



THE COMPANIES ACTS 1985 AND 1989

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PUBLIC COMPANY LIMITED BY SHARES

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**RESOLUTIONS**

of

**SOUTHERN CROSS HEALTHCARE GROUP PLC**

At an extraordinary general meeting of the Company held at 10 Upper Bank Street, Canary Wharf, London E14 5JJ on 6 July 2006 at 5 p.m. the following resolutions were passed, in the case of resolutions 1 to 2 as ordinary resolutions and, in the case of resolutions 3 to 7, as special resolutions, in each case, conditional on admission of the issued ordinary share capital of the Company to the Official List of the Financial Services Authority and to trading on the London Stock Exchange's main market for listed securities ("**Admission**") becoming effective on 12 July 2006 or such later date, being not later than 31 July 2006, as the Company may decide, and in each case, effective immediately prior to Admission:

**ORDINARY RESOLUTIONS**

1. **THAT** the authorised share capital of the Company be increased from £55,405.00 to £ 3,045,405 by the creation of 299,000,000 ordinary shares of 1 pence each ("**Shares**").
2. **THAT** in addition to all existing authorities and/or powers, the directors be generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "**Act**") to exercise all powers of the Company to allot relevant securities within the meaning of section 80 of the Act up to an aggregate nominal amount of £ 1,037,037.00 such authority to expire on the earlier of 6 October 2007 and the conclusion of the annual general meeting of the Company held in 2007 (but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of that authority and that the directors may allot relevant securities pursuant to that offer or agreement as if the authority conferred by this resolution had not expired).

**SPECIAL RESOLUTIONS**

3. **THAT** in addition to all existing authorities and/or powers the directors be generally empowered pursuant to section 95 of the Act to allot equity securities within the meaning of section 94(2) of the Act for cash, pursuant to the general authority conferred by resolution 2, as if section 89(1) of the Act did not apply to such allotment,

such power to expire on the earlier of 6 October 2007 and the conclusion of the annual general meeting of the Company held in 2007 (but the Company may make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the directors may allot equity securities pursuant to such offer or agreement as if this power had not expired), provided that such authority be limited to:

- (a) the allotment of 77777777 Shares to certain institutional investors pursuant to a global offer to be made by the Company on or about 12 July 2006 (the "**Offer**");
- (b) the allotment of equity securities in connection with a rights issue, open offer or any other pre-emptive offer in favour of holders of Shares but subject to such exclusions as may be necessary to deal with fractional entitlements or legal or practical problems under any laws or requirements of any regulatory body in any jurisdiction;
- (c) the allotment (other than pursuant to (a) and (b) above) of equity securities for cash up to an aggregate nominal amount equal to 5 per cent. of the issued and unconditionally allotted share capital of the Company following the allotment of Shares in connection with the Offer and the Bonus Issue (as defined in resolution 4 below);

The power conferred on the directors by this resolution 3 shall also apply to a sale of treasury shares, which is an allotment of equity securities by virtue of s.94(3A) of the Act, but with the omission of the words "pursuant to the general authority conferred by resolution 2".

- 4. **THAT** conditionally on the Company's share premium account being credited with the net proceeds of the Offer receivable by the Company, the directors be authorised to capitalise £1,098,300.60, being part of the sum which will stand to the credit of the Company's share premium account, and to appropriate such sum on behalf of those holders of Shares on the register of members at 5 p.m. on the second day prior to Admission (the "**Record Date**"), in paying up in full new Shares of a nominal amount equal to that sum, such shares to be allotted to such holders in proportion to the number of Shares held by them on the Record Date (the "**Bonus Issue**").
- 5. **THAT** the redeemable shares of £1.00 each in the capital of the Company, subject to them having been redeemed, be cancelled from the authorised share capital of the Company.
- 6. **THAT** the articles of association of the Company be replaced by new articles of association in the form attached to this notice.
- 7. **THAT** the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of section 163(3) of the Act) of Shares provided that:

- (a) the maximum aggregate number of Shares authorised to be purchased is 18,806,737 (representing 10 per cent. of the issued share capital immediately following Admission);
- (b) the minimum price which may be paid for a Share is its nominal value;
- (c) the maximum price which may be paid for a Share is an amount equal to 105 per cent. of the average of the middle market quotations for a Share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Share is purchased;
- (d) this authority expires at the earlier of 6 October 2007 and the conclusion of the annual general meeting of the Company held in 2007; and
- (e) the Company may make a contract to purchase Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Shares in pursuance of any such contract.



Director/Secretary

Company No. 5328138

THE COMPANIES ACT 1985

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

SOUTHERN CROSS HEALTHCARE GROUP PLC

Incorporated on 10 January 2005

(as adopted by special resolution passed on 6 July 2006, conditional on Admission)

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THE COMPANIES ACT 1985

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

SOUTHERN CROSS HEATHCARE GROUP PLC

PRELIMINARY

1. **Interpretation**

(A) In these articles, unless the context otherwise requires:

"**Act**" means the Companies Act 1985;

"**Acts**" means the Act and all statutes and subordinate legislation made thereunder, for the time being in force concerning companies and affecting the Company;

"**address**" means, in relation to electronic communications, any number or address used for the purposes of such communications;

"**admission**" means the date of admission of the ordinary share capital in the Company to the Official List of the Financial Services Authority and to trading on the main market of the London Stock Exchange becoming effective in accordance with the Listing Rules and the London Stock Exchange Admission and Disclosure Standards;

"**articles**" means these articles of association as altered from time to time;

"**auditors**" means the auditors from time to time of the Company;

"**board**" means the board of directors from time to time of the Company or the directors present at a duly convened meeting of the directors at which a quorum is present;

"**business day**" means a day (not being a Saturday or Sunday) on which clearing banks are open for business in London;

**"certificated"** means, in relation to a share, a share which is not in uncertificated form;

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

**"communication"** has the same meaning as in the Electronic Communications Act 2000;

**"company"** includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Act;

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

**"electronic communication"** has the same meaning as in the Electronic Communications Act 2000;

**"entitled by transmission"** means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member, or as a result of another event giving rise to a transmission of entitlement by operation of law;

**"executed"** includes, in relation to a document, execution under hand or under seal or by any other method permitted by law;

**"holder"** means, in relation to a share, the member whose name is entered in the register as the holder of that share;

**"London Stock Exchange"** means London Stock Exchange plc;

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

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

**"paid"**, **"paid up"** and **"paid-up"** mean paid or credited as paid;

**"recognised financial institution"** means a recognised clearing house acting in relation to a recognised investment exchange or a nominee of a recognised clearing house acting in that way or of a recognised investment exchange which is designated for the purposes of section 185(4) of the Act;

**"register"** means the register of members of the Company kept pursuant to section 352 of the Act or the issuer register of members and Operator register of members maintained pursuant to Regulation 20 of the Uncertificated Securities Regulations 2001 and, where the context requires, any register maintained by the Company or the Operator of persons holding any renounceable right of allotment of a share and cognate expressions shall be construed accordingly;

**"seal"** means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Acts;

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

"**UKLA**" means the UK Listing Authority, a division of the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 or any successor enactment;

"**uncertificated proxy instruction**" means an instruction or notification sent by means of a relevant system and received by such participant in that system acting on behalf of the Company as the board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the board (subject always to the facilities and requirements of the relevant system concerned);

"**Uncertificated Securities Regulations**" means the Uncertificated Securities Regulations 2001, as amended from time to time, including any provisions of or under the Acts which alter or replace such regulations; and

"**uncertificated**" means, in relation to a share, a share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of a relevant system.

- (B) Words and expressions to which a particular meaning is given by the Act in force when the articles (or any part of them) are adopted have the same meaning in the articles or such part of them (as the case may be), except where the word or expression is otherwise defined in paragraph (A). The expressions "**issuer register of members**", "**Operator**", "**Operator-instruction**", "**Operator register of members**", "**participating issuer**", "**participating security**" and "**relevant system**" have the same meaning as in the Uncertificated Securities Regulations.
- (C) All references in the articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Regulations. The giving of such instructions shall be subject to:
- (i) the facilities and requirements of the relevant system;
  - (ii) the Uncertificated Securities Regulations; and
  - (iii) the extent to which such instructions are permitted by or practicable under the rules and practices from time to time of the Operator of the relevant system.
- (D) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.

- (E) References to a "**meeting**" shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.
- (F) The headings in the articles do not affect the interpretation of the articles.
- (G) References to a "**debenture**" include debenture stock.
- (H) References to any statutory provision or statute includes all amendments thereto and all subordinate legislation made thereunder. This article does not affect the interpretation of article 1(B).

2. **Table A not to apply**

No regulations contained in any statute or subordinate legislation, including the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended), apply to the Company.

**SHARE CAPITAL**

3. **Authorised capital**

The authorised share capital of the Company at the date of adoption of the articles is £3,000,000 divided into 300,000,000 ordinary shares of £ 0.01p each.

4. **Allotment**

- (A) Subject to the Acts and relevant authority given by the Company in general meeting, the board has general and unconditional authority to allot, grant options over, or otherwise dispose of the unissued shares of the Company, or rights to subscribe for or convert any security into shares, to such persons, at such times and on such terms as the board may decide except that no share may be issued at a discount.
- (B) The board has general and unconditional authority, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 80 amount for (as the case may be) the first period and thereafter, each subsequent section 80 period.
- (C) The board has general power, pursuant to section 95 of the Act, to allot equity securities wholly for cash pursuant to the general authority conferred by paragraph (B), as if section 89(1) of the Act does not apply to that allotment for (as the case may be) the first period and thereafter, each subsequent section 89 period. This power is limited to:
  - (i) allotments of equity securities in connection with a rights issue; and
  - (ii) allotments other than pursuant to paragraph (i) up to an aggregate nominal amount equal to the section 89 amount.

The power conferred on the board by this paragraph (C) shall also apply to a sale of treasury shares, which is an allotment of equity securities by virtue of section 94(3A)

of the Act, but with the omission of the words "pursuant to the general authority conferred by paragraph (B)".

- (D) By the authority and power conferred by paragraphs (B) and (C), the board may, during a period which is a first period, a subsequent section 80 period or a subsequent section 89 period, make an offer or agreement which would or might require equity securities or other relevant securities to be allotted after such period expires and the board may allot securities in pursuance of that offer or agreement as if such authority and power had not expired.
- (E) In this article 4:
- (i) **"first period"** means the period commencing on the date of adoption of the articles and expiring on the date on which a resolution to renew the authority conferred by (B) or the power conferred by paragraph (C) (as the case may be) is passed or the fifth anniversary of the date of adoption of the articles whichever is the earlier;
  - (ii) **"rights issue"** means an offer of equity securities, open for acceptance for a period fixed by the board, to holders of ordinary shares made in proportion (as nearly as may be) to their respective existing holdings of ordinary shares but subject to the board having a right to make such exclusions or other arrangements in connection with that offering as it deems necessary or expedient:
    - (a) to deal with equity securities representing fractional entitlements; and
    - (b) to deal with legal or practical problems arising in any territory or by virtue of shares being represented by depositary receipts, the requirements of any regulatory body or stock exchange in any territory, or any other matter whatsoever;
  - (iii) **"section 80 amount"** means, for the first period, an aggregate nominal amount equal to not more than one third of the aggregate nominal value of the issued and unconditionally allotted ordinary share capital of the Company, immediately following Admission of, if less, the amount of authorised but unissued ordinary share capital of the Company and, for a subsequent section 80 period, the amount stated in any relevant ordinary or special resolution and, for a subsequent section 80 period, the amount stated in the relevant ordinary or special resolution or, in either case, another amount fixed by resolution of the Company;
  - (iv) **"section 89 amount"** means, for the first period, an aggregate nominal amount equal to not more than 5 per cent. of the aggregate nominal value of the issued and unconditionally allotted ordinary share capital of the Company immediately following Admission and , for a subsequent section 89 period, the amount stated in any relevant special resolution or, in either case, another amount fixed by resolution of the Company;

- (v) **"subsequent section 80 period"** means any period starting on or after the expiry of the first period (and not exceeding 5 years on any occasion) for which the authority conferred by paragraph (B) is renewed by ordinary or special resolution stating the section 80 amount;
  - (vi) **"subsequent section 89 period"** means any period starting on or after the expiry of the first period (and not exceeding 5 years on any occasion) for which the power conferred by paragraph (C) is renewed by special resolution stating the section 89 amount; and
  - (vii) the nominal amount of securities is, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of shares which may be allotted pursuant to those rights.
- (F) The board may at any time after the allotment of a share but before a person has been entered in the register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on such terms and conditions as the board thinks fit.

#### **5. Power to attach rights**

Subject to the Acts and to the rights attached to existing shares, new shares may be issued with, or have attached to them, such rights or restrictions as either the Company may by ordinary resolution decide, or, if no such resolution is passed or so far as any pertinent resolution does not make specific provision, as the board may decide.

#### **6. Redeemable shares**

Subject to the Acts and to the rights attached to existing shares, shares may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed.

#### **7. Variation of rights**

- (A) Subject to the Acts, the rights attached to a class of shares may be varied or abrogated (whether or not the Company is being wound up) either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class (excluding any share of that class held as treasury shares) or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with article 68 and other relevant provisions of the articles.
- (B) The rights attached to a class of shares are not, unless otherwise expressly provided for in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Acts and article 39.



**8. Commission**

The Company may exercise all the powers conferred or permitted by the Acts of paying commission or brokerage. The Company may also on any issue of shares pay such brokerage as may be lawful.

**9. Trusts not recognised**

Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not recognise a person as holding a share on trust and shall not be bound by or otherwise compelled to recognise (even if it has notice of it) any interest in any share other than an absolute right in the holder to the whole of the share.

**10. Uncertificated shares**

- (A) Subject to the Acts and to the Uncertificated Securities Regulations, the board has the power to resolve that a class of shares shall become a participating security and/or that a class of shares shall cease to be a participating security.
- (B) Uncertificated shares of a class are not to be regarded as forming a separate class from certificated shares of that class.
- (C) A member may, in accordance with the Uncertificated Securities Regulations, change a share of a class which is a participating security from a certificated share to an uncertificated share and from an uncertificated share to a certificated share.
- (D) The Company may give notice to a member requiring the member to change uncertificated shares to certificated shares by the time stated in the notice. The notice may also state that the member may not change certificated shares to uncertificated shares. If the member does not comply with the notice, the board may authorise a person to change the uncertificated shares to certificated shares in the name and on behalf of the member.
- (E) While a class of shares is a participating security, the articles only apply to an uncertificated share of that class to the extent that they are consistent with:
  - (i) the holding of shares of that class in uncertificated form;
  - (ii) the transfer of title to shares of that class by means of a relevant system; and
  - (iii) the Uncertificated Securities Regulations.

**SHARE CERTIFICATES**

**11. Right to certificate**

- (A) A person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the register as a holder of a certificated share is entitled, without charge, to receive within two months of allotment or lodgement with the Company of a transfer to him of those shares or within two months after the

relevant Operator instruction is received by the Company (or within any other period as the terms of issue of the shares provide) one certificate for all the certificated shares of a class registered in his name or, in the case of certificated shares of more than one class being registered in his name, to a separate certificate for each class of shares.

- (B) Where a member transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of certificated shares retained by him.
- (C) The Company is not bound to issue more than one certificate for certificated shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.
- (D) A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares and shall otherwise comply with the requirements of the UKLA. It shall be issued under a seal, which may be affixed to or printed on it, or in such other manner as the board may approve, having regard to the terms of allotment or issue of the shares.

#### **12. Replacement certificates**

- (A) Where a member holds two or more certificates for shares of one class, the board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for certificated shares of that class.
- (B) At the request of a member, the board may cancel a certificate and issue two or more in its place (representing certificated shares in such proportions as the member may specify), on surrender of the original certificate and on payment of such reasonable sum as the board may decide.
- (C) Where a certificate is worn out or defaced the board may require the certificate to be delivered to it before issuing a replacement and cancelling the original. If a certificate is lost or destroyed, the board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity and to payment of any exceptional out-of-pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity as the board may decide.

#### **LIEN**

#### **13. Company's lien on shares not fully paid**

- (A) The Company has a first and paramount lien on all partly paid shares for an amount payable in respect of the share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared or other amounts payable in respect of the share.
- (B) The board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this article. Unless otherwise agreed with the

transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

**14. Enforcement of lien by sale**

- (A) For the purpose of enforcing the lien referred to in article 13, the board may sell shares subject to the lien in such manner as it may decide provided that:
- (i) the due date for payment of the relevant amounts has arrived; and
  - (ii) the board has served a written notice on the member concerned (or on any person who is entitled to the shares by transmission or by operation of law) stating the amounts due, demanding payment thereof and giving notice that if payment has not been made within 14 clear days after the service of the notice that the Company intends to sell the shares.
- (B) To give effect to a sale, the board may authorise a person to transfer the shares in the name and on behalf of the holder (or any person who is automatically entitled to the shares by transmission or by law), or to cause the transfer of such shares, to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the sale.

**15. Application of proceeds of sale**

The net proceeds of a sale effected under article 14, after payment of the Company's costs of the sale, shall be applied in or towards satisfaction of the amount in respect of which the lien exists. Any residue shall (on surrender to the Company for cancellation of any certificate for the shares sold, or the provision of an indemnity as to any lost or destroyed certificate required by the board and subject to a like lien for amounts not presently payable as existed on the shares before the sale) be paid to the member (or person entitled to the shares) immediately before the sale.

**CALLS ON SHARES**

**16. Calls**

The board may make calls on members in respect of amounts unpaid on the shares held by them respectively (whether in respect of the nominal value or a premium) and not by the terms of issue thereof, made payable on a fixed date. Each member shall (on receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company at the time and place specified, the amount called as required by the notice. A call may be made payable by instalments and may, at any time before receipt by the Company of an amount due, be revoked or postponed in whole or in part as the board may decide. A call is deemed made at the time when the resolution of the board authorising it is passed. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in

respect of which the call is made. The joint holders of a share are jointly and severally liable for payment of a call in respect of that share.

**17. Power to differentiate**

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

**18. Interest on calls**

If the whole of the amount called is not paid on or before the date fixed for payment, the person from whom it is payable shall pay interest on the unpaid amount. This interest will run from the day the unpaid amount is due until the day it has been paid. The interest rate may be fixed by the terms of allotment or issue of the share or, if no rate is fixed, at such rate (not exceeding 20 per cent. per annum) as the board may decide. The board may waive payment of the interest in whole or in part.

**19. Payment in advance**

The board may, if it thinks fit, receive from a member all or part of the amounts uncalled and unpaid on shares held by him. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made. The Company may pay interest on the amount paid in advance, or on so much of it as from time to time exceeds the amount called on the shares in respect of which the payment in advance has been made, at such rate (not exceeding 20 per cent. per annum) as the board may decide.

**20. Amounts due on allotment or issue treated as calls**

An amount (whether in respect of nominal value or a premium) which by the terms of issue of a share becomes payable on allotment or issue or on a fixed date shall be deemed to be a call. In case of non-payment, the provisions of these articles as to payment of interest, forfeiture or otherwise apply as if that amount has become payable by virtue of a call.

## **FORFEITURE**

**21. Notice if call not paid**

If a member fails to pay the whole of a call or an instalment of a call by the date fixed for payment, the board may serve notice on the member or on a person entitled automatically by law to the share in respect of which the call was made demanding payment of the unpaid amount, on a date not less than 14 clear days from the date of the notice, together with any interest that may have accrued on it and all costs, charges and expenses incurred by the Company by reason of the non-payment. The notice shall state:

- (i) the place where payment is to be made; and

- (ii) that if the notice is not complied with the share in respect of which the call was made will be liable to be forfeited.

**22. Forfeiture for non-compliance**

If the notice referred to in article 21 is not complied with, a share in respect of which it is given may, at any time before the payment required by the notice (including interest, costs, charges and expenses) has been made, be forfeited by a resolution of the board. All dividends declared or other amounts due in respect of the forfeited share and not paid before the forfeiture shall also be forfeited.

**23. Notice after forfeiture**

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share but no forfeiture is invalidated by an omission to give such notice. An entry of the fact and date of forfeiture shall be made in the register.

**24. Disposal of forfeited shares**

- (A) A forfeited share and all rights attaching to it shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture the holder thereof or to another person, on such terms and in such manner as the board may decide. The board may, if necessary, authorise a person to transfer a forfeited share to a new holder. The Company may receive the consideration (if any) for the share on its disposal and may register or cause the registration of the transferee as the holder of the share.
- (B) The board may before a forfeited share has been sold, re-allotted or otherwise disposed of annul the forfeiture on such conditions as it thinks fit.
- (C) A statutory declaration that the declarant is a director or the secretary and that a share has been forfeited or sold to satisfy a lien of the Company on the date stated in the declaration is conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. The declaration (subject if necessary to the transfer of the share) constitutes good title to the share and the person to whom the share is sold, re-allotted or disposed of is not bound to see to the application of the consideration (if any). His title to the share is not affected by an irregularity in or invalidity of the proceedings connected with the forfeiture or disposal.

**25. Arrears to be paid notwithstanding forfeiture**

A person whose share has been forfeited ceases on forfeiture to be a member in respect thereof and if that share is in certificated form, shall surrender to the Company for cancellation any certificate for the forfeited share. A person remains liable to pay all calls, interest, costs, charges and expenses owing in respect of such share at the time of forfeiture, with interest, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment or issue of such share or, if no rate is fixed, at such

rate (not exceeding 20 per cent. per annum) as the board may decide. The board may if it thinks fit enforce payment without allowance for the value of such share at the time of forfeiture or for any consideration received on its disposal.

26. **Surrender**

The board may accept the surrender of a share liable to be forfeited and in that case references in the articles to forfeiture include surrender.

**UNTRACED SHAREHOLDERS**

27. **Power of sale**

(A) Subject to the Uncertificated Securities Regulations, the Company may sell the share of a member or of a person entitled by transmission at the best price reasonably obtainable at the time of sale, if:

- (i) during a period of not less than 12 years before the date of publication of the advertisements referred to in paragraph (A)(iii) of this article (or, if published on two different dates, the first date) (the "**relevant period**") at least three cash dividends have become payable in respect of the share;
- (ii) throughout the relevant period no cheque, warrant or money order payable on the share has been presented by the holder of, or the person entitled by transmission to, the share to the paying bank of the relevant cheque, warrant or money order, no payment made by the Company by any other means permitted by article 123(A) has been claimed or accepted and, so far as any director of the Company at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the share;
- (iii) on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the share shown in the register; and
- (iv) the Company has not, so far as the board is aware, during a further period of three months after the date of the advertisements referred to in paragraph (A)(iii) of this article (or the later advertisement if the advertisements are published on different dates) and before the exercise of the power of sale received a communication from the holder of, or person entitled by transmission to, the share.

(B) Where a power of sale is exercisable over a share pursuant to paragraph (A) of this article (a "**Sale Share**"), the Company may at the same time also sell any additional share issued in right of such Sale Share or in right of such an additional share previously so issued provided that the requirements of paragraphs (A)(ii) to (iv) of this

article (as if the words "throughout the relevant period" were omitted from paragraph (A)(ii) of this article and the words "on expiry of the relevant period" were omitted from paragraph (A)(iii) of this article) shall have been satisfied in relation to the additional share.

- (C) To give effect to a sale pursuant to paragraphs (A) or (B) of this article, the board may authorise a person to transfer the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share, or to cause the transfer of such share, to the purchaser or his nominee and in relation to an uncertificated share may require the Operator to convert the share into certificated form in accordance with the Uncertificated Securities Regulations. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity or invalidity in the proceedings connected with the sale of the share.

**28. Application of proceeds of sale**

The Company shall be indebted to the member or other person entitled by transmission to the share for the net proceeds of sale and shall carry any amount received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. Any amount carried to the separate account may either be employed in the business of the Company or invested as the board may think fit. No interest is payable on that amount and the Company is not required to account for money earned on it.

## **TRANSFER OF SHARES**

**29. Method of transfer**

- (A) A member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in any other form approved by the board, and the instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee.
- (B) A member may transfer all or any of his uncertificated shares in accordance with the Uncertificated Securities Regulations.
- (C) Subject to the provisions of the Uncertificated Securities Regulations, the transferor of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

**30. Right to refuse registration**

- (A) Subject to this article and article 69, shares of the Company are free from any restriction on transfer. In exceptional circumstances approved by the UKLA, the board may refuse to register a transfer of certificated shares provided that such refusal would not disturb the market in those shares. Subject to the requirements of the listing rules of the UKLA, the board may, in its absolute discretion and without giving a reason,

refuse to register the transfer of a certificated share which is not fully paid or the transfer of a certificated share on which the Company has a lien.

- (B) The board may also, in its absolute discretion and without giving a reason, refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied:
- (i) it is in respect of only one class of shares;
  - (ii) it is in favour of (as the case may be) a single transferee or renouncee or not more than four joint transferees or renouncees;
  - (iii) it is duly stamped (if required); and
  - (iv) it is delivered for registration to the office or such other place as the board may decide, accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised financial institution where a certificate has not been issued, or in the case of a renunciation) and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.
- (C) If the board refuses to register the transfer of a certificated share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. Subject to article 140, the Company may retain all instruments of transfer which are registered.
- (D) In accordance with and subject to the provisions of the Uncertificated Securities Regulations, the Operator of the relevant system shall register a transfer of title to any uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form unless the Uncertificated Securities Regulations permit the Operator of the relevant system to refuse to register such a transfer in certain circumstances in which case the said Operator may refuse such registration.
- (E) If the Operator of the relevant system refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it shall, within the time period stipulated by the Uncertificated Securities Regulations, send notice of the refusal to the transferee.
- (F) In accordance with and subject to the provisions of the Uncertificated Securities Regulations, where title to an uncertificated share is transferred by means of a relevant system to a person who is to hold such share in certificated form thereafter, the Company as participating issuer shall register the transfer in accordance with the



relevant Operator-instruction, but so that the Company may refuse to register such a transfer in any circumstance permitted by the Uncertificated Securities Regulations.

- (G) In accordance with the Uncertificated Securities Regulations, if the Company as participating issuer refuses to register the transfer of title to an uncertificated share transferred by means of a relevant system to a person who is to hold such share in certificated form thereafter, it shall, within two months after the date on which the Operator-instruction was received by the Company, send notice of the refusal to the transferee.

**31. Fees on registration**

The Company (at its option) may or may not charge a fee for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document or instructions relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

**32. Suspension of registration and closing of register**

Subject to the Acts, the registration of transfers may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may decide and either generally or in respect of a particular class of shares. Unless otherwise permitted by the Uncertificated Securities Regulations, the Company may not close any register relating to a participating security without the consent of the Operator of the relevant system.

## TRANSMISSION OF SHARES

**33. On death**

- (A) The Company shall recognise only the personal representative or representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held jointly by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.
- (B) Nothing in the articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him.

**34. Election of person entitled by transmission**

- (A) A person becoming entitled by transmission to a share may, on production of such evidence as the board may require as to his entitlement, elect either to be registered as a member or to have a person nominated by him registered as a member.
- (B) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall:
  - (i) if it is a certificated share, execute an instrument of transfer of the share to that person; or

- (ii) if it is an uncertificated share:
  - (a) procure that instructions are given by means of a relevant system to effect transfer of the share to that person; or
  - (b) change the share to a certificated share and execute an instrument of transfer of the share to that person.
- (C) All the provisions of the articles relating to the transfer of certificated shares apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event giving rise to a transmission of entitlement had not occurred.
- (D) The board may give notice requiring a person to make the election referred to in paragraph (A) above. If that notice is not complied with within 60 days, the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

**35. Rights on transmission**

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may, however, give a good discharge for dividends and other amounts payable in respect of the share and, subject to articles 34 and 123, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however, before he is registered as the holder of the share entitled in respect of it to receive notice of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

#### ALTERATION OF SHARE CAPITAL

**36. Increase, consolidation, sub-division and cancellation**

The Company may by ordinary resolution:

- (i) increase its share capital by a sum to be divided into shares of an amount prescribed by the resolution;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (iii) subject to the Acts, sub-divide all or any of its shares into shares of a smaller amount and so that the resolution whereby any share is sub-divided may determine that the shares resulting from such sub-division have amongst themselves such preferred, deferred or other special rights or advantages or be subject to any such restrictions as the Company has power to attach to unissued or new shares; and

- (iv) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by a person and diminish the amount of its share capital by the amount of the shares so cancelled.

### **37. Fractions**

- (A) If, as the result of consolidation and division or sub-division of shares, members would become entitled to fractions of a share, the board may on behalf of the members deal with the fractions as it thinks fit. Subject to the Acts and to the Uncertificated Securities Regulations, the board may, in effecting divisions and/or consolidations, treat a member's shares held in certificated form and uncertificated form as separate holdings. In particular, the board may:
  - (i) sell any shares representing fractions to a person (including, subject to the Acts, to the Company) and distribute the net proceeds of sale in due proportion amongst the persons entitled or, if the board decides, some or all of the sum raised on a sale may be retained for the benefit of the Company; or
  - (ii) subject to the Acts, allot or issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such allotment or issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be).
- (B) To give effect to a sale pursuant to sub-paragraph (A)(i) above the board may arrange for the shares representing the fractions to be entered in the register as certificated shares. The board may also authorise a person to transfer the shares to, or to the direction of, the purchaser. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale.
- (C) If shares are allotted or issued pursuant to sub-paragraph (A)(ii) above, the amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to article 130. In relation to the capitalisation the board may exercise all the powers conferred on it by article 130 without an ordinary resolution of the Company.

### **38. Reduction of capital**

Subject to the Acts and to the rights attached to existing shares, the Company may by special resolution reduce its share capital, capital redemption reserve, share premium account or other undistributable reserve in any way.

39. **Purchase of own shares**

Subject to the Acts and to the rights attaching to existing shares, the Company may purchase, or agree to purchase in the future, any shares of any class (including redeemable shares) in its own capital in any way.

**GENERAL MEETINGS**

40. **Annual general meetings**

The Company shall hold an annual general meeting once every year. Such meetings shall be convened by the board at such time and place as it thinks fit provided that there must not be a gap of more than fifteen months between one annual general meeting and the next.

41. **Extraordinary general meetings**

All general meetings of the Company other than annual general meetings are called extraordinary general meetings.

42. **Convening of extraordinary general meetings**

The board may convene an extraordinary general meeting whenever it thinks fit. The board must convene an extraordinary general meeting immediately on receipt of a requisition from members in accordance with the Acts and in default a meeting may be convened by requisitionists as provided in the Acts. At a meeting convened on a requisition or by requisitionists no business may be transacted except that stated by the requisition or proposed by the board. An extraordinary general meeting may also be convened in accordance with article 94.

43. **Length and form of notice**

- (A) An annual general meeting and any extraordinary general meeting at which a special resolution is to be proposed or (subject to the Acts) at which some other resolution of which special notice under the Act has been given to the Company shall be called by not less than 21 clear days' notice. All other extraordinary general meetings shall be called by not less than 14 clear days' notice.
- (B) Subject to the Acts, and although called by shorter notice than that specified in paragraph (A), a general meeting is deemed to have been duly called if it is so agreed:
  - (i) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
  - (ii) in the case of another 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.
- (C) The notice of meeting shall specify:

- (i) whether the meeting is an annual general meeting or an extraordinary general meeting;
  - (ii) the place, the date and the time of the meeting;
  - (iii) in the case of special business, the general nature of that business;
  - (iv) if the meeting is convened to consider a special or an extraordinary resolution, the intention to propose the resolution as such; and
  - (v) with reasonable prominence, that a member entitled to attend and vote may 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.
- (D) The notice of meeting shall be given to the members (other than any who, under the provisions of the articles or the terms of allotment or issue of shares, are not entitled to receive notice), to the directors and to the auditors.
- (E) The board may determine that persons entitled to receive notices of meeting are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being sent.
- (F) The notice of meeting may also specify a time (which, if the Company is a participating issuer, shall not be more than 48 hours before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.
- (G) Where the notice of meeting is published on a web site in accordance with article 135(B), it shall continue to be published in the same place on that web site from the date of the notification given under article 135(B)(ii) until the conclusion of the meeting to which the notice relates.

**44. Omission to send notice and irregularities in publication of notices**

- (A) The accidental omission to send a notice of meeting or any document relating to the meeting, or the non-receipt of any such notice or document by a person entitled to receive any such notice or document shall not invalidate the proceedings at that meeting.
- (B) Where a notice of meeting published on a web site in accordance with article 135(B) is by accident published in different places on the web site or published for part only of the period from the date of the notification given under article 135(B)(ii) until the conclusion of the meeting to which the notice relates, the proceedings at such meeting are not thereby invalidated.

**45. Postponement of general meetings**

If the board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting at the time or place specified in the notice calling the general meeting, it may move and/or postpone the general meeting to another time and/or place. When a meeting is so moved and/or postponed, notice of the time and place of the moved and/or postponed meeting shall (if practical) be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such moved and/or postponed meeting is not required. The board must take reasonable steps to ensure that members trying to attend the general meeting at the original time and/or place are informed of the new arrangements for the general meeting. Proxy forms can be delivered as specified in article 62. Any postponed and/or moved meeting may also be postponed and/or moved under this article.

**46. Special business**

All business transacted at a general meeting is deemed special except the following business transacted at an annual general meeting:

- (i) the receipt and consideration of the annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and on the auditable part of the directors' remuneration report;
- (ii) the appointment or re-appointment of directors and other officers in place of those retiring by rotation or otherwise ceasing to hold office;
- (iii) the declaration of dividends; and
- (iv) the appointment of the auditors (when special notice of the resolution for appointment is not required by the Acts) and fixing or determining the manner of fixing of the remuneration of the auditors.

**PROCEEDINGS AT GENERAL MEETINGS**

**47. Quorum**

- (A) No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with the articles, which shall not be treated as part of the business of the meeting.
- (B) The quorum for a general meeting is two members present in person or by proxy and entitled to vote.

**48. Procedure if quorum not present**

- (A) If a quorum is not present within twenty minutes (or such longer time as the chairman decides to wait) after the time fixed for the start of the meeting or if there is no longer a quorum present at any time during the meeting, the meeting, if convened by or on the requisition of members, is dissolved. In any other case it stands adjourned to such

other day (being not less than 10 nor more than 28 days later) and at such other time and/or place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been specified, the meeting stands adjourned to such other day (being not less than 10 nor more than 28 days later) and at such other time and/or place as the chairman (or, in default, the board) decides.

- (B) At an adjourned meeting the quorum is one member present in person or by proxy and entitled to vote. If a quorum is not present within five minutes from the time fixed for the start of the meeting, the adjourned meeting shall be dissolved.
- (C) Save where the time and place for the adjourned meeting has been specified for the purpose in the notice convening the meeting as referred to in paragraph (A) above (in which case notice of the adjourned meeting need not be given), the Company shall give not less than seven clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

**49. Chairman**

- (A) The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at a general meeting. If there is no chairman or deputy chairman, or if at a meeting neither is present and willing and able to act within five minutes after the time fixed for the start of the meeting or neither is willing and able to act, the directors present shall select one of their number to be chairman. If only one director is present and willing and able to act, he shall be chairman. In default, the members present in person and entitled to vote shall choose one of their number to be chairman.
- (B) Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman may take such action as he thinks fit to promote the orderly conduct of the business of the meeting as specified in the notice of meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final, as shall be his determination as to whether any matter is of such a nature.

**50. Right to attend and speak**

- (A) Each director shall be entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares or debentures whether or not he is a member.
- (B) The chairman may invite any person to attend and speak at any general meeting of the Company where he considers that this will assist in the deliberations of the meeting.

**51. Power to adjourn**

- (A) The chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn a meeting from time to time and from place to place or for an indefinite period.

- (B) Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to:
- (i) secure the proper and orderly conduct of the meeting;
  - (ii) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or
  - (iii) ensure that the business of the meeting is properly disposed of.

**52. Notice of adjourned meeting**

- (A) Whenever a meeting is adjourned for 28 days or more or for an indefinite period pursuant to article 51, at least seven clear days' notice specifying the place, date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of the articles or the terms of allotment or issue of the shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances it is not necessary to give notice of a meeting adjourned pursuant to article 51 or of the business to be transacted at the adjourned meeting.
- (B) The board may determine that persons entitled to receive notice of an adjourned meeting in accordance with this article are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being sent.
- (C) The notice of an adjourned meeting given in accordance with this article may also specify a time (which, if the Company is a participating issuer, shall not be more than 48 hours before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

**53. Business at adjourned meeting**

No business may be transacted at an adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

**54. Accommodation of members at meeting**

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall be duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a member who is unable to be accommodated is able to:



- (i) participate in the business for which the meeting has been convened;
- (ii) hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere; and
- (iii) be heard and seen by all other persons present in the same way.

#### **55. Security**

The board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that may be taken into the meeting place. The board may authorise one or more persons, who shall include a director or the secretary or the chairman of the meeting to:

- (i) refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions; and
- (ii) eject from a meeting any person who causes the proceedings to become disorderly.

### **VOTING**

#### **56. Method of voting**

(A) At a general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is properly demanded by:

- (i) the chairman of the meeting;
- (ii) not less than five members present in person or by proxy and entitled to vote;
- (iii) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a proxy is deemed to be a demand by the member appointing the proxy.

(B) Unless a poll is demanded (and the demand is not duly withdrawn), a declaration by the chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, is conclusive evidence of the fact

without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**57. Procedure on a poll**

- (A) If a poll is properly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be members, and may fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (B) A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time and place as the chairman decides, either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand).
- (C) No notice need 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 seven clear days' notice shall be given specifying the time and place at which the poll shall be taken.
- (D) The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates 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, the meeting shall continue as if the demand had not been made.
- (E) The demand for a poll (other than on the election of the chairman or on a question of adjournment) does not prevent the meeting continuing for the transaction of business other than the question on which a poll has been demanded.
- (F) On a poll, votes may be given in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way, whether present in person or by proxy.

**58. Votes of members**

- (A) Subject to special rights or restrictions as to voting attached to any class of shares by or in accordance with the articles, at a general meeting every member present in person has on a show of hands one vote and every member present in person or by proxy has on a poll one vote for every share of which he is the holder.
- (B) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote or votes of the other joint holder or holders, and seniority is determined by the order in which the names of the holders stand in the register.
- (C) A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be

suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator bonis or other authorised and appointed person may, on a poll, vote by proxy if evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is received at the office (or at another place specified in accordance with the articles for the delivery or receipt of forms of appointment of a proxy) or in any other manner specified in the articles for the appointment of a proxy within the time limits prescribed by the articles for the appointment of a proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

**59. Casting vote**

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

**60. Restriction on voting rights for unpaid calls etc.**

Unless the board otherwise decides, no member is entitled in respect of a share held by him to be present or to vote, either in person or by proxy, at a general meeting or at a separate meeting of the holders of class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, if a call or other amount due and payable in respect of the share is unpaid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of the non-payment.

**61. Voting by proxy**

- (A) Subject to paragraph (B) below, an instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the board) executed under the hand of the appointor or his duly constituted attorney or, if the appointor is a company, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign.
- (B) Subject to the Acts, the board may accept the appointment of a proxy received in an electronic communication on such terms and subject to such conditions as it considers fit. The appointment of a proxy received in an electronic communication shall not be subject to the requirements of paragraph (A) above. The board may require the production of any evidence it considers necessary to determine the validity of such an appointment.
- (C) Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll (but shall not confer any further right to speak at the meeting except with the permission of the chairman) and to vote on a

resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.

- (D) A proxy need not be a member.
- (E) A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.
- (F) Delivery or receipt of an appointment of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- (G) The appointment of a proxy shall (unless the contrary is stated in it) be valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. The appointment of a proxy shall be valid for 12 months from the date of execution or, in the case of an appointment of proxy delivered in an electronic communication, for 12 months from the date of delivery unless otherwise specified by the board.
- (H) Subject to the Acts and the requirements of the listing rules of the UKLA, the Company may send a form of appointment of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting. If sent, the form shall provide for two-way voting on all resolutions set out in the notice of meeting.

## **62. Appointment of proxy**

- (A) The form of appointment of a proxy, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, shall be:
  - (i) in the case of an instrument in writing, delivered to the office, or another place in the United Kingdom specified in the notice convening the meeting or in the form of appointment of proxy or other accompanying document sent by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the form of appointment of proxy proposes to vote;
  - (ii) in the case of an appointment of a proxy contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:
    - (a) in the notice convening the meeting; or
    - (b) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or

- (c) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

received at such address not less than 48 hours before the time for holding the meeting at which the person named in the form of appointment of proxy proposes to vote;

- (iii) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, delivered or received as required by paragraphs (i) or (ii) not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- (iv) in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the secretary or to a director.

An appointment of proxy not delivered or received in accordance with this article is invalid.

- (B) Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the board may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an uncertificated proxy instruction 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. The board may in addition prescribe the method of determining the time at which any such uncertificated proxy instruction (and/or other instruction or notification) is to be treated as received by the Company or a participant acting on its behalf. The board 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.

**63. When votes by proxy valid although authority revoked**

A vote cast or poll demanded by a proxy or authorised representative of a company is valid despite the previous death or insanity or revocation of the appointment of the proxy or of the authority under which the appointment was made unless notice of such prior death, insanity or revocation shall have been received by the Company at the office or, in the case of a proxy, any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of proxy was contained in an electronic communication, at the address at which the form of appointment was received, not later than the last time at which an appointment of proxy should have been delivered or received in order to be valid for use at the meeting or adjourned meeting at which the vote is cast or the poll demanded or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for use on the holding of the poll at which the vote is cast.

64. **Corporate representatives**

A company which is a member may, by resolution of its directors or other governing body, whether or not expressed to be pursuant to any provision of the Acts, authorise one or more persons to act as its representatives at a meeting or at a separate meeting of the holders of a class of shares (a "**representative**"). Each representative is entitled to exercise on behalf of the company (in respect of that part of the company's holding of shares to which the authorisation relates) those powers that the company could exercise if it were an individual member. The company is for the purposes of the articles deemed to be present in person at a meeting if a representative is present. All references to attendance and voting in person shall be construed accordingly. A director, the secretary or other person authorised for the purpose by the secretary may require a representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

65. **Objections to and error in voting**

No objection may be made to the qualification of a voter or to the counting of, or failure to count, a vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. An objection properly made shall be referred to the chairman and only invalidates the decision of the meeting on any resolution if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman on such matters is conclusive and binding on all concerned.

66. **Amendments to resolutions**

No amendment to a resolution duly proposed as a special or extraordinary resolution (other than an amendment to correct a patent error) may be considered or voted on. No amendment to a resolution duly proposed as an ordinary resolution (other than an amendment to correct a patent error) may be considered or voted on unless either:

- (i) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office; or
- (ii) the chairman in his absolute discretion decides that the amendment may be considered or voted on.

If an amendment proposed to a resolution under consideration is ruled out of order by the chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

67. **Members' written resolutions**

A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was

present shall be as effective as if it had been passed at a general meeting duly convened and held. The resolution in writing may consist of several instruments in the same form each duly executed by or on behalf of one or more members. If the resolution in writing is described as a special resolution or as an extraordinary resolution, it shall have effect accordingly.

68. **Class meetings**

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as an extraordinary general meeting, except that:

- (i) no member is entitled to notice of it or to attend unless he is a holder of shares of that class;
- (ii) no vote may be cast except in respect of a share of that class;
- (iii) the quorum at the meeting is two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of that class (excluding any share of that class held as treasury shares);
- (iv) the quorum at an adjourned meeting is one person holding shares of that class present in person or by proxy; and
- (v) a poll may be demanded in writing by a member present in person or by proxy and entitled to vote at the meeting and on a poll each member has one vote for every share of that class of which he is the holder.

69. **Failure to disclose interests in shares**

- (A) Having regard to the requirements of the listing rules of the UKLA, where notice is served by the Company under section 212 of the Act (a "**section 212 notice**") on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "**default shares**", which expression includes any shares allotted or issued after the date of the section 212 notice in respect of those shares) to give the Company the information required within the prescribed period from the date of service of the section 212 notice, the following sanctions apply, unless the board otherwise decides:

- (i) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and
- (ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (excluding any share of their class held as treasury shares):
  - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member shall not be entitled to

elect, pursuant to article 129, to receive shares instead of a dividend;  
and

(b) no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer or:

(i) the member is not himself in default in supplying the information required; and

(ii) the member proves to the satisfaction of the board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

(B) For the purpose of enforcing the sanction in paragraph (A)(ii)(b), the board may give notice to the member requiring the member to change default shares held in uncertificated form to certificated form by the time stated in the notice. The notice may also state that the member may not change any default shares held in certificated form to uncertificated form. If the member does not comply with the notice, the board may require the Operator to convert default shares held in uncertificated form into certificated form in the name and on behalf of the member in accordance with the Uncertificated Securities Regulations.

(C) The sanctions under paragraph (A) cease to apply seven days after the earlier of:

(i) receipt by the Company of notice of an excepted transfer, but only in relation to the shares thereby transferred; and

(ii) receipt by the Company, in a form satisfactory to the board, of all the information required by the section 212 notice.

(D) Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 212 notice to another person, it shall at the same time send a copy of the section 212 notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of paragraphs (A) or (B).

(E) For the purposes of this article 69:

(i) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member or, pursuant to a section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;

(ii) "**interested**" shall be construed as it is for the purpose of section 212 of the Act;



- (iii) reference to a person having failed to give the Company the information required by a section 212 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it, and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
  - (iv) the "**prescribed period**" means 14 days;
  - (v) an "**excepted transfer**" means, in relation to shares held by a member:
    - (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 428(1) of the Act); or
    - (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or
    - (c) a transfer which is shown to the satisfaction of the board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
- (F) The provisions of this article are in addition and without prejudice to the provisions of the Acts.

#### APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

##### 70. **Number of directors**

Unless and until otherwise decided by the Company by ordinary resolution the number of directors must not be less than two and must not be more than 10.

##### 71. **Power of the Company to appoint directors**

Subject to the articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed any maximum number fixed in accordance with the articles.

##### 72. **Power of the board to appoint directors**

Without prejudice to the power of the Company to appoint a person to be a director pursuant to the articles, the board may appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed any maximum number fixed in accordance with the articles. A director appointed in this way may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that

meeting. He is not required, and is not taken into account in determining the number of directors who are, to retire by rotation at the meeting.

**73. Appointment of executive directors.**

- (A) Subject to the Acts, the board may appoint one or more of its body to hold an executive office with the Company for such term and on such other terms and conditions as (subject to the Acts) the board thinks fit. The board may revoke or terminate an appointment, without prejudice to a claim for damages for breach of the contract of service between the director and the Company or otherwise.
- (B) Subject to the Acts, the board may enter into an agreement or arrangement with any director for the provision of any services outside the scope of the ordinary duties of a director. Any such agreement or arrangement may be made on such terms and conditions as (subject to the Acts) the board thinks fit and (without prejudice to any other provision of the articles) it may remunerate any such director for such services as it thinks fit.

**74. Eligibility of new directors**

- (A) No person other than a director retiring (by rotation or otherwise) may be appointed or reappointed a director at a general meeting unless:
  - (i) he is recommended by the board; or
  - (ii) not less than seven nor more than 42 days before the date fixed for the meeting, notice has been given to the Company by a member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall (a) state the particulars which would, if the proposed director were appointed or reappointed, be required to be included in the Company's register of directors, (b) be accompanied by notice given by the proposed director of his willingness to be appointed or reappointed, and (c) be lodged at the office.
- (B) A director need not be a member.

**75. Voting on resolution for appointment**

A resolution for the appointment of two or more persons as directors by a single resolution is void unless an ordinary resolution that the resolution for appointment is proposed in this way has first been agreed to by the meeting without a vote being given against it.

**76. Retirement by rotation**

- (A) Subject to paragraph (B) below, at each annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from

office provided that if there are fewer than three directors who are subject to retirement by rotation, one shall retire from office.

(B) If any one or more directors:

- (i) were last appointed or reappointed three years or more prior to the meeting;
- (ii) were last appointed or reappointed at the third immediately preceding annual general meeting; or
- (iii) at the time of the meeting will have served more than eight years as a non-executive director of the Company (excluding as the chairman of the board),

he or they shall retire from office and shall be counted in obtaining the number required to retire at the meeting, provided that the number of directors required to retire under paragraph (A) above shall be increased to the extent necessary to comply with this paragraph.

**77. Directors subject to retirement**

Subject to the Acts and the articles, the directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a director who wishes to retire and not offer himself for reappointment, and, second, those directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the director to retire shall, in default of agreement between them, be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined on the basis of the composition of the board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the directors after that time but before the close of the meeting.

**78. Position of retiring director**

A director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

**79. Deemed reappointment**

At a general meeting at which a director retires by rotation the Company may fill the vacancy and, if it does not do so, the retiring director shall be, if willing, deemed reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

80. **No retirement on account of age**

No person is incapable of being appointed a director by reason of his having reached the age of 70 or another age. Special notice is not required in connection with the appointment or the approval of the appointment of such person. No director is required to vacate his office because he has reached the age of 70 or another age and section 293 of the Act does not apply to the Company. Where a general meeting is convened at which, to the knowledge of the board, a director is to be proposed for appointment or reappointment who is at the date of the meeting 70 or more, the board shall give notice of his age in the notice convening the meeting or in a document accompanying the notice, but the accidental omission to do so does not invalidate proceedings or an appointment or reappointment of that director at that meeting.

81. **Removal by ordinary resolution**

In addition to any power of removal conferred by the Acts, the Company may by ordinary resolution remove a director before the expiry of his period of office (without prejudice to a claim for damages for breach of contract or otherwise) and may (subject to the articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. A person appointed in this way is treated, for the purposes of determining the time at which he or another director is to retire, as if he had become a director on the date on which the person in whose place he is appointed was last appointed or reappointed a director.

82. **Vacation of office by director**

- (A) Without prejudice to the provisions for retirement (by rotation or otherwise) contained in the articles, the office of a director is vacated if:
- (i) he resigns by notice delivered to the secretary at the office or tendered at a board meeting;
  - (ii) where he has been appointed for a fixed term, the term expires;
  - (iii) he ceases to be a director by virtue of a provision of the Acts, is removed from office pursuant to the articles or becomes prohibited by law from being a director;
  - (iv) he becomes bankrupt or compounds with his creditors generally or he applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that act;
  - (v) he is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health or any court claiming jurisdiction on the ground of mental disorder (however stated) makes an order for his detention or for the appointment of a guardian, receiver or other person (howsoever designated) to exercise powers with respect to his property or affairs, and in any such case the board resolves that his office be vacated;

- (vi) both he and his alternate director appointed pursuant to the provisions of the articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated; or
  - (vii) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors (without prejudice to a claim for damages for breach of contract or otherwise).
- (B) A resolution of the board declaring a director to have vacated office under the terms of this article is conclusive as to the fact and grounds of vacation stated in the resolution.
- (C) If the office of a director is vacated for any reason, he shall cease to be a member of any committee of the board.

### ALTERNATE DIRECTORS

#### 83. Appointment

- (A) A director (other than an alternate director) may by notice delivered to the secretary at the office or tabled at a meeting of the board, or in any other manner approved by the board, appoint as his alternate director:
- (i) another director, or
  - (ii) another person approved by the board and willing to act.

No appointment of an alternate director who is not already a director shall be effective until his consent to act as a director in the form prescribed by the Acts has been received at the office or tabled at a meeting of the board.

- (B) An alternate director need not be a member and shall not be counted in reckoning the number of directors for the purpose of article 70.

#### 84. Revocation of appointment

A director may by notice delivered to the secretary at the office or tabled at a meeting of the board revoke the appointment of his alternate director and, subject to the provisions of article 83, appoint another person in his place. If a director ceases to hold the office of director or if he dies, the appointment of his alternate director automatically ceases. If a director retires but is reappointed or deemed reappointed at the meeting at which his retirement takes effect, a valid appointment of an alternate director which was in force immediately before his retirement continues to operate after his reappointment as if he has not retired. The appointment of an alternate director ceases on the happening of an event which, if he were a director otherwise appointed, would cause him to vacate office.

**85. Participation in board meetings**

An alternate director shall be, if he gives the Company an address in the United Kingdom at which notices may be served on him or an address at which notices may be served on him by electronic communications, entitled to receive notice of all meetings of the board and all committees of the board of which his appointor is a member and, in the absence from those meetings of his appointor, to attend and vote at the meetings and to exercise all the powers, rights, duties and authorities of his appointor. A director acting as alternate director has a separate vote at meetings of the board and committees of the board for each director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

**86. Responsibility**

A person acting as an alternate director shall be an officer of the Company, shall alone be responsible to the Company for his acts and defaults, and shall not be deemed to be the agent of his appointor.

**REMUNERATION, EXPENSES AND PENSIONS**

**87. Directors' fees**

- (A) Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the directors (but not alternate directors) for their services as directors such amount of aggregate fees as the board decides (as determined by the Board from time to time in consultation with the Company's independent advisers). The aggregate fees shall be divided among the directors in such proportions as the board decides or, if no decision is made, equally. A fee payable to a director pursuant to this article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the articles or otherwise and accrues from day to day.
- (B) Subject to the Acts and to the articles and the requirements of the listing rules of the UKLA, the board may arrange for part of a fee payable to a director under this article to be provided in the form of fully-paid shares in the capital of the Company. The amount of the fee payable in this way shall be at the discretion of the board and shall be applied in the purchase or subscription of shares on behalf of the relevant director. In the case of a subscription of shares, the subscription price per share shall be deemed to be the closing middle-market quotation for a fully-paid share of the Company of that class as published in the Daily Official List of the London Stock Exchange (or such other quotation derived from such other source as the board may deem appropriate) on the day of subscription.

**88. Additional remuneration**

A director who, at the request of the board, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the board may decide.

**89. Expenses**

A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director including, without limitation, expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures.

**90. Remuneration and expenses of alternate directors**

An alternate director is not entitled to a fee from the Company for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him under article 89 had he been a director.

**91. Directors' pensions and other benefits**

(A) The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for a person who is or has at any time been a director of:

- (i) the Company;
- (ii) a company which is or was a subsidiary undertaking of the Company;
- (iii) a company which is or was allied to or associated with the Company or a subsidiary undertaking of the Company; or
- (iv) a predecessor in business of the Company or of a subsidiary undertaking of the Company,

(or, in each case, for any member of his family, including a spouse or former spouse, or a person who is or was dependent on him). For this purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may arrange for this to be done by the Company alone or in conjunction with another person.

(B) A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under paragraph (A) and is not obliged to account for it to the Company.

**92. Remuneration of executive directors**

The salary or other remuneration of a director appointed to hold employment or executive office in accordance with the articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided

by the board, and may be in addition to or instead of a fee payable to him for his services as director pursuant to the articles.

## **POWERS AND DUTIES OF THE BOARD**

### **93. Powers of the board**

Subject to the Acts, the memorandum of association of the Company and the articles and to directions given by special resolution of the Company, the business and affairs of the Company shall be managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association or of the articles and no direction given by the Company shall invalidate a prior act of the board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of the articles giving specific powers to the board do not limit the general powers given by this article.

### **94. Powers of directors being less than minimum required number**

If the number of directors is less than the minimum prescribed by the articles or decided by the Company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office (subject to the articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

### **95. Powers of executive directors**

The board may delegate to a director holding executive office any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, without limitation, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. The board may at any time revoke the delegation or alter its terms and conditions.

### **96. Delegation to committees**

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to a committee consisting of one or more persons (whether a member or members of the board or not) as it thinks fit. A committee may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the board or of the committee). The board may retain or exclude its right to exercise the delegated powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter any terms and conditions or discharge the committee in whole or in part. Where a provision of the



articles refers to the exercise of a power, authority or discretion by the board (including, without limitation, the power to pay fees, remuneration, additional remuneration, expenses and pensions and other benefits pursuant to articles 73 or 87 to 92) and that power, authority or discretion has been delegated by the board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

97. **Agents**

The board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, without limitation, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation.

98. **Associate directors**

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word "director" or attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word "director" in the designation or title of an office or employment does not imply that the person is, or is deemed to be, or is empowered to act as, a director for any of the purposes of the Acts or the articles.

99. **Exercise of voting powers**

Subject to article 102, the board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

100. **Provision for employees**

The board may exercise the powers conferred on the Company by the Acts to make provision for the benefit of a person employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family, including a spouse or former spouse, or any person who is or was dependent on him) in connection with the cessation or the transfer to a person of the whole or part of the undertaking of the Company or the subsidiary undertaking.

101. **Registers**

Subject to the Acts and the Uncertificated Securities Regulations, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas, local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register.

102. **Borrowing powers**

(A) Subject to the following provisions of this article, the board may exercise all the powers of the Company to borrow money and to mortgage or charge all or part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the Acts, to issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third party.

(B) The board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to ensure (as regards subsidiary undertakings, to the extent possible) that the aggregate principal amount outstanding in respect of moneys borrowed by the group does not at any time without the previous sanction of an ordinary resolution of the Company exceed a sum equal to the greater of three times the adjusted capital and reserves and £225 million.

(C) In this article:

(i) **"adjusted capital and reserves"** means a sum equal to the aggregate of:

(a) the amount paid up on the allotted share capital of the Company; and

(b) the amount standing to the credit or debit of the consolidated reserves of the Company and its subsidiary undertakings;

all as shown in the relevant balance sheet but after:

(c) making all adjustments which are, in the opinion of the board, necessary or appropriate to take account of:

(I) a variation in the amounts referred to in paragraphs (a) and (b) since the date of the relevant balance sheet arising out of the allotment of shares in the capital of the Company; for this purpose if a proposed allotment of shares by the Company for cash has been underwritten, those shares are deemed to have been allotted and the amount (including any premium) of the subscription moneys payable in respect of those shares (not being moneys payable later than six months after the date of allotment) are deemed to have been paid up to the extent underwritten on the date on which the issue of those shares

was underwritten (or, if the underwriting was conditional, the date on which it became unconditional); and

(II) other changes in circumstances since the date of the relevant balance sheet;

(ii) "**group**" means:

- (a) the Company;
- (b) all undertakings which are included in the consolidated group accounts in which the relevant balance sheet is comprised and which would be so included if group accounts were prepared at the relevant time (as if that time were the end of the Company's financial year); and
- (c) all undertakings which are not included in the consolidated group accounts in which the relevant balance sheet is comprised but which would be so included if group accounts were prepared at the relevant time (as if that time were the end of the Company's financial year);

(iii) "**group undertaking**" means the Company or another undertaking in the group;

(iv) "**moneys borrowed**" means all moneys borrowed including, without limitation:

- (a) the nominal amount of and the amount of any premium paid in respect of any allotted share capital (not being equity share capital) of a group undertaking other than the Company not beneficially owned, directly or indirectly, by another group undertaking;
- (b) any amount raised by acceptance under an acceptance credit facility;
- (c) any amount raised under a note purchase facility;
- (d) the amount of any liability in respect of a lease or hire purchase contract which would, in accordance with generally accepted accounting standards in the United Kingdom, be treated as a finance or capital lease;
- (e) the amount of any liability in respect of a purchase price for assets or services the payment of which is deferred for a period of more than 90 days; and
- (f) any amount raised under another transaction (including, without limitation, a forward sale or purchase agreement) having the commercial effect of a borrowing;

but excluding:

- (g) borrowings by one group undertaking from another, including the principal amount of any loan capital (whether secured or unsecured) and the nominal amount of any allotted or issued share capital (not being equity share capital) of a group undertaking beneficially owned, directly or indirectly, by another group undertaking;
- (h) borrowings for the purpose of financing a contract to the extent that the price receivable under the contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by another person fulfilling a similar function;
- (i) borrowings for the purpose of, and to be applied within six months of being made in, repaying the whole or part of borrowings that constitute moneys borrowed for the purposes of this article, pending their application for that purpose within that period;

and in calculating moneys borrowed for the purposes of this article, there shall be deducted:

- (j) an amount equal to the aggregate of:
  - (I) all cash in hand and cash deposits repayable on demand with any bank or financial institution (not itself a group undertaking); and
  - (II) investments which are readily convertible into known amounts of cash with notice of 48 hours or less;

in each case beneficially owned, directly or indirectly, by a group undertaking and whether denominated in sterling or in a currency other than sterling;

- (v) **"relevant balance sheet"** means the consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings comprised in the latest group accounts prepared and approved by the board and on which the auditors have made their report pursuant to the Acts.

(D) When the amount of moneys borrowed to be taken into account for the purposes of this article on a particular day is being calculated, moneys denominated or repayable in a currency other than the currency in which the relevant balance sheet is prepared (the **"balance sheet currency"**) shall be converted for the purpose of calculating the balance sheet currency equivalent either:

- (i) at the rate of exchange specified in a forward purchase contract, currency option, back-to-back loan, swap or other arrangement taken out or entered into to reduce the risk associated with fluctuations in rates of exchange in respect of repayment of those moneys (a **"hedging agreement"**); or

- (ii) if those moneys were borrowed on or before the date of the relevant balance sheet and repayment of those moneys has not been covered by a hedging agreement, at the more favourable to the Company of:
  - (a) the rate of exchange used for the conversion of that currency in the relevant balance sheet, or
  - (b) the middle-market rate of exchange quoted by a London clearing bank selected by the board at the close of business in London on the business day immediately preceding the day on which the calculation falls to be made; or
- (iii) if those moneys were borrowed after the date of the relevant balance sheet and repayment of those moneys has not been covered by a hedging agreement, at the more favourable to the Company of:
  - (a) the middle-market rate of exchange quoted by a London clearing bank selected by the board at the close of business in London on the date of the relevant balance sheet, or
  - (b) the middle-market rate of exchange quoted by a London clearing bank selected by the board at the close of business in London on the business day immediately preceding the day on which the calculation falls to be made.
- (E) A report of the auditors as to the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed for the purposes of this article is conclusive and binding on all concerned. Nevertheless the board may at any time act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed. If in consequence the limit on moneys borrowed set out in this article is inadvertently exceeded, the amount of moneys borrowed equal to the excess may be disregarded for 90 days after the date on which by reason of a determination of the auditors or otherwise the board becomes aware that this situation has or may have arisen.
- (F) No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this article is invalid or ineffectual except where express notice that the limit has been or will be exceeded has been given to the lender or recipient of the security at the time when the debt is incurred or security given. No lender or other person dealing with the Company is concerned to see or enquire whether the limit is observed.

#### 103. **Register of charges**

The Company shall keep a register of charges in accordance with the Acts and the fee to be paid by a person other than a creditor or member for each inspection of the register of charges is the maximum sum prescribed by the Acts or, failing which, decided by the board.

104. **Directors' interests**

- (A) Subject to the Acts and provided he has disclosed to the board the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:
- (i) may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit or as seller, buyer or otherwise;
  - (ii) may hold another office or place of profit with the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company, and in that case on such terms as to remuneration and otherwise as the board may decide either in addition to or instead of remuneration provided for by another article;
  - (iii) may be a director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment; and
  - (iv) is not liable to account to the Company for a profit, remuneration or other benefit realised by such contract, arrangement, transaction, proposal, office or employment and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.
- (B) A director who, to his knowledge, is in any way (directly or indirectly) interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board after he knows that he is or has become interested. For the purposes of this article:
- (i) a general notice given to the board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in a contract, transaction, arrangement or proposal in which a specified person or class of persons is interested is a sufficient disclosure under this article in relation to that contract, transaction, arrangement or proposal; and
  - (ii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.
- (C) A director may not vote on or be counted in the quorum in relation to a resolution of the board or of a committee of the board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which is, to his knowledge, 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), but this prohibition does not apply to a resolution concerning any of the following matters:

- (i) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
  - (ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
  - (iii) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - (iv) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise (a "**relevant company**"), if he does not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the Act) representing one per cent. or more of either any class of the equity share capital of or the voting rights in the relevant company;
  - (v) a contract, arrangement, transaction or proposal for the benefit of the employees of the Company or any of its subsidiary undertakings (including any pension fund or retirement, death or disability scheme) which does not award him a privilege or benefit not generally awarded to the employees to whom it relates; and
  - (vi) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.
- (D) A director may not vote on or be counted in the quorum in relation to a resolution of the board or committee of the board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including, without limitation, fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each director. In that case each of the directors concerned (if not otherwise debarred from voting under this

article) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

- (E) If a question arises at a meeting as to the materiality of a director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a director (other than the chairman) to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the director concerned is conclusive and binding on all concerned.
- (F) If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.
- (G) For the purposes of this article, the interest of a person who is for the purposes of the Acts connected with (within the meaning of section 346 of the Act) a director is treated as the interest of the director and, in relation to an alternate director, the interest of his appointor is treated as the interest of the alternate director in addition to an interest which the alternate director otherwise has. This article applies to an alternate director as if he were a director otherwise appointed.
- (H) Subject to the Acts, the Company may by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any contract, arrangement, transaction or proposal not properly authorised by reason of a contravention of this article.

#### PROCEEDINGS OF DIRECTORS AND COMMITTEES

##### 105. **Board meetings**

Subject to the articles, the board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

##### 106. **Notice of board meetings**

A director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by word of mouth or by electronic communication to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. A director absent or intending to be absent from the United Kingdom may request that notices of board meetings during his absence be sent in writing to him or by electronic communication to an address given by him to the Company for that purpose. If no request is made



(and/or if no such non-United Kingdom address is given) it is not necessary to give notice of a board meeting to a director who is absent from the United Kingdom.

107. **Quorum**

The quorum necessary for the transaction of business may be decided by the board and until otherwise decided is two directors present in person or by alternate director. A duly convened meeting of the board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board.

108. **Chairman of board**

The board may appoint one of its body as chairman to preside at every board meeting at which he is present and one or more deputy chairman or chairmen and decide the period for which he is or they are to hold office (and may at any time remove him or them from office). If no chairman or deputy chairman is elected, or if at a meeting neither the chairman nor a deputy chairman is present within five minutes of the time fixed for the start of the meeting, the directors and alternate directors (in the absence of their appointors) present shall choose one of their number to be chairman. If two or more deputy chairmen are present, the senior of them shall act as chairman, seniority being determined by length of office since their last appointment or reappointment or deemed reappointment. As between two or more who have held office for an equal length of time, the deputy chairman to act as chairman shall be decided by those directors and alternate directors (in the absence of their appointors) present. A chairman or deputy chairman may hold executive office or employment with the Company.

109. **Voting**

Questions arising at a meeting of the board are determined by a majority of votes. In case of an equality of votes the chairman has a second or casting vote.

110. **Participation by telephone**

A director or his alternate director may participate in a meeting of the board or a committee of the board through the medium of conference telephone, video teleconference or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Acts, all business transacted in this way by the board or a committee of the board is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

**111. Resolution in writing**

A resolution in writing executed by all directors for the time being entitled to receive notice of a board meeting and not being less than a quorum or by all members of a committee of the board for the time being entitled to receive notice of a committee meeting and not being less than a quorum is as valid and effective for all purposes as a resolution passed at a meeting of the board (or committee, as the case may be). The resolution in writing may consist of several documents in the same form each executed by one or more of the directors or members of the relevant committee. The resolution in writing need not be executed by an alternate director if it is executed by his appointor and a resolution executed by an alternate director need not be executed by his appointor.

**112. Proceedings of committees**

- (A) Proceedings of any committee of the board consisting of two or more members shall be conducted in accordance with terms prescribed by the board (if any). Subject to those terms and paragraph (B) below, proceedings shall be conducted in accordance with applicable provisions of the articles regulating the proceedings of the board.
- (B) Where the board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed directors, it is not necessary to give notice of a meeting of that committee to directors other than the director or directors who form the committee.

**113. Minutes of proceedings**

- (A) The board shall cause minutes to be made in books kept for the purpose of:
  - (i) all appointments of officers and committees made by the board and of any remuneration fixed by the board; and
  - (ii) the names of directors present at every meeting of the board, committees of the board, meetings of the Company or meetings of the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.
- (B) If purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, minutes are receivable as prima facie evidence of the matters stated in them.

**114. Validity of proceedings of board or committee**

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director, alternate director or member of a committee are, notwithstanding that it is afterwards discovered that there was a defect in the appointment of a person or persons acting, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, as valid as if every such person had been duly appointed, and was duly qualified and had

continued to be a director, alternate director or member of a committee and entitled to vote.

## SECRETARY AND AUTHENTICATION OF DOCUMENTS

### 115. **Secretary**

- (A) Subject to the Acts, the board shall appoint a secretary or joint secretaries and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including, without limitation, remuneration) as it thinks fit. The board may remove a person appointed pursuant to this article from office and appoint another or others in his place.
- (B) Any provision of the Acts or of the articles requiring or authorising a thing to be done by or to a director and the secretary is not satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

### 116. **Authentication of documents**

A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including, without limitation, the memorandum of association and the articles) and resolutions passed by the Company or holders of a class of shares or the board or a committee of the board and books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts.

## SEALS

### 117. **Safe custody**

The board shall provide for the safe custody of every seal.

### 118. **Application of seals**

A seal may be used only by the authority of a resolution of the board or of a committee of the board. The board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share certificate, on which the seal may be printed) either generally or in relation to a particular instrument or type of instrument. The board may also decide, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical means. Unless otherwise decided by the board:

- (i) share certificates and certificates issued in respect of debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed; and
- (ii) every other instrument to which a seal is affixed shall be signed by one director and by the secretary or a second director.

**119. Official seal for use abroad**

The Company may exercise the powers conferred by the Acts with regard to having an official seal for use abroad, and those powers shall be vested in the board.

**DIVIDENDS AND OTHER PAYMENTS**

**120. Declaration of dividends**

Subject to the Acts and the articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the board.

**121. Interim dividends**

Subject to the Acts, the board may declare and pay such interim dividends (including, without limitation, a dividend payable at a fixed rate) as appear to it to be justified by the profits of the Company available for distribution. No interim dividend shall be declared or paid on shares which do not confer preferred rights with regard to dividend if, at the time of declaration, any dividend on shares which do confer a right to a preferred dividend is in arrears. If the board acts in good faith, it does not incur any liability to the holders of shares conferring preferred rights for a loss they may suffer by the lawful payment of an interim dividend on shares ranking after those with preferred rights.

**122. Entitlement to dividends**

(A) Except as otherwise provided by the rights attached to, or the terms of issue of, shares:

- (i) a dividend shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this article as paid up on the share; and
- (ii) dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

(B) Except as otherwise provided by the rights attached to shares, dividends may be declared or paid in any currency. The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

123. **Method of payment**

- (A) The Company may pay any dividend, interest or other amount payable in respect of a share:
- (i) in cash;
  - (ii) by cheque, warrant or money order made payable to or to the order of the person entitled to the payment (and may, at the Company's option, be crossed "account payee" where appropriate);
  - (iii) by a bank or other funds transfer system to an account designated in writing by the person entitled to the payment;
  - (iv) if the board so decides, by means of a relevant system in respect of an uncertificated share, subject to any procedures established by the board to enable a holder of uncertificated shares to elect not to receive dividends by means of a relevant system and to vary or revoke any such election; or
  - (v) by such other method as the person entitled to the payment may in writing direct and the board may agree.
- (B) The Company may send a cheque, warrant or money order by post:
- (i) in the case of a sole holder, to his registered address;
  - (ii) in the case of joint holders, to the registered address of the person whose name stands first in the register;
  - (iii) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with article 139; or
  - (iv) in any case, to a person and address that the person or persons entitled to the payment may in writing direct.
- (C) Where a share is held jointly or two or more persons are jointly entitled by transmission to a share:
- (i) the Company may pay any dividend, interest or other amount payable in respect of that share to any one joint holder, or any one person entitled by transmission to the share, and in either case that holder or person may give an effective receipt for the payment; and
  - (ii) for any of the purposes of this article 123, the Company may rely in relation to a share on the written direction or designation of any one joint holder of the share, or any one person entitled by transmission to the share.
- (D) Every cheque, warrant or money order sent by post is sent at the risk of the person entitled to the payment. If payment is made by bank or other funds transfer, by means of a relevant system or by another method at the direction of the person entitled to

payment, the Company is not responsible for amounts lost or delayed in the course of making that payment.

- (E) Without prejudice to article 69, the board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided such evidence of his right as the board may reasonably require.

**124. Dividends not to bear interest**

No dividend or other amount payable by the Company in respect of a share bears interest as against the Company unless otherwise provided by the rights attached to the share.

**125. Calls or debts may be deducted from dividends etc.**

The board may deduct from a dividend or other amounts payable to a person in respect of a share amounts due from him to the Company on account of a call or otherwise in relation to a share.

**126. Unclaimed dividends etc.**

Any unclaimed dividend, interest or other amount payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. A dividend unclaimed for a period of 12 years from the date it was declared or became due for payment is forfeited and ceases to remain owing by the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

**127. Uncashed dividends**

If, in respect of a dividend or other amount payable in respect of a share, on any one occasion:

- (i) a cheque, warrant or money order is returned undelivered or left uncashed; or
- (ii) a transfer made by a bank or other funds transfer system is not accepted,

and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to that person until he notifies the Company of an address or account to be used for that purpose. If the cheque, warrant or money order is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, the Company may exercise this power without making any such enquiries.

**128. Payment of dividends in specie**

Without prejudice to article 69, the board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly

or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Where a difficulty arises in connection with the distribution, the board may settle it as it thinks fit and in particular, without limitation, may:

- (i) issue fractional certificates (or ignore fractions);
- (ii) fix the value for distribution of the specific assets (or any part of them);
- (iii) decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution; and
- (iv) vest assets in trustees on trust for the persons entitled to the dividend as seems expedient to the board.

**129. Payment of scrip dividends**

- (A) Subject to the Acts, but without prejudice to article 69, the board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or ordinary shares in either case credited as fully paid ("**new shares**") instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the board may in its absolute discretion deem necessary or expedient to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory.
- (B) Where a resolution under article 129(A) is to be proposed at a general meeting and the resolution relates in whole or in part to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting.
- (C) A resolution under article 129(A) may relate to a particular dividend or to all or any dividends declared or paid within a specified period.
- (D) The board shall determine the basis of allotment of new shares so that, as nearly as may be considered convenient without involving rounding up of fractions, the value of the new shares (including a fractional entitlement) to be allotted (calculated by reference to the average quotation, or the nominal value of the new shares, if greater) equals (disregarding an associated tax credit) the amount of the dividend which would otherwise have been received by the holder (the "**relevant dividend**"). For this purpose the "**average quotation**" of each of the new shares is the average of the middle-market quotations for a fully-paid share of the Company of that class derived from the Daily Official List of the London Stock Exchange (or such other average value derived from such other source as the board may deem appropriate) for the business day on which the relevant class of shares is first quoted "ex" the relevant dividend (or such other date as the board may deem appropriate) and the four subsequent business days or shall be as determined by or in accordance with the resolution under article 129(A). A certificate or report by the auditors as to the value

of the new shares to be allotted in respect of any dividend shall be conclusive evidence of that amount.

- (E) The board may make any provision it considers appropriate in relation to an allotment made or to be made pursuant to this article (whether before or after the passing of the resolution under article 129(A)), including, without limitation:
- (i) the giving of notice to holders of the right of election offered to them;
  - (ii) the provision of forms of election (whether in respect of a particular dividend or dividends generally);
  - (iii) determination of the procedure for making and revoking elections;
  - (iv) the place at which, and the latest time by which, forms of election and other relevant documents must be lodged in order to be effective; and
  - (v) the disregarding or rounding up or down or carrying forward of fractional entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the holders concerned).
- (F) The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made (the "elected shares"); instead new shares are allotted to the holders of the elected shares on the basis of allotment calculated as in paragraph (D). For that purpose, the board may resolve to capitalise out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares. A resolution of the board capitalising part of the reserves has the same effect as if the board had resolved to effect the capitalisation with the authority of an ordinary resolution of the Company pursuant to article 130. In relation to the capitalisation the board may exercise all the powers conferred on it by article 130 without an ordinary resolution of the Company.
- (G) The new shares rank *pari passu* in all respects with each other and with the fully-paid shares of the same class in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other distribution or entitlement which has been declared or paid by reference to that record date.
- (H) In relation to any particular proposed dividend, the board may in its absolute discretion decide:
- (i) that shareholders shall not be entitled to make any election in respect thereof and that any election previously made shall not extend to such dividend; or



- (ii) at any time prior to the allotment of the new shares which would otherwise be allotted in lieu thereof, that all elections to take ordinary shares in lieu of such dividend shall be treated as not applying to that dividend, and if so the dividend shall be paid in cash as if no elections had been made in respect of it.

**130. Capitalisation of profits**

Subject to the Acts, the board may, with the authority of an ordinary resolution of the Company:

- (i) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;
- (ii) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of ordinary shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
  - (a) paying up the amounts (if any) for the time being unpaid on shares held by them respectively; or
  - (b) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (iii) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than £5, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);
- (iv) authorise a person to enter (on behalf of all the members concerned) an agreement with the Company providing for either:
  - (a) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or

- (b) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,

an agreement made under the authority being effective and binding on all those members; and

- (v) generally do all acts and things required to give effect to the resolution.

**131. Record dates**

Notwithstanding any other provision of the articles, but subject to the Acts and rights attached to shares, the Company or the board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

## ACCOUNTS

**132. Keeping and inspection of accounts**

- (A) The board shall ensure that accounting records are kept in accordance with the Acts.
- (B) The accounting records shall be kept at the office or, subject to the Acts, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) has the right to inspect an accounting record or other document except if that right is conferred by the Acts or he is authorised by the board or by an ordinary resolution of the Company.

**133. Accounts to be sent to members etc.**

- (A) In respect of each financial year, a copy of the Company's annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and on the auditable part of the directors' remuneration report shall be sent by post or delivered to:
  - (i) every member (whether or not entitled to receive notices of general meetings);
  - (ii) every holder of debentures (whether or not entitled to receive notices of general meetings); and
  - (iii) every other person who is entitled to receive notices of general meetings,

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Acts. This article does not require copies of the documents to which it applies to be sent or delivered to:

- (a) a member or holder of debentures of whose address the Company is unaware;  
or
  - (b) more than one of the joint holders of shares or debentures.
- (B) The board may determine that persons entitled to receive a copy of the Company's annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and on the auditable part of the directors' remuneration report are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant copies are being sent.
- (C) Where permitted by the Acts, a summary financial statement derived from the Company's annual accounts, the directors' report and the directors' remuneration report in the form and containing the information prescribed by the Acts may be sent by post or delivered to a person so electing in place of the documents required to be sent or delivered by article 133(A).
- (D) Any documents required or permitted to be sent by the Company to a person pursuant to this article 133 shall be treated as sent if:
- (i) sent by electronic communication to an address for the time being notified to the Company by that person for that purpose; or
  - (ii) published on a web site, provided that the following conditions are met:
    - (a) the Company and that person have agreed that such documents may be accessed by him on a web site (instead of their being sent by post or otherwise delivered to him);
    - (b) that person is notified, in a manner for the time being agreed for the purpose between him and the Company, of:
      - (i) the publication of the documents on a web site;
      - (ii) the address of that web site;
      - (iii) the place on that web site where the documents may be accessed;  
and
      - (iv) how they may be accessed.
- (E) Documents treated in accordance with sub-paragraph (D)(ii) above as sent to any person are to be treated as sent to him not less than 21 clear days before the date of a meeting if, and only if:
- (i) the documents are published on the web site throughout a period beginning at least 21 clear days before the date of the meeting and ending with the conclusion of the meeting; and

- (ii) the notification given for the purposes of sub-paragraph (D)(ii)(b) above is given not less than 21 clear days before the date of the meeting.
- (F) Nothing in paragraph (E) above shall invalidate the proceedings of a meeting where any documents that are required to be published as mentioned in sub-paragraph (E)(i) above are by accident published in different places on the web site or published for a part, but not all, of the period mentioned in that sub-paragraph.

## NOTICES

### 134. Notices to be in writing or in electronic communication

A notice to be given to or by a person pursuant to the articles (other than a notice convening a meeting of the board or of a committee of the board) shall be in writing or in an electronic communication and sent or delivered to an address for the time being notified for that purpose to the person giving the notice.

### 135. Service of notices and other documents on members

- (A) A notice or other document may be given to a member by the Company:
  - (i) personally; or
  - (ii) by sending it by post in a pre-paid envelope addressed to the member at his registered address; or
  - (iii) by leaving it at that address (or at another address notified for the purpose) in an envelope addressed to the member; or
  - (iv) by giving it by electronic communication to an address for the time being notified to the Company by the member for that purpose; or
  - (v) by any other means authorised in writing by the member concerned.
- (B) A notice of general meeting may, instead of being sent to the member in any of the ways specified in paragraph (A) above, be given to a member by the Company by publishing the notice on a web site, provided that the following conditions are met:
  - (i) the member and the Company have agreed that notices of general meetings may be accessed by the member on a web site instead of being sent to the member in one of the ways specified in paragraph (A) above; and
  - (ii) the member is given a notification, in the manner agreed for the time being between the member and the Company, containing the following information:
    - (a) the fact that the notice has been published on the web site;
    - (b) the address of the web site;
    - (c) the place on the web site where the notice may be accessed and how it may be accessed;

- (d) a statement that it concerns a notice of general meeting served in accordance with the Act;
- (e) the place, date and time of the general meeting; and
- (f) whether the general meeting is to be an annual or extraordinary general meeting.

A notice of general meeting given under this paragraph (B) is deemed to be given at the time that the notification under sub-paragraph (B)(ii) is deemed, having regard to the agreed manner of notification, to be given in accordance with article 137.

- (C) In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding and notice given in this way is sufficient notice to all joint holders.
- (D) If a member (or, in the case of joint holders, the person first named in the register) has a registered address outside the United Kingdom but has notified the Company of an address in the United Kingdom at which notices or other documents may be given to him, or an address to which notices may be given by electronic communication, he is entitled to have notices given to him at that address, but otherwise no such member or person is entitled to receive a notice or other document from the Company.

#### **136. Notice by advertisement**

If by reason of the suspension or curtailment of postal services in the United Kingdom the Company is unable effectively to convene a general meeting by notices sent by post to those members who have not notified an address for electronic communications pursuant to article 135(A)(iv), the board may, in its absolute discretion and as an alternative to any other method of service permitted by the articles, resolve to convene a general meeting by a notice advertised in at least one United Kingdom national newspaper. In this case, the Company shall send confirmatory copies of the notice to those members by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

#### **137. Evidence of service**

- (A) A notice or other document addressed to a member at his registered address or address for service in the United Kingdom is, if sent by post, deemed to be given at the expiration of 24 hours after it was put in the post if pre-paid as first class post and at the expiration of 48 hours after it was put in the post if pre-paid as second class post, and in proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre-paid and posted.
- (B) Proof that a notice or other document contained in an electronic communication was properly addressed and sent shall be conclusive evidence that the notice was given.
- (C) A notice or other document contained in an electronic communication sent in accordance with the articles is deemed to be given on the day that it was so sent.

- (D) A notice or document not sent by post but left at a registered address or address for service in the United Kingdom is deemed to be given on the day it is left.
- (E) Where notice is given by newspaper advertisement, the notice is deemed to be given to all members and other persons entitled to receive it at noon on the day when the advertisement appears or, where notice is given by more than one advertisement and the advertisements appear on different days, at noon on the last of the days when the advertisements appear.
- (F) A notice or other document served or delivered by the Company by any other means authorised in writing by the member concerned is deemed to be served when the Company has taken the action it has been authorised to take for that purpose.
- (G) A member present in person or by proxy at a meeting of the holders of a class of shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.

**138. Notice binding on transferees etc.**

A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 212 of the Act) which, before his name is entered in the register, has been properly served on a person from whom he derives his title.

**139. Notice in case of entitlement by transmission**

Where a person is entitled by transmission to a share, the Company may give a notice or other document to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by similar designation) at an address in the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this article is sufficient notice to any other person interested in the share.

**MISCELLANEOUS**

**140. Destruction of documents**

- (A) The Company may destroy:
  - (i) a share certificate which has been cancelled at any time after one year from the date of cancellation;
  - (ii) a mandate for the payment of dividends or other amounts or a variation or cancellation of a mandate or a notification of change of name or address at any time after two years from the date the mandate, variation, cancellation or notification was recorded by the Company;

- (iii) an instrument of transfer of shares (including a document constituting the renunciation of an allotment of shares) which has been registered at any time after six years from the date of registration; and
  - (iv) any other document on the basis of which any entry in the register is made at any time after six years from the date an entry in the register was first made in respect of it.
- (B) It is presumed conclusively in favour of the Company that every share certificate destroyed was a valid certificate validly cancelled, that every instrument of transfer destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company, but:
  - (i) the provisions of this article apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document is relevant to a claim;
  - (ii) nothing contained in this article imposes on the Company liability in respect of the destruction of a document earlier than provided for in this article or in any case where the conditions of this article are not fulfilled; and
  - (iii) references in this article to the destruction of a document include reference to its disposal in any manner.

**141. Winding up**

On a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds, and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine. For this purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

**142. Indemnity of officers, funding directors' defence costs and power to purchase insurance**

- (A) To the extent permitted by the Acts and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or

otherwise) in relation to the Company or its affairs provided that such indemnity shall not apply in respect of any liability incurred by him:

- (i) to the Company or to any associated company; or
- (ii) to pay a fine imposed in criminal proceedings; or
- (iii) to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising); or
- (iv) in defending any criminal proceedings in which he is convicted; or
- (v) in defending any civil proceedings brought by the Company, or an associated company, in which judgment is given against him; or
- (vi) in connection with any application under any of the following provisions in which the court refuses to grant him relief, namely:
  - (a) section 144(3) or (4) (acquisition of shares by innocent nominee); or
  - (b) section 727 (general power to grant relief in case of honest and reasonable conduct).

(B) In article 142(A)(iv), (v) or (vi) the reference to a conviction, judgment or refusal of relief is a reference to one that has become final. A conviction, judgment or refusal of relief becomes final:

- (i) if not appealed against, at the end of the period for bringing an appeal, or
- (ii) if appealed against, at the time when the appeal (or any further appeal) is disposed of.

An appeal is disposed of:

- (i) if it is determined and the period for bringing any further appeal has ended, or
- (ii) if it is abandoned or otherwise ceases to have effect.

(C) In article 142, "associated company", in relation to the Company, means a company which is a subsidiary of the Company, or a holding company of or a subsidiary of any holding company of the Company.

(D) Without prejudice to article 142(A) or to any indemnity to which a director may otherwise be entitled, and to the extent permitted by the Acts and otherwise upon such terms and subject to such conditions as the board may in its absolute discretion think fit, the board shall have the power to make arrangements to provide a director with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with an application under section 144(3) or (4) (acquisition of shares by innocent nominee) or section 727 (general power to grant



relief in case of honest and reasonable conduct) or to enable a director to avoid incurring any such expenditure.

- (E) Where at any meeting of the board or a committee of the board any arrangement falling within paragraph (D) above is to be considered, a director shall be entitled to vote and be counted in the quorum at such meeting unless the terms of such arrangement confers upon such director a benefit not generally available to any other director; in that event, the interest of such director in such arrangement shall be deemed to be a material interest for the purposes of article 104(C) and he shall not be so entitled to vote or be counted in the quorum.
- (F) To the extent permitted by the Acts, the board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was:
  - (i) a director, alternate director, secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect); or
  - (ii) trustee of a retirement benefits scheme or other trust in which a person referred to in sub-paragraph (F)(i) above is or has been interested,

indemnifying him and keeping him indemnified against liability for negligence, default, breach of duty or breach of trust or other liability which may lawfully be insured against by the Company.