

**ARTICLES OF ASSOCIATION**  
**OF**  
**GVO INVESTMENT MANAGEMENT LIMITED**  
Company Number 4493500

THURSDAY



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19/12/2013  
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## ARTICLES OF ASSOCIATION

of

### GVO INVESTMENT MANAGEMENT LIMITED (the "Company")<sup>1</sup>

(as adopted by special resolution passed on 31 January 2008)

#### 1. Exclusion of other regulations

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the Company

#### 2. Interpretation

2.1 In these Articles unless the context otherwise requires

**"A Ordinary Shares"** means shares in the Company with a nominal value of 1 penny each carrying the rights attributed in these Articles to shares with such designation

**"A Ordinary Share Dividend"** means, in relation to a Dividend Period, an amount equal to 100 per cent of the profits after tax of the Company in that Dividend Period less an amount equal to 100 per cent of the profits of the Company that have been retained in accordance with Article 4.4 in respect of that Dividend Period

**"A Ordinary Shareholder"** means a person who is entered in the Register as the holder of A Ordinary Shares

**"A Share Option"** means an option over A Ordinary Shares (or, following Conversion, C Ordinary Shares) granted by SVG

**"Act"** means the Companies Act 1985 including any statutory modifications or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force

**"Articles"** means these articles of association in their present form or as altered from time to time and the expressions "this Article" and "these Articles" shall be construed accordingly

**"B Ordinary Shares"** means shares in the Company with a nominal value of 1 penny each carrying the rights attributed in these Articles to shares with such designation

**"B Ordinary Shareholder"** means a person who is entered in the Register as the holder of B Ordinary Shares

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<sup>1</sup> The name of the Company was changed from "Trushelfco (No 2910) Limited" to "SVIIT Investment Managers Limited" on 15 October 2002, to "SVG Investment Managers Limited" on 7 May 2004 and to "GVO Investment Management Limited" on 12 December 2013

<b>"B Share Option"</b>	means an option over B Ordinary Shares (or, following Conversion, C Ordinary Shares) granted by the Company
<b>"Board"</b>	means the board of Directors of the Company from time to time
<b>"Business Day"</b>	means a day (other than a Saturday or Sunday) on which banks are open for business (other than solely for trading and settlement in euro) in London
<b>"City Code"</b>	the City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel on Takeovers and Mergers
<b>"C Ordinary Shares"</b>	means shares in the Company with a nominal value of 1 penny each carrying the rights attributed in these Articles to shares with such designation
<b>"C Ordinary Shareholder"</b>	means a person who is entered in the Register as the holder of C Ordinary Shares
<b>"Company Subsidiary"</b>	means any subsidiary of the Company
<b>"Conversion"</b>	means the conversion of the A Ordinary Shares and the B Ordinary Shares into C Ordinary Shares in accordance with Article 14
<b>"Conversion Date"</b>	means the date on which A Ordinary Shares and B Ordinary Shares convert into C Ordinary Shares in accordance with Article 14
<b>"Director"</b>	means a director of the Company from time to time
<b>"Disposal"</b>	has the meaning given in Article 19.2
<b>"Dividend Period"</b>	means, in respect of any A Ordinary Shares or B Ordinary Shares - <ul style="list-style-type: none"> <li>(A) the period from, and including, 1 January 2008 to, and including, the earlier of (i) the last day of the Financial Year in which such period commences and (ii) the Conversion Date, and</li> <li>(B) each successive period from, but excluding, the last day of a Financial Year to, and including, the earlier of (i) the last day of the subsequent Financial Year and (ii) the Conversion Date</li> </ul>
<b>"Financial Year"</b>	means each successive period commencing on 1 January in each calendar year and ending on 31 December in the same calendar year or such other period as may be adopted by the Company from time to time as a period in relation to which it draws up its accounts
<b>"Investment Trust"</b>	has the meaning given in section 842 of the Income and Corporation Taxes Act 1988
<b>"Liquidation Event"</b>	means any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary
<b>"Managers"</b>	means natural persons who are holders of A Ordinary Shares, B Ordinary Shares or C Ordinary Shares and are (or were) full time

	investment professionals working in the public equities business of the Company
<b>"Office"</b>	means the registered office of the Company
<b>"Options"</b>	means either or both of the A Share Options and the B Share Options, as the context may require
<b>"Person"</b>	means an individual, partnership, corporation, limited liability company, body corporate, trust, joint stock company, association, joint venture or any other entity or organisation, whether or not having separate legal personality
<b>"Register"</b>	means the register of members of the Company
<b>"Regulatory Purposes"</b>	means for the purposes of maintaining adequate resources in relation to the regulated activities carried on by the Company as required by paragraph 4 of Schedule 6 of the Financial Services and Markets Act 2000 (as amended from time to time)
<b>"Sale Event"</b>	has the meaning given in part (i) of the definition of Specified Events
<b>"Shareholder"</b>	means a person whose name is entered in the Register as the holder of shares (but limited, where used in the context of a vote, to those holders of shares having the right to vote) and "holder of shares" shall be construed accordingly
<b>"Specified Events"</b>	means <ul style="list-style-type: none"> <li>(i) completion of the sale by SVG and/or any other member of the SVG Group of any A Ordinary Shares or B Ordinary Shares to a Person other than a member of the SVG Group and other than pursuant to the exercise of an A Share Option (a "Sale Event"),</li> <li>(ii) SVG ceasing, after having taken steps to cease, to qualify as an Investment Trust but excluding for the avoidance of doubt where SVG ceases to qualify as an Investment Trust as a result of inadvertent mistake,</li> <li>(iii) the ordinary shares of SVG ceasing to be admitted to the Official List of the UK Listing Authority, or</li> <li>(iv) a general offer for the entire issued share capital of SVG, other than any such share capital held or contracted to be acquired by the offeror or its associates within the meaning of section 988 of the Companies Act 2006, being made and becoming or being declared unconditional in all respects or a scheme of arrangement of SVG becoming effective, which offer or scheme of arrangement is governed by the City Code</li> </ul>
<b>"Surplus Assets"</b>	means, in relation to a Liquidation Event, the assets of the Company after payment of and reservation for all of its debts and liabilities

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and available for distribution to the Shareholders

"**SVG Group**" means SVG and its subsidiaries from time to time

"**SVG**" means SVG Capital plc

2 2 Unless a contrary indication appears, in these Articles

- (A) references to the singular include the plural and vice versa and references to any gender include each gender,
- (B) references to a document being "**executed**" include references to its being executed under hand or under seal or by any other method except by means of an electronic signature,
- (C) references to a document being "**signed**" or to "**signature**" include references to its being executed under hand or under seal or by any other method,
- (D) references to "**writing**" include references to any method of representing or reproducing words in a legible and non-transitory form including by way of electronic communications where specifically provided in a particular Article or where permitted by the Board in its absolute discretion,
- (E) references to any quorum, percentage of shares or votes shall be construed so as to ignore any shares held as treasury shares,
- (F) words or expressions to which a particular meaning is given by the Act bear (if not inconsistent with the subject matter or context) the same meaning in these Articles or that part (as the case may be) save that the word "**company**" shall include any body corporate,
- (G) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted,
- (H) references to a "**meeting**" shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person, and
- (I) headings are included only for convenience and shall not affect meaning

### 3. **Authorised Share Capital**

3 1 The authorised share capital of the Company as at the date of adoption of this Article is £2,500,000 divided into

- (A) 25,000,000 A Ordinary Shares,
- (B) 25,000,000 B Ordinary Shares, and
- (C) 200,000,000 C Ordinary Shares

3 2 In the event that the shares of any particular class are held by only one person, these Articles shall apply with such modification as may be necessary in relation to that class as it does in relation to shares of a class which is held by two or more persons

#### **4. Dividend Rights**

- 4.1 Subject to Article 4.4, in relation to each Dividend Period, the holders of the A Ordinary Shares shall together be entitled to receive out of the profits of the Company available for distribution and permitted by law to be distributed, in priority to any payment by way of dividend or other distribution to the holders of any other class of shares of the Company, a cumulative preferential dividend equal to the A Ordinary Share Dividend in relation to that Dividend Period, such dividend to be divided equally amongst the A Ordinary Shares but, without prejudice to Article 5 and save as expressly set out in these Articles, the holders of the A Ordinary Shares shall not otherwise be entitled to any dividend or distribution from the Company. The A Ordinary Share Dividend shall (subject to applicable law) be declared and paid within 3 months of the end of the relevant Dividend Period and, if not declared and paid within that period, will be declared and paid as soon thereafter as reasonably practicable.
- 4.2 Subject to Article 4.4, in relation to each Dividend Period, the holders of the B Ordinary Shares shall be entitled to receive out of the profits of the Company available for distribution and permitted by law to be distributed, all dividends declared, paid or payable in relation to that Dividend Period after the payment of the A Ordinary Share Dividend in relation to that Dividend Period, such dividends to be divided equally amongst the B Ordinary Shares.
- 4.3 From but excluding the Conversion Date, subject to Articles 4.1, 4.2 and 4.4, the holders of the C Ordinary Shares shall be entitled to receive out of the profits of the Company available for distribution and permitted by law to be distributed, all dividends declared, paid or payable other than dividends declared, paid or payable in relation to any Dividend Period ending on or before the Conversion Date, such dividends to be divided equally amongst the C Ordinary Shares.
- 4.4 The Company will be entitled to retain sufficient of its distributable profits and reserves to satisfy the Company's requirement for additional capital whether for Regulatory Purposes or otherwise.

#### **5. Liquidation**

- 5.1 Subject to applicable law, upon the occurrence of any Liquidation Event, the Surplus Assets shall be applied in the following manner and order of priority:
- (i) if Conversion has not occurred
    - (a) firstly, to the holders of the A Ordinary Shares in an amount equal to the aggregate of all A Ordinary Share Dividends to which they are entitled under Article 4.1 or which have been declared but have not been paid, and
    - (b) secondly, to the holders of the A Ordinary Shares in an amount equal to £111 million, to be divided equally amongst the A Ordinary Shares, and
    - (c) thirdly, the balance of the Surplus Assets to the holders of the B Ordinary Shares, to be divided equally amongst the B Ordinary Shares,
  - (ii) if Conversion has occurred
    - (a) first, to those persons who held A Ordinary Shares immediately prior to Conversion in an amount equal to the aggregate of all A Ordinary

Share Dividends to which they are entitled under Article 4.1 or which have been declared but have not been paid, and

- (b) secondly, the balance of the Surplus Assets to the holders of the C Ordinary Shares, to be divided equally amongst the C Ordinary Shares

#### **6. Rights Attached to Shares**

- 6.1 Subject to the provisions of the Act and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide
- 6.2 Where the same Shareholder holds more than one class of shares, references to Shareholders holding any one class shall be construed so as to treat that Shareholder separately in its capacity as a holder of each class of shares

#### **7. Redeemable Shares**

Subject to the provisions of the Act and to any rights attached to existing shares, any share may be issued which is to be redeemed, or is liable to be redeemed, at the option of the Company or the Shareholder

#### **8. Purchase of Own Shares**

Subject to the provisions of the Act and to any rights attached to existing shares, the Company may purchase or may enter into a contract under which it will or may purchase all or any of its shares of any class, including any redeemable shares. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the Shareholders of the same class or as between them and the Shareholders of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares

#### **9. Variation of Rights**

- 9.1 Subject to the provisions of the Act (including section 125(3) of the Act) and these Articles, all or any of the rights attaching to an existing class of shares may from time to time (whether or not the Company is being wound up) be varied or abrogated as follows
  - (i) where it is proposed to vary or abrogate the rights attaching to the A Ordinary Shares and the B Ordinary Shares in all material respects equally, with the consent in writing of Shareholders holding shares representing not less than three-quarters of the aggregate voting rights of the issued A Ordinary Shares and B Ordinary Shares or with the sanction of a resolution passed at a separate general meeting of the A Ordinary Shareholders and B Ordinary Shareholders by a majority representing not less than three-quarters of the aggregate voting rights of the Shareholders present (whether in person or by proxy) and entitled to vote on the resolution, and
  - (ii) where it is proposed to vary or abrogate the rights attaching to the A Ordinary Shares without in all material respects equally varying or abrogating the rights attaching to the B Ordinary Shares, with the consent in writing of the A Ordinary Shareholders holding A Ordinary Shares representing not less than three-quarters of the aggregate voting rights of the issued A Ordinary Shares or with the sanction of a resolution passed at a separate general meeting of the A Ordinary Shareholders by a majority representing not less than three-quarters of the aggregate voting rights of the A

Ordinary Shareholders present (whether in person or by proxy) and entitled to vote on the resolution, and

- (iii) where it is proposed to vary or abrogate the rights attaching to the B Ordinary Shares without in all material respects equally varying or abrogating the rights attaching to the A Ordinary Shares, with the consent in writing of the B Ordinary Shareholders holding B Ordinary Shares representing not less than three-quarters of the aggregate voting rights of the issued B Ordinary Shares or with the sanction of a resolution passed at a separate general meeting of the B Ordinary Shareholders by a majority representing not less than three-quarters of the aggregate voting rights of the B Ordinary Shareholders present (whether in person or by proxy) and entitled to vote on the resolution

9 2 The following matters, regardless of their actual effect upon the rights attaching to any of the shares, shall for all purposes be deemed not to affect the rights attaching to either the A Ordinary Shares or the B Ordinary Shares

- (i) the declaration, making or payment of any dividend or other distribution (whether interim, payable at a fixed rate or any other dividend or distribution and whether to be satisfied wholly or partly in cash or by the distribution of assets, or shares or debentures of any other company) in accordance with the respective rights of the Shareholders,
- (ii) the reduction of the Company's share capital, any capital redemption reserve, any share premium account or any other undistributable reserve of the Company in any way,
- (iii) the creation or issue of further shares of any class or grant of options to subscribe shares of any class howsoever ranking,
- (iv) the passing and implementing of any resolution which may in the opinion of the Board be appropriate or necessary for the purpose of effecting the conversion of any A Ordinary Shares or B Ordinary Shares into C Ordinary Shares in a manner consistent with Article 14,
- (v) the passing of any resolution for the purposes of authorising the Directors to allot relevant securities in accordance with, and as such term is construed by, section 80 of the Act or varying, revoking or renewing any such authority, and
- (vi) anything done as contemplated by the Articles

9 3 All the provisions of these Articles as to general meetings of the Company shall, with any necessary modifications, apply to any separate general meeting mentioned in Article 9 1, but so that the necessary quorum shall be two persons entitled to vote and holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, (but so that at any adjourned meeting one holder entitled to vote and present in person or by proxy (whatever the number of shares held by him) shall be a quorum), that every holder of shares of the class present in person or by proxy and entitled to vote shall be entitled on a poll to one vote for every share of the class held by him (subject to any rights or restrictions attached to any class of shares) and that any holder of shares of the class present in person or by proxy and entitled to vote may demand a poll

## **10. Pari Passu, Junior or Senior Issues**

The rights conferred upon Shareholders shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari

passu, junior or in priority to or with them or which are otherwise created or issued in accordance with these Articles

#### **11. Unissued Shares**

Subject to the provisions of the Act and these Articles and to any resolution passed by the Company and without prejudice to any rights attached to existing shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board which may offer, allot, grant options over or otherwise deal with or dispose of them to such persons, at such times and for such consideration and upon such terms as the Board may think proper, provided that (a) no shares shall be issued at a discount, (b) no A Ordinary Shares or B Ordinary Shares shall be issued on or after Conversion, and (c) no C Ordinary Shares shall be issued prior to Conversion

#### **12. Initial Authority to Issue Relevant Securities**

Subject to any direction to the contrary which may be given by the Company in general meeting, the Directors are unconditionally authorised to exercise all powers of the Company to allot relevant securities. The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of incorporation of the Company or such other amount as may from time to time be authorised by the Company in general meeting. The authority conferred on the Directors by this Article shall remain in force for a period of five years from the date of adoption of this Article but may be revoked, varied or renewed from time to time by the Company in general meeting in accordance with the Act. For this purpose, "relevant securities" shall have the meaning given by section 80(2) of the Act.

#### **13. Trusts Not Recognised**

Except as ordered by a court of competent jurisdiction or 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 required in any way to recognise (even when having notice of it) any interest in any share or (except only as by these Articles or by law otherwise provided) any other right in respect of any share other than an absolute right to the whole of the share in the holder.

#### **14. Conversion of A Ordinary Shares and B Ordinary Shares**

14.1 Each A Ordinary Share in issue will convert into one C Ordinary Share

- (i) as soon as reasonably practicable after the occurrence of a Specified Event (unless otherwise agreed between the holders of not less than 83.33 per cent of the B Ordinary Shares then in issue) but, in any case, where the Specified Event is a Sale Event, only after the expiry of a period of ten Business Days following the Sale Event, or
- (ii) as soon as reasonably practicable after both the holders of not less than 75 per cent of the A Ordinary Shares and the holders of not less than 75 per cent of the B Ordinary Shares have consented to such conversion, or
- (iii) as soon as reasonably practicable after completion of the transfer of any one or more A Ordinary Shares following the exercise of any A Share Option, or
- (iv) in any event as soon as reasonably practicable after 31 December 2014

14.2 In the event that the A Ordinary Shares convert into C Ordinary Shares in accordance with Article 14.1, the B Ordinary Shares will at the same time convert into C Ordinary Shares automatically in accordance with the following formula

$$B = T - A$$

where

B = the total number of C Ordinary Shares into which all B Ordinary Shares (including any B Ordinary Shares which may be issued pursuant to B Share Options) would convert,

$$T = \frac{A}{1-P}$$

A = the number of C Ordinary Shares into which all A Ordinary Shares convert,

$$P = \frac{(V-Z)}{V}$$

V = the greater of £111 million, being the equity value of the Company at 30 June 2007 or the equity value of the Company as at the date of the event specified in Article 14 1, and

Z = £111 million, being the equity value of the Company at 30 June 2007

- 14 3 Conversion of the A Ordinary Shares shall take effect by redesignation of such shares as C Ordinary Shares having the rights specified in these Articles or in such other manner as the Directors may determine and as the law may allow and shall be effected pursuant to the authority given by the passing of the resolution creating the A Ordinary Shares Conversion of the B Ordinary Shares shall take effect by way of consolidation and/or sub-division and redesignation of such shares or in such other manner as the Directors may determine and as the law may allow and shall be effected pursuant to the authority given by the passing of the resolution creating the B Ordinary Shares
- 14 4 Upon and after Conversion, those persons who were the holders of the A Ordinary Shares immediately prior to Conversion shall remain entitled to A Ordinary Share Dividends accrued but unpaid on the A Ordinary Shares which were the subject of Conversion
- 14 5 Within 28 days after the Conversion Date, the Company shall despatch (at the holder's risk and free of charge) a certificate for the appropriate number of fully paid C Ordinary Shares which are certificated shares, or shall take the necessary corporate action to issue such C Ordinary Shares in uncertificated form In the meantime, transfers of certificated shares shall be certified against the register
- 14 6 The equity value of the Company as at the date of the event specified in Article 14 1 shall be determined by the Shareholders as they may have agreed
- 14 7 The conversion of the A Ordinary Shares and B Ordinary Shares must occur at the same time

## 15. Share Certificates

- 15 1 Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the Directors may determine Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them

15 2 If a certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate

15 3 Each certificate or instrument evidencing issued shares or other securities of the Company shall bear a legend if the Board or the Company by ordinary resolution determines, in which case any such legend shall be in such form as may be determined by the Board or the Company by ordinary resolution. Any such determination may require that a legend, or different legends, shall be imprinted on any such certificate held by particular members of the Company or only in particular circumstances and may be liable to be removed in particular circumstances

## **16. Lien**

16 1 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) payable at a fixed time or called in respect of that share. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a share shall extend to any amount payable in respect of it

16 2 The Company may sell in such manner as the Directors determine, but only to a member of the Company, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the shares or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold

16 3 To give effect to a sale, the Directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale

16 4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale

## **17. Calls on Shares and Forfeiture**

17 1 Subject to the terms of allotment, the Directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made

17 2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed

17 3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof

- 17 4 If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Directors may waive payment of the interest wholly or in part
- 17 5 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call
- 17 6 Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares
- 17 7 If a call remains unpaid after it has become due and payable, the Directors may give to the person from whom it is due not less than 5 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited
- 17 8 If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture
- 17 9 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the holder or to any other person who is a member of the Company and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any permitted person, the Directors may authorise some person to execute an instrument of transfer of the share to that person
- 17 10 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- 17 11 A statutory declaration by a Director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share

## **18. Voting Rights**

- 18 1 All Shareholders shall be entitled to receive notice of and attend general meetings of the Company

18 2 Each holder of the A Ordinary Shares and each holder of the C Ordinary Shares present in person or by proxy or other voting representative permitted by these Articles shall be entitled to one vote for each A Ordinary Share or C Ordinary Share that they hold

18 3 The holders of the B Ordinary Shares shall have no right to speak or vote at any general meeting of the Company other than a right to speak and vote in relation to class matters at a separate class meeting

## 19. Transfer

19 1 No Disposal of any share or any legal or beneficial interest in a share shall be permitted except a transfer of the entire legal and beneficial interest in the share made with the consent (or deemed consent) in writing of all the members, which consent may be given in respect of a particular class or classes of permitted transferees, generally, in advance, specifically or by any agreement

19 2 To "**Dispose**" means, with respect to any share or any legal or beneficial interest in a share, (i) to offer, pledge, grant a security interest, impose any encumbrance or other lien or restriction on, assign, contract to assign, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer, novate or dispose of, directly or indirectly, that share or any legal or beneficial interest in that share or any securities convertible into or exercisable or exchangeable for any of that share or any legal or beneficial interest in that share, (ii) to enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of that share or any legal or beneficial interest in that share whether any of the transactions described in clause (i) or (ii) above is to be settled in cash, by delivery of that share or any legal or beneficial interest in that share or otherwise (and, in each case, grammatical variations thereof shall be construed accordingly) When used as a noun, the term "**Disposal**" shall have the correlative meaning For the purposes of this definition, the term "contract" shall include any agreement, arrangement, term sheet, memorandum of understanding or letter of intent whether or not legally binding The conversion of shares pursuant to, or in accordance with any method contemplated by, these Articles or their terms of issue shall not be treated as a Disposal

## 20. Execution of Transfer

The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee All instruments of transfer, when registered, may be retained by the Company

## 21. Rights to Decline Registration of Shares

21 1 The Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully paid share

21 2 The Board may decline to register any transfer of a certificated share unless

- (A) the instrument of transfer is duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty and is left at the Office or such other place as the Board may from time to time determine accompanied (save in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the person executing the instrument of transfer 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,

- (B) such evidence as the Board has required pursuant to the exercise of its powers under these Articles in connection with a proposed transfer has, to the satisfaction of the Board, been submitted to the Board,
  - (C) the instrument of transfer is in respect of only one class of share,
  - (D) in the case of a transfer to more than one person, the number of persons to whom the share is to be transferred does not exceed four, and
  - (E) the transfer complies with Article 19 1 and is made with the consent (or deemed consent) in writing of all the members, which consent may be given in respect of a particular class or classes of permitted transferees, generally, in advance, specifically or by any agreement
- 21 3 For all purposes of these Articles relating to the registration of transfers 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 Board shall have the same powers (and obligations) of refusing to give effect to such a renunciation as if it were a transfer
- 21 4 The Board shall be entitled to decline to register any proposed transfer of any share which is not effected in compliance with Article 19

## **22. No Fee for Registration**

No fee shall be charged by the Company for registering any transfer, document or instruction relating to or affecting the title to any share or for making any other entry in the Register

## **23. Untraced Shareholders**

- 23 1 The Company may sell any certificated shares in the Company to any current Shareholder on behalf of the holder of, or person entitled by transmission to, the shares at the best price reasonably obtainable at the time of sale if
- (A) the shares have been in issue either in certificated or uncertificated form throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period,
  - (B) no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relevant cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares or by the transfer of funds by means of a relevant system at any time during the relevant period,
  - (C) so far as any Director of the Company at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares, and
  - (D) in respect of a holder of, or person entitled by transmission to, shares whose last known postal or registered address is within the United Kingdom, the Company has caused two advertisements to be published, one in a newspaper with a national circulation and the other in a newspaper circulating in the area in which the last known postal address of the holder of, or person entitled by transmission to, the shares or the postal address at which service of notices may be effected under the Articles is located, giving notice of its intention to sell the shares and a period of three

months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates

23 2 For the purpose of this Article 23

"the qualifying period" means the period of 12 years immediately preceding the date of publication of the advertisements referred to in Article 23 1(D) or of the first of the two advertisements to be published if they are published on different dates, and

"the relevant period" means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of Article 23 1(A) to Article 23 1(D) above have been satisfied

23 3 To give effect to any sale of shares pursuant to this Article 23, the Board may authorise a person or persons to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall be held in trust by the Company for the former holder of, or person entitled by transmission to, the shares. The Company shall have no obligation to pay interest in respect of any consideration so held in trust

#### **24. Transmission on Death**

If a Shareholder dies, the only persons recognised by the Company as having any title to his shares shall be

- (A) the survivor or survivors of that Shareholder, where he was a joint Shareholder, and
- (B) his personal representatives, where he was a sole Shareholder or the only survivor of joint Shareholders,

but nothing contained in these Articles shall release the estate of a deceased Shareholder from any liability in respect of any share held by him solely or jointly with other persons

#### **25. Entry of Transmission in Register**

Where the entitlement of a person to a share in consequence of the death, bankruptcy, insolvency or dissolution of a Shareholder or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof cause the entitlement of that person to be noted in the Register. If, for whatever reason, whether by reason of the default of the person entitled to transmission of the relevant shares or otherwise, the requirements of the foregoing provisions of this Article 25 are not satisfied in relation to any shares, the Company may sell the shares in question on behalf of the person entitled by transmission to the shares at the best price reasonably obtainable at the time of sale and the Company shall pay the net proceeds of sale to the person entitled by transmission as soon as practicable following receipt without interest. The Board may authorise a person or persons to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase monies nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall be held in trust by the Company for the person entitled by transmission to the shares. The Company shall have no obligation to pay interest in respect of any consideration so held in trust

## **26. Election of Person Entitled by Transmission**

Any person entitled by transmission to a share may, subject as provided elsewhere in these Articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself he shall give notice to the Company to that effect. If he elects to have another person registered and the share is a certificated share, he shall execute an instrument of transfer of the share to that person. If he elects to have himself or another person registered and the share is an uncertificated share, he shall take any action the Board may require (including, without limitation, the execution of any document and the giving of any instruction by means of a relevant system) to enable himself or that person to be registered as the holder of the share. The Board may at any time require the person to elect either to be registered himself or to transfer the share and if the requirements are not complied with within 60 days of being issued, the Board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements have been complied with. All the provisions of these Articles relating to the transfer of, and registration of transfers of, shares shall apply to the notice or transfer as if the death or bankruptcy, insolvency or dissolution of the member or other event giving rise to the transmission had not occurred and the notice or transfer was given or executed by the Shareholder.

## **27. Rights of Person Entitled by Transmission**

Where a person becomes entitled by transmission to a share, the rights of the Shareholder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the Shareholder of it save that, until he becomes the Shareholder, he shall not be entitled in respect of the share (except with the authority of the Board) to receive notice of, or to attend or vote at, any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to general meetings.

## **28. Increase, Consolidation, Sub-Division and Cancellation**

The Company may from time to time by ordinary resolution

- (A) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe,
- (B) consolidate, or consolidate and then sub-divide, all or any of its share capital into shares of larger amount than its existing shares,
- (C) subject to the Act, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others, and
- (D) 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 share capital by the amount of the shares so cancelled.

## **29. Fractions**

- 29.1 Whenever as a result of a consolidation, consolidation and sub-division, sub-division or conversion of shares any Shareholders would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit. In particular the Board may sell the shares representing the fractions for the best price reasonably obtainable to any other member (or, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members and the Board may authorise some person to transfer or

deliver the shares to, or in accordance with the directions of, the purchaser. For the purposes of effecting the sale, the Board may arrange for the shares representing the fractions to be entered in the Register as certificated shares. The person to whom any shares are transferred or delivered 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 relating to the sale. The net proceeds of sale shall be held on trust by the Company for the former holder of, or person entitled by transmission to, the shares. The Company shall have no obligation to pay interest in respect of any consideration so held in trust.

- 29 2 Subject to the Act, when the Board consolidates or sub-divides shares, it can treat certificated and uncertificated shares which a Shareholder holds as separate shareholdings.

### **30. Reduction of Capital**

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

### **31. General Meetings**

The Directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or any member of the Company may call a general meeting.

### **32. Notice of General Meetings**

- 32 1 General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.

Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors.

- 32 2 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

### **33. Proceedings at General Meetings**

- 33 1 No business shall be transacted at any meeting (including, for the avoidance of doubt, at any adjourned meeting) unless a quorum is present. Except when the Company has only one member, or only one member entitled to vote at the general meeting, a quorum at any general meeting (including, for the avoidance of doubt, at any adjourned meeting) shall exist if two members are present in person or by proxy.
- 33 2 If, and for so long as, the Company has only one member, or only one member entitled to vote at the general meeting, that member present in person or by proxy shall be a quorum at any general meeting of the Company or, where relevant, of the holders of any class of shares.
- 33 3 If such a quorum is not present within half an hour (or such longer time as the persons present and entitled to vote may all agree to wait) from the time appointed for the meeting (including,

for the avoidance of doubt, at any adjourned meeting), or if during a meeting (including, for the avoidance of doubt, at any adjourned meeting) such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors present may determine

- 33 4 The chairman, if any, of the Board or any other Director nominated by the Directors shall preside as chairman of the meeting, but if neither the chairman nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman
- 33 5 If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman
- 33 6 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company
- 33 7 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice
- 33 8 A declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution

#### **34. Votes to be Decided by Way of Poll**

- 34 1 At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll taken at that meeting. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded
- 34 2 Votes on a poll may be given either in person or by proxy. A Shareholder may appoint more than one proxy to attend on the same occasion and if he does 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 Shareholder to exercise
- 34 3 A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he has, in the same way
- 34 4 A Shareholder who is a corporation (whether or not that Shareholder would be a 'company' within the meaning of the Act) may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Shareholders. A person who is so authorised is entitled to exercise the same powers on behalf of that Shareholder as that Shareholder could exercise if it were a natural person who is a Shareholder

**35. No Casting Vote for Chairman**

The chairman of the meeting shall not be entitled to an additional or casting vote in any circumstances

**36. Votes of Joint Holders**

In the case of joint Shareholders, the vote of the Shareholder whose name appears first in the register and who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders

**37. Voting on Behalf of Incapable Shareholder**

A Shareholder in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company and may exercise any other right conferred by his being a Shareholder in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote on a poll by proxy), provided that evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote or such other right has been received at the office not later than the last time at which such an appointment should have been received in order to be valid for use at that meeting or on the holding of that poll

**38. No Right to Vote where Sums Overdue on Shares**

No Shareholder shall, unless the Board otherwise decides, be entitled in respect of any share held by him to attend or vote (either personally or by proxy) at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or upon a poll or to exercise any other right conferred by membership in relation to general meetings or polls unless all calls or other sums presently payable by him in respect of that share have been paid

**39. Objections or Errors in Voting**

If

- (A) any objection shall be raised to the qualification of any voter, or
- (B) any votes have been counted which ought not to have been counted or which might have been rejected, or
- (C) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting or poll on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting or poll at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall vitiate the decision of the meeting on any resolution only if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive

**40. Appointment of Proxies**

The appointment of a proxy shall be in writing signed by the appointor or his duly authorised attorney or, if the appointor is a corporation, shall either be executed under its seal or signed by an officer, attorney or other person authorised to sign it

#### **41. Receipt of Proxies**

- 41.1 The appointment of a proxy must be received at the Office (or such other place in the United Kingdom as may be specified in or by way of note to the notice convening the meeting or in or by way of note to any notice of any adjournment or, in either case, in any accompanying document) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote together with (if required by the Board) any authority under which it is made or a copy of the authority, certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the Board. An appointment of a proxy which is not, or in respect of which the authority or copy thereof is not, received in a manner so permitted shall be invalid. When calculating the periods mentioned in this article, the directors can decide not to take account of any part of a day that is not a working day.
- 41.2 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 or poll, 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.
- 41.3 The appointment of a proxy shall not preclude a Shareholder from attending and voting in person at the meeting concerned.

#### **42. Maximum Validity of Proxy**

No appointment of a proxy shall be valid after 12 months have elapsed from the date of its receipt save that, unless the contrary is stated in it, an appointment of a proxy shall be valid for use at an adjourned meeting or a poll after a meeting or an adjourned meeting even after 12 months, if it was valid for the original meeting.

#### **43. Form of Proxy**

The appointment of a proxy shall be in any usual form or in such other form as the Board may approve. The appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given as the proxy thinks fit. The appointment of a proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

#### **44. Cancellation of Proxy's Authority**

A vote given by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting, unless notice in writing of the determination was received by the Company at the office (or such other place or address as was specified by the Company for the receipt of appointments of proxy in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not later than the last time at which an appointment of a proxy should have been received in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

#### **45. Number of Directors**

Unless otherwise determined by ordinary resolution, the maximum number of Directors (other than alternate directors) shall be thirteen and the minimum number of Directors shall be two.

#### **46. Alternate Directors**

- 46 1 Any Director (other than an alternate director) may appoint any other Director, or any officer of the entity (whether incorporated or not) which nominated such director to the Board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him
- 46 2 An alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom
- 46 3 An alternate director shall cease to be an alternate director if his appointor ceases to be a Director
- 46 4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors
- 46 5 Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him

#### **47. Powers of Directors**

- 47 1 Subject to the provisions of the Act, the memorandum and these Articles, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the memorandum or Articles shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made. The powers given by these Articles shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors
- 47 2 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers

#### **48. Delegation of Directors' Powers**

The Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors or the Shareholders may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying. In the event that there is any inconsistency or conflict between any conditions which the Directors may seek to impose upon the delegation of their powers to any committee (including, without limitation, relating to the proceedings, the composition or authority of any committee or of the powers of any member of any committee) with those sought to be imposed by one or more Shareholders, those conditions proposed by the Shareholders shall prevail.

#### **49. Appointment and Removal of Directors**

The Directors shall be appointed, and shall be subject to removal, in accordance with such procedure and requirements as those Shareholders with ordinary voting rights may agree or, in the absence of such agreement, as the Directors may agree. Save as provided by any such agreement, no Director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a Director, by reason of his having attained any particular age. No shareholding qualification for a Director shall be required.

#### **50. Disqualification and Removal of Directors**

The office of a Director shall be vacated if

- (A) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director, or
- (B) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- (C) he is, or may be, suffering from mental disorder and either -
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
- (D) he resigns his office by notice to the Company, or
- (E) he is voted off the Board by the other Directors acting by a majority

#### **51. Remuneration of Directors**

No Director shall be entitled to remuneration from the Company for his services as a Director save as expressly set out in any separate agreement which may be executed between the Company and a Director.

#### **52. Directors' Expenses**

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

#### **53. Directors' Appointments and Interests**

- 53.1 Subject to the provisions of the Act, the Directors may appoint one or more of their number to the office of managing director, chief executive officer or to any other executive office under the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit.

53 2 Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office

- (A) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
- (B) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested,
- (C) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and
- (D) may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company

53 3 For the purposes of this Article 53

- (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 transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and
- (B) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

#### **54. Directors' Gratuities and Pensions**

The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director or former Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a Company Subsidiary or a predecessor in business of the Company or of any such Company Subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

#### **55. Proceedings of Directors**

55 1 Subject to the provisions of the articles, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes and each Director shall have one vote. The chairman shall not have a casting vote. A Director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

55 2 The quorum for the transaction of the business of the Directors shall, unless otherwise determined by the Directors or by the Company by ordinary resolution, be any two Directors. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. If a quorum is not present at a meeting of the Directors at the time when any business is considered any Director may require that the meeting be reconvened. At

least five clear days' notice of the reconvened meeting will be given in writing unless all the Directors present agree. At the reconvened meeting, a quorum shall exist with respect to those matters on the agenda which were not disposed of at the original meeting only if a majority of the Board is present or represented by an alternate.

- 55.3 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
- 55.4 The Directors may appoint one of their number to be the chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed or another Director nominated by him shall preside at every meeting of Directors at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.
- 55.5 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 55.6 Any one or more Directors may participate in and vote at Directors' meetings by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. Any Director so participating in a meeting shall be deemed to be present in person and shall count towards the quorum.
- 55.7 A resolution in writing signed by all the Directors shall be as valid and effective for all purposes as a resolution passed by the Directors at a meeting convened, held and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the Directors concerned. A resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

## **56. Secretary**

Subject to the provisions of the Act, the secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.

## **57. Minutes**

The Directors shall cause minutes to be made in books kept for the purpose

- (A) of all appointments of officers made by the Directors, and
- (B) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting.

## **58. The Seal**

- 58.1 The seal shall be used only by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to

which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or by a second Director

- 58 2 The Company may exercise all powers conferred by the Act with regard to having any official seal for use abroad and such powers shall be vested in the Directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the Directors may from time to time determine

## **59. Dividends**

- 59 1 Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors. No dividend shall be declared or paid on any class of shares if any dividend in respect of any share ranking in priority thereto is in arrear
- 59 2 Subject to the provisions of the Act, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. No interim dividend shall be paid on any class of shares if any dividend in respect of any share ranking in priority thereto is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment and subject to the rights of any class of share ranking in priority thereto
- 59 3 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Except as otherwise provided by the rights attached to shares, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly
- 59 4 A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees
- 59 5 Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share
- 59 6 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share
- 59 7 Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company

## **60. Capitalisation of Profits**

Subject to any restrictions in the Articles relating to the issue of any shares of the Company, the Directors may with the authority of an ordinary resolution of the Company

- (A) subject as hereinafter provided, resolve to capitalise any sum standing to the credit of the Company's share premium account or capital redemption reserve,
- (B) appropriate the sum resolved to be capitalised to the members and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account and the capital redemption reserve, may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid,
- (C) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions, and
- (D) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members

## **61. Notices**

- 61 1 Any notice to be given to or by any person pursuant to the articles shall be in writing (faxes, telexes and e-mails being permitted for these purposes as constituting writing) except that a notice calling a meeting of the Directors need not be in writing
- 61 2 Any notice may be served on or delivered to any person under these articles
  - (A) personally, or
  - (B) by leaving it for, or sending it by post addressed to, a member at his registered address, the Company at its registered office or a Director at an address provided by the Director for this purpose, or
  - (C) by fax or e-mail to a number or address provided by the member, Company or Director for this purpose, or
  - (D) by any other means authorised in writing by the member, Company or Director
- 61 3 In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders
- 61 4 A member or Director present in person or by proxy or alternate at any meeting of the Company or at any meeting of Directors shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called

## **62. Time of Service**

62 1 Any notice given under these articles shall, unless earlier receipt is proved, be deemed to have been duly given as follows

- (A) if delivered personally, on delivery,
- (B) if sent by first class post, two clear days after the date of posting, and
- (C) if sent by facsimile or e-mail, when despatched, and

any notice given under these articles outside Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place "Working Hours" means 930 am to 530 pm on a Business Day

62 2 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title

## **63. Winding Up**

If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members provided however that the liquidator shall give effect to the terms of issue of any shares of the Company The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability provided however that the liquidator shall give effect to the terms of issue of any shares of the Company and this Article is subject to Article 5

## **64. Indemnity**

64 1 Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any threatened, pending, current or completed proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

64 2 Subject to the provisions of the Act, the Company may purchase and maintain for any Director or other officer or auditor insurance against any liability

## **65. Re-registration as a Public Company**

No resolution shall be proposed or passed and no step shall be undertaken for the purposes of the re-registration of the Company as a public company by, in each case, the Directors or the members if the consequence of such resolution being proposed or passed or such step being undertaken or if, following any such matter, the operation of any provision of these Articles or of any agreement among the members (or some of them) which is notified to the Directors would be reasonably likely to result in any holder (either alone or together with any person acting in concert with that holder) being required to make a general offer to the holders of any class of equity share capital of the Company whether voting or non-voting or to the holders of any class of voting non-equity share capital of the Company in which such holder (or persons acting in concert with him) hold shares

unless the holder (and any person acting in concert with that holder) upon whom such obligation would be otherwise imposed have notified the Directors in writing of their consent to such resolution being proposed or passed or such step being undertaken For the purposes of this regulation, the expression "acting in concert" shall be construed in accordance with the City Code

**66. Exclusion of Rights to Offers on a Pre-emptive Basis**

Section 89(1) of the Act shall not apply to the allotment by the Company of any equity security