

# ARTICLES OF ASSOCIATION OF

AMENDED 31 MAY 2007  
**IMPERIAL ENERGY CORPORATION PLC**

Incorporated on 24 February 2004

Registration Number 5054461

Incorporated under the Companies Act 1985  
as a public company limited by shares



Company Number 5054461

**The Companies Act 1985  
Public Company Limited by Shares  
Articles of Association**

**-of-**

**IMPERIAL ENERGY CORPORATION PLC**

**1. Preliminary**

- 1.1 In these articles of association, the following words and expressions have the following meanings if not inconsistent with the subject or context

<b>2006 Act</b>	The Companies Act 2006
<b>Act</b>	Companies Act 1985 including any statutory modification thereof for the time being in force
<b>Auditors</b>	The auditors for the time being and from time to time of the company
<b>Board</b>	The board of directors for the time being and from time to time of the company
<b>Created</b>	Includes day of execution
<b>Directors</b>	The directors for the time being and from time to time of the company
<b>Dividend</b>	Includes bonus
<b>Electronic form and electronic means</b>	Electronic form and electronic means as such terms are defined in the 2006 Act
<b>Executed</b>	Includes any mode of execution
<b>Group Company</b>	Any body (whether or not it is incorporated) which is or was the company's parent undertaking or subsidiary undertaking or another subsidiary undertaking of any such parent undertaking
<b>Holder</b>	In relation to shares means a member whose name is entered in the register of members as the holder of those shares
<b>In writing and written</b>	Written, printed or lithographed or visibly expressed by any substitute for writing including telex, cable, facsimile, transmission, electronic mail and teletext or partly by one of such means and partly by another or others
<b>Listing Rules</b>	The listing rules of the Financial Services Authority made under section 74(4) of the Financial Services and Markets Act 2000, as amended from time to time
<b>London Stock Exchange</b>	The London Stock Exchange plc or any successor body carrying on its functions

<b>Member</b>	Any holder for the time being of shares in the capital of the company of whatever class
<b>Month</b>	Calendar month
<b>Office</b>	The registered office for the time being and from time to time of the company
<b>Paid Up</b>	Includes credited as paid up
<b>Principal Place</b>	The place specified in the notice of any general meeting of the company at which the chairman of the meeting will preside
<b>Register</b>	The register of members to be kept pursuant to section 352 of the Act
<b>Regulations</b>	The Uncertificated Securities Regulations 2001 (SI 2001 No 3755) including any modification of them or any regulation in substitution for them made under section 207 of the Act and for the time being in force
<b>Relevant Class</b>	A class of share which is for the time being a participating security
<b>Relevant System</b>	A relevant system as such term is defined in the Regulations
<b>Seal</b>	The common seal of the company
<b>Secretary</b>	Subject to the provisions of the Act includes an assistant or deputy secretary and any person appointed by the directors to perform any of the duties of the secretary
<b>Section 793 Notice</b>	A notice given under Section 793 of the 2006 Act
<b>Statutes</b>	The Act, the Companies Act 1989, the Regulations, the 2006 Act and every other statute or subordinate legislation for the time in force concerning the company
<b>These Articles</b>	These articles of association as from time to time amended
<b>United Kingdom</b>	Great Britain and Northern Ireland

- 1 2 Where the context so requires, words importing the singular number include the plural and vice versa, words importing the masculine gender include the feminine, and persons will include corporations with the necessary adaptation
- 1 3 Words and expressions defined in the Act and in the Regulations have the same meanings in these articles unless the context otherwise requires
- 1 4 The headings are inserted for convenience and do not affect the constructions of these articles
- 1 5 Any reference to any statute or statutory provision is construed as a reference to such statute or statutory provision as amended, modified, consolidated or re-enacted from time to time
- 1 6 Reference in these articles to a share being in uncertified form are references to that share being an uncertified unit of a security

## **2. Table "A"**

The regulations contained in the Company (Tables A-F) Regulations 1985 do not apply to the company

## **3. Share Capital and Variation of Rights**

- 3 1 The share capital of the company at the date of the adoption of these articles is £5,000,000 (five million pounds) divided into 200,000,000 ordinary shares of 2 5p each
- 3 2 Subject to the provisions of the Act and without prejudice to any rights for the time being conferred on the holders of any shares or class of shares, any share in the company may be allotted with such preferred, deferred or other rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the company may from time to time by ordinary resolution determine or, if not such determination be made, as the directors determine
- 3 3 Subject to the provisions of the Act and to the authority of the company in general meeting required by the Act, the directors have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any shares of the company to such persons, at such time and generally on such terms and conditions as they may determine
- 3 4 The company may issue shares which are to be redeemed or are liable to be redeemed at the option of the company or the shareholders
- 3 5 Subject to the provisions of the Act and to the authority of the company in general meeting required by the Act, the company has power to purchase its own shares, including any redeemable shares

- 3 6 When any shares are to be issued, the directors may vary the amount of calls to be paid and the time of payment of such calls as between the allottees of such shares
- 3 7 If by the conditions of allotment of any share the whole or part of its issue price is payable by instalments, every such instalment will, when due, be paid to the company by the person who for the time being is the registered holder of the share
- 3 8 In addition to all other powers of paying commissions, the company may exercise the powers conferred by the Act of paying commissions to persons subscribing or procuring subscriptions for shares of the company, or agreeing so to do, whether absolutely or conditionally Subject to the provisions of the Act and to the Listing Rules any such commissions may be satisfied by the payment of cash or, with the sanction of an ordinary resolution, by the allotment of fully or partly paid shares of the company or by any such combination The company may also, on any issue of shares, pay such brokerage as may be lawful
- 3 9 Except as required by law, no person will be recognised by the company as holding any share upon any trust, and except only as otherwise provided by these articles or as required by law or under an order of a court of competent jurisdiction, the company will not be bound by or recognise any equitable, contingent, future or partial interest in any share, or any interest in any fraction or part of a share, or any other right in respect of any share, except an absolute right to the entirety of it in the registered holder
- 3 10 Subject to the provisions of the Act and to article 3 1, if at any time the capital of the company is divided into different classes of shares, all or any of the rights or privileges attached to any class may be varied or abrogated either in such manner, if any, as may be provided by such rights, or in the absence of any such provision, with the consent in writing with the holders of at least three-fourths of the nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution, passed at a separate meeting of the holders of the shares of that class, but not otherwise
- 3 11 To every such separate meeting referred to in article 3 10 all the provisions of these articles relating to general meetings of the company, or to the proceedings at them, and the provisions of s 369 and s 370 of the Act apply with any necessary modifications, except that the necessary quorum at any such meeting other than an adjourned meeting will be two or more persons present holding or representing by proxy at least one third in nominal value of the issued shares of the class in question The quorum at an adjourned meeting will be one person holding shares of the class in question or his proxy Any holder of shares of the class in question present in person or by proxy may demand a poll
- 3 12 The creation or issue of shares ranking equally with or subsequent to the shares of any class will not, unless otherwise expressly provided by these articles or the rights attached to such shares as a class, be deemed to be a variation of the rights of such shares

#### **4. Certificates**

- 4 1 Subject to articles 4 8 to 4 10 every person other than a person in respect of whom the company is not required by law to complete and have ready for delivery a certificate by virtue of s 185(4) of the Act whose name is entered as a member in the register of members is entitled without payment to one certificate for all the shares of each class for the time being held by him, or upon payment of such reasonable out of pocket expenses as the director may from time to time determine for every certificate after the first to several certificates each for one or more of his shares
- 4 2 Every certificate will
- 4 2 1 be issued within two months after allotment or the lodgement with the company of the transfer of the shares, not being a transfer which the company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide or except as exempted by virtue of s 185 of the Act
- 4 2 2 be under the official seal kept by the company by virtue of s 40 of the Act or otherwise in accordance with the Act, and
- 4 2 3 specify the number and class and distinguishing numbers, if any, of the shares to which it relates, and the amount paid up on them
- 4 3 The company is not bound to register more than four persons as the joint holders of any share or shares, except in the case of executors or trustees of a deceased member In the case of a share held jointly by several persons, the company is not bound to issue more than one certificate for it Delivery of a certificate for a share to one of several joint holders will be sufficient delivery to all
- 4 4 Subject to articles 4 8 to 4 10 where a member transfers part of his holding of shares he will be entitled to a certificate for the balance of his holding without charge
- 4 5 Share certificates and certificates for debentures and, subject to the provisions of any instrument constituting or securing them, certificates issued under the official seal kept by the company by virtue of section 40 of the Act, need not be signed or counter-signed or the signatures may be affixed to them by such mechanical means as may be determined by the directors
- 4 6 Subject to articles 4 8 to 4 10 if a share certificate is lost, destroyed, defaced or worn out it will be renewed and, in case of loss or destruction, on such terms, if any, as to evidence and indemnify as the directors think fit and, in case of defacement or wearing out, on delivery to the company or the old certificate
- 4 7 The company will not make any charge for any certificate issued under article 4 6 but will be entitled to charge for any exceptional out of pocket expenses it incurred relating to the issue of any new certificate
- 4 8 The directors have power to implement whatever arrangements they in their absolute discretion see fit in order for any class of shares to be a participating security, subject always to the Regulations and the facilities and requirements

of the relevant system concerned Where they do so, articles 4 9 and 4 10 will take effect immediately prior to the time at which the operator of the relevant system concerned permits the class of shares concerned to be a participating security

- 4 9 In relation to any class of shares which is, for the time being, a participating security, and as long as that class remains a participating security no provision of these articles will apply or have effect to the extent that it is in any respect inconsistent with

4 9 1 the holding of that class in uncertificated terms,

4 9 2 the transfer of title to shares of that class by means of a relevant system, or

4 9 3 the Regulations

- 4 10 Without prejudice to the generality of article 4 9 and notwithstanding anything contained in these articles where any class of share is, for the time being, a participating security

4 10 1 the register relating to the Relevant Class will be maintained at all times in the United Kingdom,

4 10 2 shares of the Relevant Class may be issued in uncertificated form in accordance with and subject to the Regulations,

4 10 3 unless the directors decide otherwise shares of the Relevant Class held by the same holder or joint holder in certificated and uncertificated form will be treated as separate holdings,

4 10 4 shares of the Relevant Class may be changed from uncertificated to a certified form and vice versa in accordance with and subject to the Regulations,

4 10 5 title to shares of the Relevant Class which are recorded on the register as being held in uncertificated form may be transferred by means of the relevant system concerned and accordingly and in particular articles 4 1 to 4 9 and article 8 will not apply to those shares to the extent that those articles require or contemplate transfer by an instrument in writing and the production of a certificate for the shares to be transferred,

4 10 6 the company will comply with the provisions of Regulations 21 and 22 in relation to the Relevant Class and article 4 8 in particularly will be read as subject to Regulation 22,

4 10 7 the provisions of these articles relating to meetings of or including holders of the Relevant Class including notices of such meetings will be subject to Regulation 34, and

4 10 8 articles 4 1 to 4 9 will not apply so as to require the company to issue a certificate to any person holding shares of the Relevant Class in uncertificated form



## **5. Lien**

- 5 1 Subject to section 150 of the Act, the company has a first and paramount lien on every share which is not a fully paid share for all money whether presently payable or not called or payable at a fixed time in respect of such share. The company's lien if any on a share extends to all dividends or other money payable on it or in respect of it. The directors may resolve that any share will be exempt from the provisions of this article for some specified period.
- 5 2 For the purpose of enforcing such 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 will be made unless some money in respect of which the lien exists is presently payable and 14 days have expired after a notice in writing, stating and demanding payment of the money presently payable and giving notice of intention to sell in default, has been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares.
- 5 3 The net proceeds of any such sale will be applied in or towards payment or satisfaction of the amount in respect of which the lien exists as is presently payable and any residue will be subject to a like lien in respect of sums not presently payable as existed upon the shares prior to the sale to be paid to the person entitled to the shares immediately prior to the sale.
- 5 4 For giving effect to any such sale the directors may authorise some person to transfer the shares sold to their purchaser.
- 5 5 The purchaser will be registered as the holder of the shares so transferred and he will not be bound to see the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## **6. Calls on Shares**

- 6 1 The directors may subject to the provisions of these articles and to any condition of allotment from time to time make calls upon the members in respect of any money unpaid on their shares, whether on account of the nominal value of the shares or by way of premium. Each member will, subject to being given 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.
- 6 2 A call may be payable by instalments and may be postponed or wholly revoked or in part revoked as the directors may determine.
- 6 3 A call will be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 6 4 The joint holders of a share are jointly and severally liable to pay all calls in respect of it and any one of such persons may give effective receipts for any return of capital payable in respect of such shares.

- 6 5 If by the terms of any prospectus listing particulars or any other document relating to an issue of shares in the company or by the conditions of allotment, any amount is payable in respect of any shares by instalments every such instalment will be payable as if it were a call duly made by the directors of which due notice had been given
- 6 6 If a sum called in respect of a share is not paid before or on the day appointed for its payment, the person from whom the sum is due must pay interest on the sum at such rate as may be fixed by the terms of allotment of the share of, if no rate is fixed, at the appropriate rate, as defined by s 107 of the Act from the day appointed for its payment to the time of actual payment The directors are at liberty to waive payment of such interest wholly or in part
- 6 7 Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium will for all the purposes of these articles be deemed to be a call duly made and payable on the date on which, by or pursuant to the terms of issue it becomes payable In case of non-payment all the relevant provisions of these articles as to payment of interest forfeiture or otherwise apply as if such sum had become payable by virtue of a call duly made and notified
- 6 8 The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment
- 6 9 The directors may receive from any member willing to advance it all or any part of the money unpaid upon the shares held by him beyond the sums actually called up on them as a payment in advance of calls and such payment in advance of calls will extinguish so far as they extend the liability upon the shares in respect of which it has been received, at such rate as the member paying such sum and the directors agree Any such payment in advance will not entitle the holder of the shares in question to participate in any dividend in respect of the amount advanced

## **7. Forfeiture of Shares**

- 7 1 If a member fails to pay any call or instalment of a call before or on the date appointed for its payment the directors may at any time after that date during such time as any part of such call or instalment remains unpaid 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 on it and all expenses incurred by the company by reason of such non-payment
- 7 2 the notice will name a further date, not earlier than 14 days from the date of its service, on or before which and the place where the payment required by the notice is to be made and will state that, in the event of non-payment on or before the date and at the place appointed the shares on which the call was made will be liable to be forfeited
- 7 3 If the requirements of any such notice are not complied with any share in respect of which such notice has been given may at any time after its date before payment of all calls and interest due in respect of it has been made be

forfeited by a resolution of the directors to that effect and such forfeiture will include all dividends which have been made declared on the forfeited shares and not actually paid before the forfeiture

- 7 4 When any share has been forfeited notice of the forfeiture will be served upon the person who was before forfeiture the holder of it, but no forfeiture will be in any manner invalidated by any omission or neglect to give such notice. Subject to the provisions of the Act any share so forfeited will be deemed to be the property of the company, no voting rights may be exercised in respect of it and the directors may within three years of such forfeiture sell, re-allot or otherwise dispose of it in such manner as they think fit, either to the person who was before the forfeiture its holder or to any other person and either with or without any part or accruing dividends and in the case of re-allotment with or without any money paid on it by the former holder being credited as paid up on it. Any share not so disposed of within a period of three years from the date of its forfeiture will be cancelled in accordance with the provisions of the Act
- 7 5 The directors may at any time before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of annul the forfeiture upon such conditions as they think fit
- 7 6 A person whose shares have been forfeited ceases to be a member in respect of the forfeited shares but, notwithstanding the forfeiture, remains liable to pay to the company all money which at the date of forfeiture was payable by him to the company in respect of the shares and interest on them in accordance with article 6 6 and the directors may enforce payment without any allowance for the value of the shares at the time of forfeiture
- 7 7 A statutory declaration that the declarant is a director or the secretary of the company and that a share has been duly forfeited on a date stated in the declaration, is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. Such declaration and the receipt by the company of the consideration, if any, given for the share on its sale, re-allotment or disposal, together with the certificate, if any, for the share delivered to a purchaser or allottee of it, subject to the execution of a transfer if so required, constitutes a good title to the share. The person to whom the share is sold, re-allotted or disposed of will be registered as its holder and will not be bound to see to the application of the consideration, if any, nor will his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share
- 7 8 The directors may accept the surrender of any share liable to be forfeited under these articles and in any such case any reference in these articles to forfeiture includes surrender

## **8. Transfer of Shares**

- 8 1 Subject to articles 4 8 to 4 10 all transfers of shares must be effected in the manner authorised by the Stock Transfer Act 1963
- 8 2 The instrument of transfer if any must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor will be deemed to remain the holder of the share

until the name of the transferee is entered in the register of members in respect of it

- 8 3 The directors may, in their absolute discretion and without giving any reason, refuse to register any transfer of certificated shares unless

8 3 1 subject to article 10 5 it is in respect of a fully paid share,

8 3 2 it is duly stamped, is deposited at the office or such other place as the directors may appoint and is accompanied by the certificate, for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer,

8 3 3 it is in respect of only one class of share,

8 3 4 it is in favour of not more than four transferees except in the case of executors or trustees of which the company has not served a notice pursuant to article 5 2,

8 3 5 it is in respect of a share on which the company does not have a lien in respect of which the company has not served a notice pursuant to article 5 2

- 8 4 In exceptional circumstances approved by the London Stock Exchange the directors may refuse any transfer of shares to which article 8 3 would otherwise apply provided that their refusal does not disturb the market

- 8 5 If the directors refuse to register a transfer of any shares, they must, within two months after the date on which the transfer was lodged with the company, send to the transferor and the transferee notice of the refusal

- 8 6 The registration of transfers of any class of shares 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

- 8 7 The company is not entitled to charge any fee in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice or other documentation relating to or affecting the title to any shares

- 8 8 All instruments of transfer which are registered will, subject to article 42 1 be retained by the company but any instrument of transfer which the directors refuse to register will except in any case of fraud be returned to the person depositing it

- 8 9 Nothing in these articles precludes the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person

## **9. Transmission of Shares**

- 9 1 In the case of the death of a member, the survivors or survivor where the deceased was a joint holder and the executors or administrators of the deceased where he was a sole or only surviving holder are the only persons recognised by the company as having any title to his interest in the shares but nothing in this article will release the estate of a deceased joint holder from any liability in respect of any share jointly held by him
- 9 2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the directors and subject as provided in these articles elect either to be registered himself as the holder of the share or to have some person nominated by him registered as its holder
- 9 3 If the person so becoming entitled elects to be registered himself, he must deliver or send to the company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he must signify his election by signing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares apply to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by such member
- 9 4 A person becoming entitled to a share in consequence of the death or bankruptcy of a member will, upon supply to the company of such evidence as the directors may reasonably require as to his title to the share, be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he will not be entitled in respect of that share to receive notices of or to attend or vote at meetings of the company, or, except as previously stated, to any of the rights or privileges of a member until he has become a member in respect of the share. The directors may at any time give notice requiring any such person who is the holder of a fully paid up share to elect either to be registered himself or to transfer the share and, if within 60 days the notice is not complied with, such person will be deemed to have elected to be registered as a member in respect of the share and may be registered accordingly

## 10. Disclosure of Interests in Shares

- 10 1 If any member, or any other person appearing to the directors to be interested in any shares in the capital of the company held by such member, has been duly served with a Section 793 Notice and is in default for the period of 14 days from the date of service of such notice in supplying to the company the information thereby required, then the company may (at the absolute discretion of the directors) at any time thereafter by notice (a **restriction notice**) to such member direct that, in respect of the shares in relation to which the default occurred and any other shares held at the date of the restriction notice by the member, or such of them as the directors may determine from time to time (the **restricted shares**, which expression shall include any further shares which are issued in respect of any restricted shares), the member shall not, nor shall any transferee to which any of such shares are transferred other than pursuant to a permitted transfer or pursuant to article 10 2 3 below, be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting of the company or

separate general meeting of the holders of any class of shares of the company, or to be reckoned in a quorum

- 10 2 Where the restricted shares represent at least 0.25 per cent (in nominal value) of the issued shares of the same class as the restricted shares (excluding any shares of that class held as treasury shares), then the restriction notice may also direct that
  - 10 2 1 any dividend or any part thereof or other monies which would otherwise be payable on or in respect of the restricted shares shall be withheld by the company, shall not bear interest against the company, and shall be payable (when the restriction notice ceases to have effect) to the person who would but for the restriction notice have been entitled to them, and/or
  - 10 2 2 where an offer of the right to elect to receive shares of the company instead of cash in respect of any dividend or part thereof is or has been made by the company, any election made thereunder by such member in respect of such restricted shares shall not be effective, and/or
  - 10 2 3 no transfer of any of the shares held by such member shall be recognised or registered by the directors unless the transfer is a permitted transfer or
    - 10 2 3 1 the member is not himself in default as regards supplying the information required, and
    - 10 2 3 2 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 restricted shares

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

- 10 3 The company shall send a copy of the restriction notice to each other person appearing to be interested in the shares the subject of such notice, but the failure or omission by the company to do so shall not invalidate such notice
- 10 4 Any restriction notice shall have effect in accordance with its terms until not more than seven days after the directors are satisfied that the default in respect of which the restriction notice was issued no longer continues but shall cease to have effect in relation to any shares which are transferred by such member by means of a permitted transfer or in accordance with article 10 2 3 above on receipt by the company of notice that a transfer as aforesaid has been made. The company may (at the absolute discretion of the directors) at any time give notice to the member cancelling, or suspending for a stated period the operation of, a restriction notice in whole or in part
- 10 5 For the purposes of this article 10
  - 10 5 1 a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the company a notification whether following service of a Section 793 Notice or otherwise which either
    - 10 5 1 1 names such person as being so interested, or

- 10 5 1 2 (after taking into account the said notification and any other relevant information in the possession of the company) the company knows or has reasonable cause to believe that the person in question is or may be interested in the shares, and
- 10 5 2 a transfer of shares is a permitted transfer if but only if
- 10 5 2 1 it is a transfer by way of, or in pursuance of, acceptance of a takeover offer for the company (as defined in section 974 of the 2006 Act), or
- 10 5 2 2 the directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a third party unconnected with the transferring member or with any other person appearing to the directors to be interested in such shares (and for the purposes of this article 10 5 2 2 any associate (as that term is defined in section 435 of the Insolvency Act 1986) of the member or of any other person appearing to the directors to be interested in any of the restricted shares shall be deemed to be connected with the transferring member), or
- 10 5 2 3 the transfer results from a sale made on or through a market operated by the London Stock Exchange or on or through any stock exchange outside the United Kingdom on which the company's shares of the same class as the restricted shares are normally dealt in
- 10 6 The provisions of this article 10 are in addition and without prejudice to the provisions of the Statutes

## **11. Stock**

- 11 1 The company may by ordinary resolution convert any fully paid up shares into stock and reconvert any stock into paid up shares of any denomination
- 11 2 The holders of stock may transfer it or any part of it in the same manner and subject to the same regulations as would have applied to the shares from which the stock arose if they had not been converted or as near as circumstances admit. The directors may from time to time if they think fit, fix the minimum amount of stock transferable provided that such minimum does not exceed the nominal amount of each of the shares from which the stock arose
- 11 3 The holders of stock will, according to the amount of stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose, provided that no such privilege or advantage, except participation in dividends and profits of the company and in the assets on a winding up will be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage
- 11 4 All the provisions of these articles applicable to paid up shares will apply to stock and in all such provisions the words "share" and "member" include "stock" and "stockholder" respectively

## **12. Increase of Capital**

- 12 1 The company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe
- 12 2 All new shares are subject to the provisions of these articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise Unless otherwise provided by these articles by the resolution creating the new shares or by the conditions of issue the new shares will upon issue be ordinary shares

## **13. Alteration of Capital**

- 13 1 The company may by ordinary resolution
  - 13 1 1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares,
  - 13 1 2 sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the memorandum of association, subject nevertheless to the provisions of the Act, and so that the resolution by which any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the company has power to attach to unissued or new shares, and
  - 13 1 3 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
- 13 2 The company may from time to time by special resolution reduce its authorised and issued share capital, capital redemption reserve fund and any share premium account in any manner authorised by the Act and diminish the amount of its share capital by the amount of the shares so cancelled
- 13 3 Whenever as a result of any consolidation of shares any members would become entitled to fractions of a share, the directors may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably obtainable and distribute the proceeds of sale in due proportion among the members who would have been entitled to the fractions of shares
- 13 4 For the purpose of any such sale the directors may authorise some person to transfer the shares representing the fractions to their purchaser whose name will be entered in the register of members as the holder of the shares and who will not be bound to see to the application of the purchase money and the title to the shares of such purchaser will not be affected by any irregularity or invalidity in the proceedings in reference to the sale



#### **14. General Meetings**

- 14 1 Subject to the provisions of the Act the annual general meeting will be held at such time and place or places as the directors may determine
- 14 2 All general meetings other than annual general meetings are called extraordinary general meetings
- 14 3 The directors may call an extraordinary general meeting whenever they think fit and must do so when required by the Act and extraordinary general meetings must also be convened on such requisition, or in default may be convened on such requisitionists, As provided by the Act

#### **15. Notice of General Meetings**

- 15 1 An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by not less than 21 clear days' notice, and a meeting of the company other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by not less than 14 clear days' notice. The notice shall specify the place, the day and the time of meeting and, in the case of any special business, the general nature of that business. It shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Statutes or by the company in general meeting, to such persons as are entitled to receive such notices from the company and shall comply with the provisions of the Statutes as to informing members of their right to appoint proxies
- 15 2 If on two consecutive occasions notices have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices from the company until he shall have communicated with the company and supplied in writing to the Office a new registered address or address within the United Kingdom for the service of notices. A notice calling an Annual General Meeting shall specify the meeting as such and a notice convening a meeting to pass an extraordinary resolution or a special resolution as the case may be shall specify the intention to propose the resolution as such
- 15 3 In the case of any general meeting the board may (notwithstanding the specification in the notice of the general meeting) make arrangements for simultaneous attendance and participation at other places by members and proxies entitled to attend the general meeting but excluded from the principal place. Such arrangements for simultaneous attendance at the meeting may include arrangements regarding the level of attendance at the other places by they must operate so that any members and proxies excluded from attendance at the principal place are able to attend at one of the other places. For the purpose of all other provisions of these articles any such meeting will be treated as being held and taking place at the principal place. So as to facilitate the organisation and administration of any general meeting to which such arrangements apply the board may arrange for the issue of tickets on a basis intended to afford to all members and proxies entitled to attend the meeting an equal opportunity of being admitted to the principal place or impose some other random means of selection or otherwise as it in its

absolute discretion considers appropriate. The board may from time to time vary any such arrangements or make new arrangements in their place and the entitlement of any member or proxy to attend a general meeting at the principal place will be subject to such arrangements as are, for the time being, in force whether stated in the notice of the meeting to apply to that meeting or notified to the members concerned subsequent to the despatch of the notice of the meeting

15 4 Notices must be given in the manner stated in these articles to all the members other than those who under the provisions of these articles or under the rights attached to the shares held by them are not entitled to receive the notice and to the auditors

15 5 Notwithstanding that it is called by shorter notice than that specified in article 15 1 a meeting of the company is deemed to have been duly called if it is so agreed

15 5 1 in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote at it, or

15 5 2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent, in nominal value of the shares giving that right

15 6 If the board in its absolute discretion considers that it is impracticable or unreasonable

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 it may postpone the general meeting to another date, time and/or place. In that event notice of the date, time and place of the postponed meeting will be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting will not be required

15 7 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 will not invalidate the proceedings at that meeting

15 8 In every notice calling a meeting of the company or any class of the members of the company there will appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll vote instead of him and that a proxy need not also be a member

15 9 Where special notice of a resolution is required by any provision contained in the Act the resolution is not effective unless notice of the intention to move it has been given to the company not fewer than 28 days or such shorter period as the Act permits before the meeting at which it is moved and the company must give to its members notice of any such resolution as required by and in accordance with the provisions of the Act

15 10 It is the duty of the company subject to the provisions of the Act on the requisition in writing of such number of members as is specified in the Act and unless the company otherwise resolves at the expense of the requisitions

- 15 10 1 to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting, and
- 15 10 2 to circulate to members entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution of the business to be dealt with at that meeting

## **16. Proceedings at General Meetings**

- 16 1 The board may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restriction as the board considers appropriate in the circumstances and may, in its absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions
- 16 2 All business transacted at an extraordinary general meeting is deemed special
- 16 3 All business transacted at an annual general meeting is also deemed special, with the exception of declaring dividends, the consideration of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the balance sheet the appointment of directors in the place of those retiring by rotation or otherwise the re-appointment of the retiring auditors, other than retiring auditors who have been appointed by the directors to fill a casual vacancy, the fixing of the remuneration of the auditors and the giving, varying, revoking or renewing of any authority or power for the purposes of s 80 of the Act
- 16 4 No business may be transacted at any general meeting unless a quorum is present Except as otherwise provided in these articles, two persons entitled to vote at the meeting each being a member or a proxy for a member or representative of a corporation which is a member, duly appointed as such in accordance with the Act, are a quorum for all purposes
- 16 5 If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened on the requisition of or by its members will be dissolved In any other case it will stand adjourned to the same day in the next week at the same time and place or to such other day and at such time and place as the directors may determine
- 16 6 If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting the member or members present in person or by proxy and entitled to vote will have power to decide upon all matters which could properly have been disposed of at the meeting as originally convened When a meeting is adjourned for 30 days or more the company must give at least 7 days clear notice specifying the place the day and the time of the adjourned meeting and that the member or members present will form a quorum but it will not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting

Except as stated it will not be necessary to give any notice of any adjournment

- 16 7 The chairman, if any, of the board of directors, or in his absence some other director nominated by the chairman in writing will preside as chairman at every general meeting of the company but if at any meeting neither the chairman nor such other director is present within 15 minutes after the time appointed for holding the meeting or if neither of them is willing to act as chairman the directors present may choose some director present to be chairman, and if not director is present, or if all the directors present decline to take the chair, the members may choose some member present to be chairman
- 16 8 The chairman may with the consent of any meeting at which a quorum is present and must if so directed by the meeting adjourn the meeting from time to time and from place to place but no business may be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally convened
- 16 9 At any general meeting a resolution put to the vote of the meeting is decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded
- 16 9 1 by the chairman, or
- 16 9 2 by not fewer than five members present in person or by proxy and entitled to vote at the meeting, or
- 16 9 3 by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting, or
- 16 9 4 by a member or members holding shares of 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 title sum paid up on all the shares conferring that right
- 16 10 Unless a poll is demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the company is conclusive evidence of the fact without proof of the number or proportion of the votes recoded in favour of or against such resolution
- 16 11 The instrument appointing a proxy to vote at a meeting is deemed also to confer authority to demand or join in demanding a poll and to vote on a poll on the election of a chairman and on a motion to adjourn a meeting For the purposes of article 16 9 a demand by a person as proxy for a member is the same as a demand by the member
- 16 12 If any votes are counted which ought not to have been counted or might have been rejected or if any votes are not counted which ought to have been counted the error will not vitiate the result of the voting unless it is pointed out

at the same meeting or at any adjournment of it and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting

- 16 13 In the case of a resolution duly proposed as a special or extraordinary resolution no amendment other than an amendment to correct a patent error may be considered or voted upon In the case of a resolution duly proposed as an ordinary resolution, no amendment other than an amendment to correct a patent error may be considered or voted upon unless, either 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 it is lodged at the office, or the chairman, in his absolute discretion, decided that it may be considered or voted upon If an amendment is proposed to any resolution under consideration but is ruled out of order by the chairman of the meeting the proceedings on the substantive resolution will not be invalidated by any error in such ruling
- 16 14 Subject to the provisions of article 16 15 if a poll is duly demanded it will be taken in such manner as the chairman may direct including the use of ballot or voting papers or tickets and the result of a poll will be deemed to be the resolution of the meeting at which the poll was demanded The chairman may, in the event of a poll, appoint scrutineers who need not be member sand may fix some place and time for the purpose of declaring the result of the poll
- 16 15 A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately A poll demanded on any other question must be taken immediately or at such time and place as the chairman directs, not being more than 30 days from the date of the meeting of the adjourned meeting at which the poll was demanded No notice needs to be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded In any other case at least 7 days' notice must be given specifying the time and place at which the poll is to be taken
- 16 16 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 is entitled to a further or casting vote
- 16 17 The demand for a poll will not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded
- 16 18 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman, and a demand so withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting will continue as if the demand had not been made

## **17. Votes of Members**

- 17 1 Subject to any special rights or restrictions as to voting attached to any share by or in accordance with these articles, on a show of hands every member

who, being an individual, is present in person or being a corporation is present by a duly authorised representative or proxy has one vote and on a poll every member who is present in person or by proxy has one vote for every share of which he is the holder

- 17 2 In the case of joint holders of a share the person whose name appears first in the register of members is entitled to the exclusion of the other joint holder to vote whether in person or by proxy in respect of the share
- 17 3 A member who is a patient within the meaning of the Mental Health Act 1983 may vote whether on a show of hands or on a poll by his receiver, curator bonis, or other person appointed by such court (who may on a poll vote by proxy) provided that such evidence as the directors may require of the authority of the person claiming to vote has been deposited at the office not fewer than 48 hours before the time for holding the meeting or adjourned meeting at which such person claims to vote
- 17 4 No member will, unless the directors otherwise determine, be entitled in respect of any shares held by him to vote at any general meeting either in person or by proxy or to exercise any privilege as a member
- 17 4 1 if any calls or other sums presently payable by him in respect of those shares have not been paid, or
- 17 4 2 he or any person appearing to be interested in those shares has been duly served with a Section 793 Notice and he or any such person is in default in supplying to the company the information requested in it within 14 days after service of such notice
- 17 5 No objection may be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or case and every vote not disallowed at such meeting will be valid for all purposes Any such objection made in due time will be referred to the chairman of the meeting whose decision is final, binding and conclusive
- 17 6 On a poll, votes may be given either in person or by proxy and a member entitled to more than one vote need not if he votes use all his votes or case all the votes he uses in the same way
- 17 7 Any person whether a member or not may be appointed to act as a proxy A member may appoint more than one proxy to attend on the same occasion Deposit of an instrument of proxy does not preclude a member from attending and voting in person at the meeting or any adjournment to it
- 17 8 The appointment of a proxy shall be in any usual or common form, or in any other form which the directors may approve and shall be
- 17 8 1 under the hand of the appointor or of his attorney duly authorised in writing, or
- 17 8 2 if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorised, or

- 17 8 3 if permitted by the directors, in electronic form in the manner and form and subject to such terms and conditions as the directors may decide

The signature, if any, on such appointment need not be witnessed

17 9 The appointment of a proxy shall

- 17 9 1 (in the case of an appointment not sent in electronic form) be deposited at the Office or at such other place or one of such places (if any) within the United Kingdom as is or are specified for that purpose in or by way of note to the notice convening the meeting or any document accompanying such notice, or
- 17 9 2 (in the case of an appointment sent in electronic form) where an address has been specified for the purpose by the company (generally or specifically), be received at such address,

not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote or, in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used, and in default the appointment of a proxy shall not be treated as valid. Failing previous registration with the company, the power of attorney or other authority, if any, under which the appointment of a proxy is executed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of that power or authority, or a copy in some other way approved by the directors, shall (whether article 17 9 1 or article 17 9 2 above shall apply) also be deposited or received at the Office or at such other place specified in accordance with article 17 9 1 above, or (if the directors so agree) at the address or by the means provided in accordance with article 17 9 2 above, not later than the time by which the appointment of a proxy is required to be deposited or (as the case may be) received in accordance with this article

Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the directors may from time to time permit appointments of a proxy to be made by an Uncertificated Proxy Instruction, (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the company as the directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to the facilities and requirements of the relevant system concerned)), and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. Notwithstanding any other provision of these articles, the directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the company or such participant. The directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder

- 17 10 A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporate member or a poll demanded by a proxy or by the duly authorised representative of a corporate member will be valid, notwithstanding in the case of a proxy the previous death or insanity of the principal or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed provided that no notice in writing of such death, insanity or revocation has been received by the company at the office at least three hours before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used
- 17 11 The directors may at the expense of the company send by post or otherwise to the members instruments of proxy with or without provision for their return pre-paid for use at any general meeting or at any separate meeting of the holders of any class of shares of the company either in blank or nominating in the alternative any one of more of the directors or any other persons. If, for the purpose of any meeting, invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the company's expense they will be issued to all and not to some only of the members entitled to be sent a notice of the meeting and to vote at it by proxy

## **18. 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 meeting of the company or of any class of members of the company. The person so authorised will 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 will for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it

## **19. Directors**

- 19 1 Unless and until otherwise determined by the company by ordinary resolution the number of directors is not fewer than two or more than ten
- 19 2 A director is not required to hold any share qualification but is nevertheless entitled to attend and speak at any general meeting or at any separate meeting of the holders of any class of shares of the company

## **20. Alternate Directors**

- 20 1 Any director other than an alternate director may at any time appoint any other director or any person approved by resolution of the directors to be an alternate director of the company and may at any time remove any alternate director so appointed by him from office and subject to such approval by the directors appoint another person in his place. An alternate director so appointed is not required to hold any share qualification



- 20 2 Subject to his giving to the company an address within the United Kingdom or an address for the purpose of sending or receiving documents or information by electronic means at which notices may be served upon him, an alternate director is entitled to receive notices of all meetings of the directors and to attend and vote as a director 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 the absence of such appointor
- 20 3 An alternate director will cease to be an alternate director on the happening of any event which, if he were a director, would cause him to vacate such office or if his appointor ceases for any reason to be a director. If, however, any director retires whether by rotation or otherwise but is re-appointed by the meeting at which such retirement took effect, any appointment made by him pursuant to article 20 1 which was in force immediately prior to his retirement will continue to operate after his re-appointment as if he had not so retired
- 20 4 All appointments and removals of alternate directors must be effected by notice in writing signed by the director making or revoking such appointment sent to or left at the registered office of the company or in the case of an appointment or removal in electronic form, at such address (if any) specified by the company for that purpose
- 20 5 Except as otherwise provides in these articles, an alternate director is deemed for all purposes to be an officer of the company and is alone responsible to the company for its own acts and defaults and he is not deemed to be the agent of or for the director appointing him. An alternate director is not entitled to receive any remuneration from the company for his services as such his remuneration is payable out of the remuneration payable to the director appointing him, and will consist of such part, if any, of the latter's remuneration as is agreed between them

## **21. Powers and Duties of Directors**

- 21 1 The business of the company is managed by the directors who may exercise all such powers of the company as are not by the Act or by these articles requires to be exercised by the company in general meeting, subject nevertheless to the provisions of these articles and of the Act and to such directors whether or not inconsistent with these articles as may be prescribed by the company by special resolution. No such direction and no alteration of these articles will invalidate any prior act of the directors which would have been valid if such direction or alteration had not been given or made. The matters to which the directors have regard in the performance of their functions include the interests of the company's employees in general as well as the interests of its members. The general powers given by this article are not limited or restricted by any special authority or power given to the directors by any other article
- 21 2 The directors may from time to time provide for the management and transaction of the affairs of the company in any specified locality whether at home or abroad in such manner as they think fit and the provisions contained in articles 21 3 to 21 5 are without prejudice to the general powers conferred by this article

- 21 3 The directors may establish any councils, committees, 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 council, committee, 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 board or any of them to fill any vacancies in it and to act notwithstanding vacancies 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 will be affected by it
- 21 4 The directors may from time to time and at any time appoint whether by power of attorney or otherwise any corporation firm or person or any fluctuating body of persons whether nominated directly or indirectly by the directors to be the agent of the company for such purposes and with such powers, authorities, and discretions, not exceeding those vesting in or exercisable by the directors under these articles, and for such period and subject to such conditions as they may think fit Any such appointment may contain such provisions for the protection and convenience of persons dealing with any such agent as the directors may think fit and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him
- 21 5 The directors may exercise the powers conferred upon the company by s 362 of the Act with regard to the keeping of an overseas branch register and the directors may subject to the provisions of the Act make and vary such regulations as they may think fit respecting the keeping of any such register
- 21 6 The directors may establish and maintain or procure the establishment and maintenance of any person, annuity or superannuation funds, whether contributory or otherwise for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any persons who are or were at any time directors of or in the employment or service of the company or of any company which is a subsidiary of the company or is allied to or associated with the company or any such subsidiary or any of the predecessors in business of the company or any such other company or who may be or have been directors or officers of the company or of any such other company and to the wives, widows, families and dependants of any such persons
- 21 7 Subject to particulars with respect to the proposed payment being disclosed to the members of the company and to the proposal being approved by the company by ordinary resolution if the Act so requires, any director who holds or has held any executive position or agreement for services is entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument
- 21 8 The directors may also establish subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the company or of any person or any other company mentioned in article 21 6 and make payments for or towards the insurance of any such person and subscribe or guarantee money for

charitable or benevolent objects or for any exhibition or for any political, public, general or useful object and do any of such matters either alone or in conjunction with any company mentioned in article 21 6

- 21 9 The directors may exercise the voting power conferred by the shares in any other company held or owned by the company or exercisable by them as directors of such other company in such manner in all respects as they think fit, including its exercise in favour of any resolution appointing themselves or any of them directors or other officers or employees of such company or voting or providing for the payment of remuneration to such officers or employees
- 21 10 The directors may at any time require any corporate member to furnish any information, supported, if the directors so require
- 21 11 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for money paid to the company must be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the directors may from time to time determine by resolution

## **22. Borrowing Powers**

- 22 1 The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part of it and subject to the provisions of the Act to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the company or of any third party
- 22 2 The directors may secure or provide for the payment of any money to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the company both present and future and upon any capital remaining unpaid upon the shares of the company whether called up or not or by any other security The directors may confer upon any mortgages or persons in whom any debenture or security is vested such rights and powers as they think necessary or expedient They may vest any property of the company in trustees for the purpose of securing any money so borrowed or raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder such rights and powers as the directors may think necessary or expedient in relation to the undertaking or property of the company or its management or realisation or the making, receiving or enforcing of calls upon the members in respect of unpaid capital and otherwise The directors may make and issue debentures to trustees for the purpose of further security and the company may remunerate any such trustees
- 22 3 The directors may give security for the payment of any money payable by the company in same manner as for the payment of money borrowed or raised
- 22 4 The directors must keep a register of charges in accordance with the Act and the fee to be paid by any person other than a creditor or member of the company for each inspection of the register of charges to be kept under the Act is five pence

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

- 23 1 The directors may delegate any of the powers, duties, discretion and authorities to committees consisting of such members or member of their body as they think fit. Any committee so formed must in the exercise of the powers, duties, discretions and authorities so delegated conform to any regulation that may be imposed on it by the directors.
- 23 2 The meetings and proceedings of any such committee consisting of two or more members are governed by the provisions of these articles regulating the meetings and proceedings of the directors so far as they are applicable and are not superseded by any regulations made by the directors under article 23 1. No resolution of a committee is effective unless a majority of its members present are directors.

## **24. Appointment and Retirement of Directors**

- 24 1 Subject to the provisions of these articles, one third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third must retire from office at the annual general meeting in every year. A director retiring at a general meeting, if he is not re-appointed, retains office until the meeting appoints someone in his place or, if it does not do so, until the end of that meeting.
- 24 2 Subject to the provisions of the Act and of these articles the directors to retire every year include so far as necessary to obtain the required number any director who wishes to retire and not to offer himself for re-election. Any further directors so to retire are those who have been longest in office since their last appointment or re-appointment but as between persons who became or were last reappointed directors on the same day those to retire are determined by lot, unless they otherwise agree among themselves. A retiring director is eligible for re-appointment subject as set out in these articles.
- 24 3 The company at the meeting at which a director retires in the manner set out in article 24 2 may fill the vacated office and in default the retiring director is willing to act is deemed to have been reappointed unless at such meeting it is expressly resolved not to fill the vacancy or a resolution for the re-appointment of such director is put to the meeting and lost.
- 24 4 No person other than a director retiring at the meeting unless recommended by the directors for appointment is eligible for appointment to the office of a director at any general meeting unless not fewer than seven nor more than 42 clear days before the day appointed for the meeting there is given to the company notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the required particulars and, also, notice in writing signed by the person to be proposed of his willingness to be appointed.
- 24 5 At a general meeting a motion for the appointment of two or more persons as directors by a single resolution will be void unless a resolution that it is so made has been first agreed to by the meeting without any vote being given.

against it and for the purpose of this article a motion for approving a person's appointment or for nominating a person for appointment is treated as a motion for his appointment

- 24 6 The company may from time to time by ordinary resolution increase or reduce the number of directors and may also determine in what rotation such increased or reduced number is to go out of office Without prejudice to the provisions of article 24 7 the company may by ordinary resolution appoint any person to be a director either to fill a casual vacancy or as an additional director and remove a director including a director holding executive office before the expiry of his period of office
- 24 7 The directors and the company in general meeting each have power at any time and from time to 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 does not at any time exceed the maximum number, if any, fixed by or in accordance with these articles Subject to the provisions of the Act and of these articles, any director so appointed by the directors holds office only until the conclusion of the next following annual general meeting and is eligible for reappointment at that meeting Any director who retires under this article is not taken into account in determining the directors who are to retire by rotation at such meeting
- 24 8 Any contract of employment entered into by a director with the company may not include a term that it is to continue or may be continued otherwise than at the instance of the company for a period exceeding five years during which the employment either cannot be terminated by the company by notice or can be so terminated only in specified circumstances unless such term is first approved by ordinary resolution of the company
- 24 9 No person may be appointed as a director if he has attained the age of 70 and each director must vacate his office when he attains the age of 70

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

- 25 1 The office of a director must be vacated in any of the following events
- 25 1 1 if, not being a director who has agreed to serve as a director for a fixed term, he resigns his office by notice in writing signed by him and authorised in such manner as the other directors may require, sent to or left at the Office or in the case of a notice in electronic form, at such address (if any) specified by the directors for that purpose,
- 25 1 2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally,
- 25 1 3 if in England or elsewhere an order is made by any court claiming jurisdiction on the ground, however formulated, of mental disorder for his detention or for the appointment of a guardian or receiver or other person, by whatever name called, to exercise powers with respect to his property or affairs,

- 25 1 4 if he is absent from meetings of the directors for six successive months without leave and his alternate director, if any, had not during such period attended in his place, and the directors resolve that his office be vacated,
- 25 1 5 if he ceases to be a director by virtue of any provision of the Act or pursuant to these articles, or
- 25 1 6 if he becomes prohibited by law from being a director
- 25 2 Without prejudice to the provisions of the Act the company may by extraordinary resolution remove a director before the expiry of his period of office and may by ordinary resolution appoint another person in his place. Such removal is without prejudice to any claim such director may have for breach of any contract of service between him and the company. The person so appointed is subject to retirement at the same time as he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed a director.

## **26. Executive and Other Directors**

- 26 1 Subject to the provisions of the Act the directors may from time to time and at any time appoint one or more of the body to hold any executive office in relation to the management of the business of the company on such terms, for such period and with or without such title(s) as they may decide. The directors may, from time to time, subject to the provisions of any service contract between him and the company remove or dismiss him or them from such office and appoint another or others in his or their place or places.
- 26 2 A director who holds any such executive office is while he continues to hold that office subject to retirement rotation in accordance with the provisions of article 24 and he is taken into account in determining the rotation of retirement of directors. He is also subject to provisions of article 25 1 and of any service contract between him and the company subject to the same provisions as to removal and as to vacation of office as the other directors of the company. If he ceases to hold the office of director for any cause his appointment as the holder of an executive office will also terminate.
- 26 3 The remuneration of any director holding executive office may consist of salary, commission, profit participation, share options, pension or insurance benefit or any combination of them, or otherwise as the directors determine.
- 26 4 The directors may entrust to and confer upon any director appointed to any such executive office any of the powers exercisable by them as directors, other than the power to make calls or forfeit shares, 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 from time to time revoke, withdraw, alter or vary all or any of such powers.
- 26 5 Subject to the provisions of the Act the directors may from time to time and at any time pursuant to this article appoint any person to any post with such descriptive title including that of director, whether as executive, group, divisional, departmental, deputy, assistance, local, advisory director or

otherwise as they may determine. They may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties and subject to any contract between him and the company may remove from such power any person so appointed. A person so appointed is not a director of the company for any of the purposes of these articles or of the Act and accordingly is not a member of the board of directors or of any committee of it nor is he entitled to be present at any meeting of the board of directors or of any such committee except at the request of the board of directors or of such committee. If present at such request he is not entitled to vote at such meeting.

## **27. Remuneration of Directors**

- 27 1 The directors are entitled to fees at such rate or rates as may from time to time be determined by them provided that the aggregate fees of the directors will not exceed £200,000 (two hundred thousand pounds) per annum or such additional sum as may from time to time be determined by the company by ordinary resolution. In the case of an executive director such fees are payable to him in addition to his remuneration as an executive director.
- 27 2 The company may by ordinary resolution also vote extra fees to the directors which will unless otherwise determined by the resolution by which it is voted be divided among the directors as they may agree or failing agreement equally. The directors' fees are deemed to accrue from day to day.
- 27 3 Any director who serves on any committee or who devotes special attention to the business of the company 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, participation in profits or otherwise as the directors may determine.

## **28. Directors' Expenses**

The directors are also entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the company or in attending and returning from meetings of the directors or of committees of the directors or general meetings.

## **29. Directors' Interests**

- 29 1 A director including an alternate director may hold any other office or place of profit under the company other than the office of auditor in conjunction with his office as director and may act in a professional capacity to the company on such terms as to tenure of office remuneration and otherwise as the directors may determine.
- 29 2 Subject to the Act and to the provisions of these articles, no director or intending director, including an alternate director is disqualified by his office from contracting with the company either with regard to his tenure of office or any other office or place of profit or as seller, purchaser or otherwise. No such contract or any contract or arrangement entered into by or on behalf of the company in which any director is in any way, whether directly or indirectly,

interested, is liable to be avoided nor must any director so contracting or being so interested account to the company for any profit realised by any such contract or arrangement by reason of such director holding that office or of his fiduciary relationship with the company

- 29 3 Any director, including an alternate director, may continue to be or become a director or other officer or member of or otherwise interested in any other company promoted by the company or in which the company may be interested as a member or otherwise or which is a holding company of the company or a subsidiary of any such holding company. No such director is accountable for any remuneration or other benefits received by him as a director or other officer or member of or from his interest in any such other company. The directors may exercise the voting power conferred by the shares in any other company held or owned by the company or exercisable by the directors or such other company in such manner in all respects as they think fit subject to the restrictions contained in article 29 8
- 29 4 A director including an alternate director who is in any way whether directly or indirectly interested in a contract transaction or arrangement or proposed contract transaction or arrangement with the company must declare the nature of his interest at a meeting of directors. In the case of a proposed contract transaction or arrangement the declaration must be made at the meeting of the directors at which the question of entering into the contract transaction or arrangement is first taken into consideration or, if the director was not at the date of that meeting interested in the proposed contract transaction or arrangement, at the next meeting of the directors held after he became so interested. In a case where the director becomes interested in a contract transaction or arrangement after it is made the declaration must be made at the first meeting of the directors held after the director becomes so interested. In a case where the director is interested in a contract transaction or arrangement which has been made before he was appointed a director the declaration must be made at the first meeting of the directors held after he is so appointed
- 29 5 For the purpose of article 29 4 a general notice given to the directors by any director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with such company or firm is deemed a sufficient declaration of interest in relation to any contract so made if such director gives the notice at a meeting of the directors or takes reasonable steps to secure that it is brought up and read at the next meeting of the directors after it is given
- 29 6 A director of the company may continue or become a director or other officer employee or member of any company promoted by the company or in which it may be interested as a seller, shareholder, or otherwise, and no such director is accountable for any remuneration or other benefits derived as director or other officer, employee or member of such company
- 29 7 Except as provided in these articles a director may not vote in respect of any contract transaction or arrangement with or any other proposal whatsoever in which he has an interest which together with any interest on any person connected with him within the meaning of s 346 of the Act is a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the company. A director is not



counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting

29 8 In the absence of some other material interest than is indicated below a director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters

29 8 1 the giving of any security, guarantee or indemnity to him in respect of 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 subsidiaries,

29 8 2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security,

29 8 3 any proposal concerning an offer of shares or debentures or other securities of or by the company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant as the holder of such shares debentures or other securities or in its underwriting or sub-underwriting,

29 8 4 any contract, arrangement, transaction or other proposal concerning any other company in which he holds an interest so that term is used in Part VI of the Act not representing one per cent or more of any class of the equity share capital of such company or of any third company through which his interest is derived or of the voting rights available to members of the relevant company any such interest being deemed for the purpose of this article to be a material interest in all circumstances,

29 8 5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue,

29 8 6 any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time executive directors of the company and/or any subsidiary to acquire shares of the company or any arrangement for the benefit of employees of the company or any of its subsidiaries which does not award him any privilege or benefit not awarded to the employees to whom such scheme relates, or

29 8 7 any contract, arrangement, transaction or proposal concerning insurance which the company proposed to maintain or

purchase for the benefit of directors or for the benefit of persons including directors

- 29 9 A director may not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the company or any company in which the company is interested including fixing or varying the terms of his appointment or its termination
- 29 10 Where proposals are under consideration concerning the appointment including fixing or varying the terms of appointment of two or more directors to offices or employments with the company or any company in which the company is interested such proposals may be divided and considered in relation to each director separately In such cases each of the directors concerned if not debarred from voting under article 29 8 4 is entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment
- 29 11 If any question arises at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting such question must be referred to the chairman of the meeting and his ruling in relation to any other director will be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed If the question concerns the chairman it must be referred to such other director present at the meeting other than the chairman as the directors present appoint
- 29 12 The company may by ordinary resolution suspend or relax the provisions of articles 29 4 to 29 11 to any extent or ratify any transaction not duly authorised by reason of a contravention of these articles

### **30. Proceedings of Directors**

- 30 1 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit Questions arising at any meeting are determined by a majority of votes In case of an equality of votes the chairman has a second casting vote A director who is also an alternate directors is entitled, in the absence of the director whom he is representing, to a separate vote on behalf of such director in addition to his own vote A director may and the secretary on the requisition of a director must at any time call a meeting of the directors It is not necessary to give notice of a meeting of directors to any director for the time being absent from the United Kingdom except where an address for such notice has been given pursuant to article 30 2
- 30 2 Notice of meetings of the board of directors is deemed to be duly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the company for this purpose or be sent by electronic means to such address (if any) for the time being notified by him to the company for that purpose A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings will during his absence be sent in writing to him at his last known address or any other address given by

him to the company for this purpose whether or not out of the United Kingdom or be sent by electronic means to such address (if any) for the time being notified by him to the company for that purpose

- 30 3 The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number is two. In the event that a meeting of directors is attended by a director who is acting as an alternate for one or more other directors the director or directors for whom he is the alternate will be counted in the quorum despite their absence and if on this basis there is a quorum the meeting may be held despite the fact that only one director is physically present. A meeting of the directors for the time being at which quorum is present is competent to exercise all powers and discretions for the time being exercisable by the directors.
- 30 4 All or any of the directors including alternates or members of any committee of the directors may participate in a meeting of the directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other.
- 30 5 The continuing directors may act notwithstanding any vacancy in their body. If the number of the directors is less than the prescribed minimum the remaining director or directors must immediately appoint an additional director or additional directors to make up such minimum or will convene a general meeting of the company for the purpose of making such appointment. If there is no director or directors able or willing to act any two members may summon a general meeting for the purpose of appointing directors. Any additional director so appointed holds office, subject to the provisions of the Act and these articles, only until the end of the annual general meeting of the company next following such appointment unless he is re-elected during such meeting. He is eligible for re-election at such meeting and does not retire by rotation at such meeting nor is taken into account in determining the rotation or retirement of directors at such meeting.
- 30 6 The directors may from time to time elect from their number and remove a chairman and one or more deputy chairmen or vice chairmen and determine the period for which he is to hold office. The chairman or in his absence the deputy chairman or vice chairman (to be chosen if, in each case, there are more than one by agreement amongst them, or failing agreement by lot) or in the absence of any of them some other director nominated by a majority of the other directors in writing presides at all meetings of the directors. If no such chairman, deputy chairman or vice chairman is elected or if at any meeting the chairman or the deputy chairman or the vice chairman or such other director is not present within five minutes after the time appointed for holding it or if none of them is willing to act as chairman the directors present may choose one of their number to be chairman of the meeting.
- 30 7 A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of directors or of a committee of directors is as effective as a resolution passing at a meeting of the directors or of a committee of directors duly convened and held and may consist of several documents in the same form, each signed by one or more of the directors. Any such resolution or document signed by an alternate director is deemed to have been signed by a director who has appointed that alternate director. It need not be signed by the alternate director in that capacity.

30 8 A meeting of the directors for the time being at which a quorum is present is competent to exercise all powers and discretions for the time being exercisable by the directors

30 9 All acts bona fide by any meeting of directors or of a committee of directors or by any person acting as director are as valid as if every such person had been duly appointed was qualified had continued to be a director and had been entitled to vote notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such director or person acting as a director or that they or any of them were disqualified or had vacated office or were not entitled to vote

### **31. Secretary**

31 1 Subject to the Act the secretary of the company is appointed by the directors on such terms and for such periods as they may think fit and the directors may so appoint one or more assistant or deputy secretary Any secretary or assistant or deputy secretary so appointed may at any time be removed from office by the directors without prejudice to any claim for damages for breach of any contract of service between him and the company

31 2 Anything by the Act required or authorised to be done by the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by any officer of the company authorised generally or specifically in that behalf by the directors Any provision of the Act or of these articles requiring or authorising a thing to be done by a director and secretary is not satisfied by its being done by the same person acting both as director and as, or in the place of, the secretary

### **32. Minutes**

32 1 The directors must ensure that minutes are made of

32 1 1 all appointments of officers and committees made by the directors,

32 1 2 the names of the directors present at each meeting of directors and of any committee of directors and all business transacted at such meetings, and

32 1 3 all orders, resolutions and proceedings at all meetings of the company, of the holders of any class of shares in the company and of the directors and of committees of directors

### **33. Seal and Authentication of Documents**

33 1 The directors may provide a common seal for the company and will have power from time to time to destroy any such seal and to substitute a new seal for it

- 33 2 An instrument expressed to be executed and delivered as a deed by the company signed by two directors or by one director and a secretary by the authority of the directors or a committee authorised by the directors has effect as if executed under seal
- 33 3 The directors may exercise the powers conferred on the company by s 40 of the Act with regard to having an official seal solely for sealing documents creating or evidencing securities of the company Any such documents to which such official seal is affixed need not be signed by any person
- 33 4 The directors must provide for the safe custody of the seal and the seal may never be used except by the authority of a resolution of the directors or of a committee of the directors authorised for that purpose by the directors The directors may from time to time make such regulations as they think fit subject to the provisions of these articles in relation to share and debenture certificates determining the persons and the number of such persons who may sign every instrument to which the seal is affixed and until otherwise so determined every such instrument must be signed by one director and must be countersigned by a second director or by the secretary
- 33 5 The company may have official seals under the provisions of s 39 of the Act for use abroad Wherever reference is made in these articles to the seal the reference when and so far as may be applicable is deemed to include any such official seal
- 33 6 Any director or the secretary or any person appointed by the directors for the purpose has power to authenticate any documents affecting the constitution of the company and any resolutions passed by the company or the directors or any committee of the directors and any books records documents and accounts relating to the business of the company and to certify copies of them or extracts from them as true copies or extracts A document purporting to be a copy of a resolution or a copy of or an extract from the minutes of a meeting of the company or of the directors or any committee of the directors which is certified as stated is conclusive evidence in favour of all persons dealing with the company upon the faith of any such copy that such resolution has been duly passed or as the case may be that such copy or extract is a true and accurate record of proceedings at a duly constituted meeting

#### **34. Dividends**

- 34 1 The profits of the company available for distribution and resolved to be distributed are applied in the payment of dividends to the members in accordance with their respective rights and priorities The company in general meeting may declare dividends accordingly
- 34 2 No dividend or interim dividend is payable otherwise than in accordance with the provisions of the Act and no dividend may exceed the amount recommended by the directors
- 34 3 Subject to the rights of persons, if any, entitled to shares with preferential or other special rights as to dividends all dividends must be declared and paid according to the amounts paid up on the shares, otherwise than in advance of a call in respect of which the dividend is paid All dividends will be apportioned and paid pro rata according to the amounts paid up on the

shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it carried any particular rights as to dividend such share will rank for dividend accordingly

- 34 4 Subject to the provisions of the Act and of these articles the directors may, if they think fit, from time to time pay to the members such interim dividends as appear to the directors to be justified by the distributable profits of the company. If at any time the share capital of the company is divided into different classes the directors may pay such interim dividends in respect of those shares in the capital of the company which confer on their holders deferred or non-preferred rights, as well as in respect of those shares which confer on their holders preferential rights with regard to dividend. No dividend whether interim final or otherwise may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the distributable profits justify the payment and if and to the extent that such payment is permitted by the Act. Provided the directors act bona fide they will not incur any responsibility to the holders of the shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights
- 34 5 Subject to the provisions of the Act or as otherwise required by law where any asset business or property is bought by the company as from a past date whether such date is before or after the incorporation of the company the profits or losses attributable to it 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 stated if any shares or securities are purchased cum dividend or interest such dividend or interest may at the discretion of the directors be treated as revenue and it will not be obligatory to capitalise it or any part of it
- 34 6 The directors may deduct from any dividend or other money payable to any member on or in respect of a share all sums of money if any presently payable by him to the company on account of calls or otherwise in relation to the shares of the company. The company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed or if following one such occasion reasonable enquiries have failed to establish any new address of the registered holder. Subject to the provisions of these articles the company must recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears or dividend and does not instruct the company to pay future dividends in some other way
- 34 7 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 contained in these articles entitled to become a member or which any person is under those provisions entitled to transfer until such person becomes a member in respect of such shares or transfers them

- 34 8 All dividends interest or other sums payable and unclaimed for one year after having been declared may be invested or otherwise made use of by the directors for the benefit of the company until claimed and the company is not constituted a trustee in respect of them No dividend will bear interest as against the company
- 34 9 Any dividend which has remained unclaimed for a period of 12 years from the date on which it becomes due for payment will if the directors so resolve be forfeited and cease to remain owing by the company and will from then on belong to the company absolutely
- 34 10 Any dividend or other money payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled to it and, in the case of joint holders, to any one of such joint holders or to such person and such address as the joint holders or to such person and such address as the holder or joint holders may in writing direct Every such cheque or warrant will be made payable to the order of the period to whom it is sent or to such other person as the holder or joint holders may in writing direct and payment of the cheque or warrant is a good discharge to the company Every such cheque or warrant will be sent at the risk of the person entitled to the money
- 34 11 If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend or other money payable on or in respect of the share
- 34 12 The board may, if authorised by an ordinary resolution of the company, offer any holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid instead of cash in respect of the whole or some part to be determined by the board of any dividend specified by the ordinary resolution The following provisions will apply -
- 34 12 1 an ordinary resolution may specify a particular dividend or may specify all or any dividends declared within a specified period but such period may not end later than the beginning of the annual general meeting next following the date of the meeting at which the ordinary resolution is passed,
- 34 12 2 the entitlement of each holder of ordinary shares to new ordinary shares is such that the relevant value of the entitlement is as nearly as possible equal to but not greater than the cash amount disregarding any tax credit of the dividend that such holder elects to forgo For this purpose "relevant value" is calculated by reference to the average of the middle market quotations for the company's ordinary shares on the London Stock Exchange as derived from the London Stock Exchange Daily Official List on the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days or in such other manner as may be determined by or in accordance with the ordinary resolution A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend is conclusive evidence of that amount,

- 34 12 3 On or as soon as practicable after announcing that it is to declare or recommend any dividend the board if it intends to offer an election in respect of that dividend must also announce that intention and, after determining the basis of allotment if it decides to proceed with the offer must notify the holders of ordinary shares in writing of the right of election to them and specify the procedure to be followed and the place at which and the latest time by which elections must be lodged in order to be effective,
- 34 12 4 The board may not proceed with any election unless the company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined,
- 34 12 5 The dividends or that part of the dividend in respect of which a right of election has been offered will not be payable on ordinary shares in respect of which an election has been made (**elected ordinary shares**) and instead additional ordinary shares will be allotted to the holders of the elected ordinary shares on the basis of the allotment calculated as stated For such purpose the board will capitalise out of any amount for the time being standing to the credit of any reserve or fund including the profit and loss account whether or not it is available for distribution as the board may determine a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and applying it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis, and
- 34 12 6 The additional ordinary shares when allotted will rank equally in all respects with the fully paid shares then in issue except that they will not be entitled to participate in the relevant dividend
- 34 13 A general meeting declaring a dividend may upon the recommendation of the directors direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of the company or any other company and the directors must give effect to such resolution Where any difficulty arises in regard to the distribution they may settle it as they think expedient and in particular but without limitation may issue fractional certificates and may fix the value for distribution of such specific assets or any part of them and may determine that cash payments will be made to any members upon the basis of the value so fixed in order to adjust the rights of members They may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the directors and generally may make such arrangements for the allotment acceptance and sale of such specific assets or fractional certificates or any part of them and otherwise as they think fit

## 35. Reserves



- 35 1 Subject to the provisions of the Act the directors may before recommending any dividend whether preferential or otherwise carry to reserve out of the profits of the company including any premiums received upon the issue of debentures or other securities of the company such sums as they think proper as a reserve or reserves
- 35 2 All sums standing to reserve may be applied from time to time at the discretion of the directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the company or for such other purposes as the directors may decide are conducive to the objects of the company or any of them Pending their application such sums may either be employed in the business of the company or be invested in such investments as the directors think fit
- 35 3 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 has been divided a they think fit Any sum which the directors may carry to reserve out of the unrealised profits of the company will not be mixed with any reserve to which profits available for distribution have been carried The directors may also without placing them to reserve carry forward any profits which they may think it not prudent to divide

### **36. Capitalisation of Profits**

- 36 1 Subject as set out in articles 36 2 and 36 3 the directors may with the authority of an ordinary resolution of the company
- 36 1 1 resolve to capitalise any undivided profits of the company whether or not they are available for distribution and including profits standing to any reserve or any sum standing to the credit of the company's share premium account or capital redemption reserve funds,
- 36 1 2 appropriate the profits or sum resolved to be capitalised to the members in proportion to the nominal amount of ordinary shares whether or not fully paid held by them respectively and apply such profits or sum on their behalf either in or towards paying up the amounts if any for the time being unpaid on any shares held by such members respectively or in paying up in full unissued shares or debentures of the company of a nominal amount equal to such profits or sum and allot and distribute such shares or debentures of the company of a nominal amount equal to such profits or sum and allot and distribute such shares or debentures credited as fully paid up to and amongst such members or as they may direct in due proportion or partly in one way and partly in the other,
- 36 1 3 resolve that any shares allotted under this article to any member in respect of a holding by him of any partly paid ordinary shares will so long as such ordinary shares remain partly paid rank for dividends only to the extent that such partly paid ordinary shares rank for dividend,

- 36 1 4 make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the directors think fit for the case of shares or debentures becoming distributable under this article in fractions,
- 36 1 5 authorise any person to enter on behalf of all the members concerned into an agreement with the company providing for the allotment to them respectively credited as fully paid up of any shares or debentures to which they may be entitled upon such capitalisation and any agreement made under such authority being effective and binding on all such members, and
- 36 1 6 generally do all acts and things required to give effective to such resolution
- 36 2 The share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may for the purposes of article 36 1 only be applied in the paying up or unissued shares to be allotted to members credited as fully paid
- 36 3 In the case where any sum is applied in paying amounts for the time being unpaid on any shares of the company or in paying up in full debentures of the company the amount of the net assets of the company at that time must be not less than the aggregate of the called up share capital of the company and its undistributable reserves and must not be reduced below that aggregate by the payment of those amounts as shown in the latest audited accounts as may be relevant

### **37. Accounts**

- 37 1 The directors must ensure that proper accounting records are kept in accordance with the Act
- 37 2 The accounting records must be kept at the office or subject to the provisions of the Act at such other place as the directors think fit and must always be open to inspection by the officers of the company No member other than a director has any right of inspecting any account or book or document of the company except as conferred by the Act or authorised by the directors or by the company in general meetings
- 37 3 The directors must from time to time in accordance with the provisions of the Act ensure that there are prepared and laid before the company in general meeting such profit and loss accounts balance sheets group accounts if any and reports as are specified in the Act
- 37 4 the auditors' report must be read before the company in general meeting and is open to inspection as required by the Act
- 37 5 A copy of every balance sheet and profit and loss account including every document required by law to be annexed to them which is to be laid before the company in general meeting and of the directors' and auditors' reports must not fewer than 21 days before the date of the meeting be sent to every member and to every hold of debentures of the company except that

37 5 1        this article does not require copies of such documents to be sent to any person to whom by virtue of s 238(2) of the Act the company is not required to send them nor to any person whose address the company is not aware nor to more than one of the joint holders of any shares or debentures, and

37 5 2        instead of these documents there may be sent a copy of such summary financial statement as may be permitted in such form as may be specified and subject to such conditions as may be required by law to be sent to the members of and holders of debentures of the company

37 6        Whenever any of the company's shares or debentures have been admitted to listing on the Official List of the Financial Services Authority and to trading on the main market of the London Stock Exchange, the required number of such documents must at the same time be forwarded to the appropriate officer at the Financial Services Authority and London Stock Exchange respectively

#### **38.    Record Dates**

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

#### **39.    Audit**

39 1        Once at least in every year the accounts of the company must be examined and the correctness of the balance sheet profit and loss account and group accounts if any ascertained by the auditors for the time being of the company

39 2        Auditors must be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Act

#### **40.    Notices**

40 1        A notice or other document (including a share certificate) or information may be given, sent, supplied, delivered or provided by the company to any member in accordance with the 2006 Act, subject to these articles

40 2        Any member described in the register of members by an address not within the United Kingdom who from time to time gives to the company an address within the United Kingdom at which notices may be served upon him is entitled to have notices served upon him at such address but otherwise no member other than a member described in the register of members by an address within the United Kingdom is entitled to receive any notice from the company

- 40 3 Any member present either in person or by proxy at any meeting of the company is for all purposes deemed to have received due notice of such meeting and where requisite of the purposes for which such meeting was convened
- 40 4 Every person who by operation of law, transfer or other means whatsoever becomes entitled to any share is bound by any notice other than a Section 793 Notice in respect of such share which prior to his name and address being entered on the register of members was duly given to the person from whom he derives his title to such shares
- 40 5 Any notice required to be given by the company to the members or any of them and not provided for by or pursuant to these articles is sufficiently given by advertisement once in at least one national daily newspaper
- 40 6 Where a notice or other document or information is given, sent, supplied, delivered or provided by the company by post, service of the notice or other document or information shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice or other document or information, and to have been effected at the latest at the expiration of 24 hours if prepaid as first-class and at the latest at the expiration of 72 hours if prepaid as second-class after the letter containing the same is posted. In proving such service it shall be sufficient to prove that the letter containing the same was properly addressed and stamped and put in the post. Where a notice or other document or information is given, sent, supplied, delivered or provided by the company by electronic means, service of the notice or other document or information shall be deemed to be effected by sending it by electronic means to an address for the time being notified to the person giving the notice or other document or information or as otherwise permitted by the Statutes for that purpose, and to have been effected at the latest at the expiration of 24 hours from when it was sent. In proving such service it shall be sufficient to prove that the notice or other document or information was sent in accordance with guidance from time to time issued by the Institute of Chartered Secretaries and Administrators. Nothing in this article shall prejudice the operation of section 114(4) of the 2006 Act as to deemed delivery of documents or information by means of a website
- 40 7 A notice or other document or information may be given, sent, supplied, delivered or provided by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law by giving, sending, supplying, delivering or providing it addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, to the address, if any, within the United Kingdom supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving, sending, supplying, delivering or providing the notice or other document or information in any manner in which the same might have been given, sent, supplied, delivered or provided if the death or bankruptcy or other event had not occurred

#### **41. Untraced Shareholders**

41 1 The company is entitled to sell at the best price reasonably obtainable any share or stock of a member or any share of stock to which a person is entitled by transmission if and provided that

41 1 1 during a period of 12 years

41 1 1 1 the company has paid at least three dividends whether interim or final in respect of the shares in question,

41 1 1 2 no cheque or warrant in respect of any such dividend sent by the company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share or stock at his address on the register or the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed, and

41 1 1 3 no communication has been received by the company from the member or the person entitled by transmission,

41 1 2 the company has at the expiry of the period of 12 years by advertisement in both a national daily newspaper and in a newspaper circulating the area in which the address referred to in article 41 1 1 2 is located given notice of its intention to sell such share or stock,

41 1 3 the company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission, and

41 1 4 the company has first given notice in writing to the London Stock Exchange of its intention to sell such shares or stock

41 2 To give effect to any such sale the company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer is as effective as if it had been executed by the registered holder of or person entitled by the transmission to such share or stock. The company must account to the member or other person entitled to such share or stock for the net proceeds of such sale by crediting all money in respect of those proceeds to a separate account which are a permanent debt of the company and the company is deemed to be a debtor and not a trustee in respect of it for such member or other person. Money carried to such separate account may either be employed in the business of the company or invested in such investments other than shares of the company or its holding company if any as the directors may from time to time think fit

## **42. Destruction of Documents**

**42 1 The company may destroy**

- 42 1 1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation,
- 42 1 2 any dividend mandate or any variation or cancellation of it or any notification of change of name or address at any time after the expiry of two years from the date such mandate variation cancellation or notification was recorded by the company,
- 42 1 3 any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration, or
- 42 1 4 any other document on the basis of which an entry in the register is made at any time after the expiry of six years from the date an entry in the register was first made in respect of it

**42 2 It will conclusively be presumed in favour of the company that every share certificate so destroyed was a valid certificate duly and properly sealed that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed under article 42 1 was a valid and effective document in accordance with its recorded particulars in the books or records of the company provided that**

- 42 2 1 the provisions of article 42 1 apply only to the destruction of a document in good faith and without express notice to the company that the preservation of such document was relevant to a claim,
- 42 2 2 nothing contained in article 42 1 is construed as imposing upon the company any liability in respect of the destruction of any such document earlier than as set out in article 42 1 or in any case where the conditions of article 42 2 1 are not fulfilled, and
- 42 2 3 references in this article to the destruction of any document include references to its disposal in any manner

**43. Winding-Up**

- 43 1 If the company is wound up whether the liquidation is altogether voluntary under supervision or by the court the liquidator may with the authority of an extraordinary resolution divide among the members in specie the whole or part of the assets of the company whether or not the assets consist of property of one kind or of properties of different kinds and may for such purposes set such value as he deems fair upon one or more class or classes of property and may determine how such division will be carried out as

between the members or different classes of members if any such division is carried out otherwise than in accordance with the existing rights of the members, every member will have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed in accordance with s 110 Insolvency Act 1986. The liquidator may with the same authority vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the same authority thinks fit and the liquidation of the company may be closed and the company dissolved. No member will be compelled to accept any shares in respect of which there is a liability.

- 43 2 The company must exercise the power conferred upon it by s 719(1) of the Act only with the prior sanction of a special resolution. If at any time the capital of the company is divided into different classes of shares the exercise of such power is deemed to be a variation of the rights attached to each class of shares and accordingly requires the prior consent in writing of the holders of three fourths in nominal value of the issued shares of each class or the prior sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of article 3.11

#### **44. Indemnity**

- 44 1 Subject to the provisions of the Statutes (but so that this article does not extend to any matter insofar as it would cause this article or any part of it to be void under the Statutes) but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or was at any time a director or other officer of the company or any Group Company excluding the Auditors may be indemnified out of the assets of the company against all costs, charges, expenses, losses or liabilities (together "Liabilities") which he may sustain or incur in or about the actual or purported execution and/or discharge of his duties (including those in relation to any Group Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act) and/or the actual or purported exercise of his powers or discretions and/or otherwise in relation thereto or in connection therewith, including (without prejudice to the generality of the foregoing) any Liability suffered or incurred by him in disputing, defending, investigating or providing evidence in connection with any actual or threatened or alleged claims, demands, investigations, or proceedings, whether civil, criminal, or regulatory or in connection with any application under section 661(3) or (4) or section 1157 of the 2006 Act.
- 44 2 The company may also, subject to the provisions of the Statutes, provide funds to any director or other officer (excluding the Auditors) to meet, or do anything to enable a director or other officer to avoid incurring, expenditure of the nature described in section 205(1) or 206 of the 2006 Act.

#### **45. Indemnity Against Claims in Respect of Shares**

- 45 1 The provisions of article 45.2 will apply wherever any law for the time being of any country, state or place imposes or purports to impose any immediate or future possible liability of the company to make any payment or empowers

any government or taxing authority or government official to require the company to make any payment in respect of any shares held either jointly or solely by a member or in respect of any dividends or other money due or payment or accruing due or which may become due or payable to such members by the company or in respect of any such shares or for or on account or in respect of any members in consequence of

- 45 1 1 the death of such member, or
- 45 1 2 the non-payment of any income tax or other tax by such member in respect of any shares in the company or dividend or other payment in respect of such shares, or
- 45 1 3 the non-payment of any estate, probate, succession, death, stamp or other duty by the executor or administrator of such member or by or out of his estate

45 2 In the circumstances described in article 45 1 the company

- 45 2 1 will be fully indemnified by such member or his executor or administrator from all liability arising by virtue of such law, and
- 45 2 2 may recover as a debt due from such member or his executor or administrator wherever constituted or residing any money paid by the company under or in consequence of any such law together with interest on it at the rate of 15 per cent per annum from the date of payment to the date of repayment

45 3 Nothing contained in articles 45 1 and 45 2 prejudices or affects any right or remedy which any law may confer or purport to confer on the company and as between the company and every such member as is referred to in article 45 1 his executor, administrator, and estate wherever constituted or situated any right or remedy which such law confers or purports to confer on the company will be enforceable by the company

#### **46. Protection of confidential information**

No member or General Meeting or other Meeting of members shall be entitled to require discovery of or any information respecting any detail in the Company's trading, or any matter which is or may be in the nature of a trade secret or secret process, or which may relate to the conduct of the business of the Company which in the opinion of the Board it would be inexpedient in the interests of the Company to communicate to the public

#### **47 Electronic Communication**

Notwithstanding anything in these articles to the contrary

47 1 Any document or information to be given, sent, supplied, delivered or provided to any person by the company, whether pursuant to these articles, the Statutes or otherwise, is also to be treated as given, sent, supplied,



delivered or provided where it is made available on a website, or is sent in electronic form, in the manner provided by the 2006 Act for the purposes of the Act and the 2006 Act (subject to the provisions of these articles)

- 47 2 For the purposes of paragraph 10(2)(b) of schedule 5 to the 2006 Act, the company may give, send, supply, deliver or provide documents or information to members by making them available on a website
- 47 3 For the purposes of paragraph 6 1 8R(1) of the Financial Services Authority's Disclosure and Transparency Rules, the company may use electronic means (as defined therein) to convey information or documents to members
- 47 4 The directors may from time to time make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the giving of notices or other documents or information by electronic means by or to the company and otherwise for the purpose of implementing and/or supplementing the provisions of these articles and the Statutes in relation to electronic means, and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this article