

**Ogier Nominees Limited**

C BYRNE  
DIRECTOR

**For and on behalf of**

**Reigo Nominees Limited**

C BYRNE  
DIRECTOR

**Dated** 28 May 1999

**Witness** to the above signatures

ELSPETH OPENSHAW  
SOLICITOR  
OGIER & LE MASURIER  
WHITELEY CHAMBERS  
DON STREET  
ST HELIER  
JERSEY