

THE COMPANIES ACT 1985  
THE COMPANIES ACT 1989  
THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

OF

ACUITY VCT 3 PLC  
("the Company")

THURSDAY

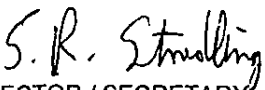


At the Annual General Meeting of the Company duly convened and held on 3 March 2010 at Paternoster House, 65 St Paul's Churchyard, London EC4 the following special resolutions were duly passed as Special Resolutions

- 8 THAT, subject to the passing of Resolution 7, the Directors be and are empowered in accordance with section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them to allot such shares or grant such rights by that resolution as if section 561(1) of the Act did not apply to the allotment, provided that the power conferred by this resolution shall be limited to
- (a) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems arising in connection with the laws of, or requirements of any recognised regulatory body or stock exchange in, any territory, and
  - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value not exceeding £34,956.67 and this power, unless renewed, shall expire at the conclusion of the Company's Annual General Meeting in 2011 but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired
- 9 THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 1p each in the capital of the Company ("Ordinary Shares"), provided that
- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 5,208,544 or such lesser number of shares as is equal to 14.9% of the total number of Ordinary Shares in issue as at the date of the passing of this resolution,
  - (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be 1p,
  - (c) the maximum price (exclusive of expenses) which the Company may pay for each Ordinary Share cannot be more than the higher of
    - 105% of the average market value of an Ordinary Share (as defined by reference to the middle market quotations for such shares taken from The London Stock Exchange Daily Official List) for the five business days prior to the day on which the Ordinary Share is contracted to be purchased, and
    - the value of an Ordinary Share calculated on the basis of the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of the Ordinary Shares on the trading venue where the purchase is carried out,

Company Number 5544383

- (d) unless previously renewed or revoked, the authority hereby conferred shall expire on the earlier of 4 June 2011 and the conclusion of the Company's Annual General Meeting in 2011 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry
- 10 THAT the Articles of Association of the Company be altered by the insertion of the following Article as Article 19 7 In accordance with section 77(1)(b) of CA 2006, the Directors have the power to change the name of the Company by a resolution passed at a duly convened meeting of the Directors pursuant to these Articles

  
DIRECTOR / SECRETARY

DATE 3 March 2010

# TRAVERS SMITH

No 5544383

THE COMPANIES ACTS 1985 and 1989

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

Acuity VCT 3 Plc

(incorporated 23 August 2005)

(As adopted by special resolution passed dated 25 September 2008 and  
amended by Special Resolution passed on 4 March 2010)



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## CONTENTS

Article	Page
1. Preliminary	2
2. Share Capital	5
3. Issues of Shares	7
4. Certificates	8
5. Uncertificated Shares	9
6. Provisions relating to partly-paid Shares	13
7. Transfers of Shares	16
8. Transmission of Shares	18
9. Untraced Shareholders	19
10. General Meetings	19
11. Proceedings at General Meetings	21
12. Votes of Members	24
13. Disclosure of Interests	26
14. Directors	27
15. Directors Appointment and Retirement	29
16. Directors Executive Office	31
17. Directors Proceedings	32
18. Declaration of Directors' Interests	34
18A. Directors' Interests other than in relation to Transactions or Arrangements with the Company	36
18B. Voting by Interested Directors	37
18C. Further Provisions	38
19. Directors General Powers	40
20. Directors Borrowing Powers	41
21. Administrative Provisions	44
22. Reserves, Dividends and Capitalisation	46
23. Capitalisation of Reserves	52
24. Accounts and Auditors	52
25. Notices	53
26. Winding-Up	58
27. Duration of the Company	58
28. Indemnity	59

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**THE COMPANIES ACTS 1985 and 1989**

**A PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**- of -**

**ACUITY VCT 3 PLC**

**1. PRELIMINARY**

**1.1** The regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the Company

**1.2** In these Articles, the following words and expressions shall have the meanings set out below

**Act** the Companies Act 1985 (as amended or replaced from time to time and in particular by the 2006 Act)

**address** in relation to electronic communications, includes any number or address (including, in the case of any Uncertificated Proxy Instruction permitted in accordance with these Articles, an identification number of a participant in the relevant system concerned) used for the purposes of such communications

**Articles** these Articles of Association as from time to time altered

**Auditors** the auditors for the time being of the Company

**Business Day** a day on which the London Stock Exchange is open for business

**Company** Acuity VCT 3 Plc

**Company's website** any web site, operated or controlled by the Company, which contains information about the Company in accordance with the Statutes

**debenture** debenture or debenture stock

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<b>Directors</b>	the directors of the Company for the time being, and the term " <b>Director</b> " shall be construed accordingly
<b>Financial Services Authority</b>	the Financial Services Authority or any body with responsibility under legislation replacing the Financial Services and Markets Act 2000 for carrying out regulatory actions
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>member</b>	a member of the Company
<b>Office</b>	the registered office for the time being of the Company
<b>Ordinary Resolution</b>	a resolution passed by a simple majority of members as (being entitled to do so) vote in person or by proxy at a general meeting of the Company
<b>Ordinary Shares</b>	ordinary shares of 1p each in the capital of the Company having the rights sets out in these Articles
<b>paid</b>	paid or credited as paid
<b>Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No 2001/3755) and includes <ul style="list-style-type: none"> <li>(a) any enactment or subordinate legislation which amends or supersedes those Regulations, and</li> <li>(b) any applicable rules made under those Regulations including those of a relevant system or under any such enactment or subordinate legislation for the time being in force</li> </ul>
<b>Seal</b>	the common seal of the Company
<b>Secretary</b>	the secretary of the Company
<b>Securities Seal</b>	an official seal kept by the Company by virtue of Section 40 of the Act

**Shareholder Information** notices, documents or information which the Company wishes or is required to communicate to shareholders including, without limitation, annual reports and accounts, interim financial statements, summary financial statements, notices of meetings and proxy forms

**Special Resolution** as defined in section 283(1) of the 2006 Act

**Statutes** the Act, the Companies Act 1989 , the 2006 Act and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company

**Uncertificated Proxy Instruction** a properly authenticated dematerialised instruction, and/or other instruction or notification, which is set by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned)

**website communication** the publication of a notice or other Shareholder Information on the Company's website in accordance with Part 4 of Schedule 5 to the 2006 Act

**2006 Act** the Companies Act 2006

**1.3** References in these Articles to statutory provisions shall be construed as referring to those provisions as amended or re-enacted and from time to time in force, and, save for the words and expressions defined in Article 1 2, any words or expressions defined in the Act shall bear the same meaning (if not inconsistent with the subject or context) as therein given to them but excluding any statutory modification thereof not in force at the date of adoption by the Company of these Articles

**1.4** Where for any purpose an Ordinary Resolution of the Company is required, a Special Resolution shall also be effective

**1.5** References to writing include references to printing, typewriting, lithography, photography and any other mode or modes of presenting or reproducing words in a visible non-transitory form

**1.6** Words importing one gender shall (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa

## **2. SHARE CAPITAL**

**2.1** The authorised share capital of the Company at the date of the adoption of these Articles is £600,000 divided into 60,000,000 Ordinary Shares

**2.2** [Article deleted]

**2.3** If at any time the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated, whether the Company is a going concern or during or in contemplation of its being wound up, either (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision (i) with the consent in writing of the holders of not less than three-quarters in nominal amount of the issued shares of that class or (ii) with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, so far as applicable and with the necessary modifications, apply, except that (a) no member, not being a Director, shall be entitled to notice thereof or to attend thereat unless he be a holder of shares of the relevant class, (b) no vote shall be given except in respect of a share of that class, (c) the necessary quorum at any such meeting other than an adjourned meeting shall be not less than two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy shall constitute a quorum and (d) any holder of shares of the class in question present in person or by proxy and entitled to vote at the meeting may demand a poll

**2.4** The provisions of Article 2.3 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied

**2.5** The rights conferred upon the holders of any class of shares issued with preferred or other special rights shall not (unless otherwise expressly provided by these Articles or by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto or by the purchase by the Company of its own shares



- 2.6** The Company may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe. All new shares shall (unless the Company shall in general meeting otherwise determine) be subject to the provisions of these Articles with reference to allotment, payments of calls, forfeiture, surrender, lien, transfer, transmission and otherwise.
- 2.7** The Company may by Ordinary Resolution
- 2.7.1** consolidate and divide all or any of its share capital into shares of larger amount than its existing shares,
  - 2.7.2** cancel any shares which, at the date of the passing of the resolution, have not been taken, or been agreed to be taken, by any person, and diminish the amount of its share capital by the nominal amount of the shares so cancelled, and
  - 2.7.3** subdivide its shares, or any of them, into shares of smaller amount (subject nevertheless to the provisions of the Statutes), and so that the resolution whereby any share is subdivided may determine that, as regards each share so subdivided, one or more of the shares resulting from such subdivision may have any such preferred or other special rights, or may have such deferred rights, or be subject to any such restrictions as compared with the others, as the Company has power to attach to unissued or new shares.
- 2.8** Upon any consolidation of fully paid shares into shares of larger amount the Directors may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and, in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder, may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale, and for such purpose may appoint some person to transfer the consolidated share to the purchaser (or in the case of shares in uncertificated form, take other action under the Regulations or the rules of the relevant system (such terms being defined for the purposes of this Article and Article 5) as may be necessary to give effect to the foregoing provisions). Provided that the necessary unissued shares are available, the Directors may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share, issue to each such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to the related consolidation), and the amount required to pay up such shares shall be appropriated at their discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.

**2.9** The Company may by a Special Resolution reduce its share capital and any capital redemption reserve and any share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law

**2.10** Subject to the provisions of the Statutes (and any necessary approval of the proposals by the holders of any convertible securities of the Company sanctioned by a Special Resolution passed at a separate meeting of such holders) the Company may purchase, or enter into a contract under which it will or may purchase any of its own shares (including any redeemable shares) Neither the Company nor the Directors shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares

### **3. ISSUES OF SHARES**

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

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

**3.3** The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted Subject to the provisions of the Statutes any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of options or warrants to call for an allotment of shares or any combination of such methods The Company may also, on any issue of shares, pay such brokerage as may be lawful

**3.4** The Company may give financial assistance for the acquisition of shares in the Company to the extent that it is not restricted or otherwise permitted by the Statutes

**3.5** The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person, and may accord to any allottee of a

share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose

- 3.6** Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder

#### **4. CERTIFICATES**

- 4.1** Every person whose name is entered in the Register of Members (except a stock exchange nominee in respect of whom the Company is not required to complete and deliver a certificate) shall be entitled without payment to one certificate for all his shares of each class, or, upon payment of such fee (if any) for every certificate after the first as the Directors shall from time to time determine, to several certificates, each for one or more of his shares

- 4.2** Every certificate shall be issued within five Business Days after the lodgment with the Company of the transfer of the related shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide. In the case of an allotment of shares subject to a right of renunciation, one or more certificates for such shares shall be issued within one month of the latest date for such renunciation. No certificate shall be issued representing shares of more than one class. Every certificate shall be under the Seal or the Securities Seal or be executed by the Company in such manner as the Directors, having regard to the Statutes and the listing requirements of the Financial Services Authority, may authorize. Every certificate shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon and shall state

**4.2.1** the name of any external registrars appointed by the Company, and

**4.2.2** the address at which transfers of shares should be lodged

- 4.3** The Company shall not be bound to register more than four persons as the joint holders of any share or shares and, in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all

- 4.4** Where a member (except a stock exchange nominee) transfers part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding without charge

- 4.5** Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares shall thereupon be issued in lieu without charge
- 4.6** Any share certificate, and any certificate for debentures of the Company, which has been approved for sealing or execution by the Directors or a committee of the Directors need not (save to the extent that the terms and conditions for the time being relating to any debentures of the Company otherwise require) be signed or counter-signed by any person Subject as aforesaid, any such certificate may, if the Directors so determine, bear signatures affixed by some mechanical system or process or the names of the Company's issuing agents
- 4.7** If a share certificate be defaced, damaged or worn out, or is alleged to have been lost, stolen or destroyed, it may be replaced upon the request of the holder without charge subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses incurred by the Company as the Directors think fit In the case of shares held jointly by several persons any such request may be made by any one of the joint holders
- 4.8** Notwithstanding the provisions of this Article 4, where, in accordance with the terms of Article 5, any shares or securities of the Company are issued, transferred, registered or otherwise held in uncertificated form, any references in these Articles requiring title to shares or other securities to be evidenced by or transferred by reference to share certificates or any other form of written instrument shall not apply and the holding, transfer, recording of title to and registration of shares or other securities in uncertificated form issued by the Company will be governed by reference to the provisions of Article 5

## **5. UNCERTIFICATED SHARES**

- 5.1** Notwithstanding anything in these Articles to the contrary, any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form and converted from uncertificated form to certificated form and vice versa in accordance with the Regulations and practices instituted by the operator of the relevant system Any provisions of these Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with
- 5.1.1** the holding of shares in uncertificated form,
- 5.1.2** the transfer of title to shares by means of a relevant system, or
- 5.1.3** any provision of the Regulations

**5.2** Without prejudice to the generality and effectiveness of Article 5 1

- 5.2.1** Articles 4, 7 1, 7 6 and 13 4 3 shall not apply to uncertificated shares and Article 7 3 shall apply in relation to such shares as if the reference therein to the date on which the transfer was lodged with the Company were a reference to the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the facilities and requirements of the relevant system,
- 5.2.2** without prejudice to Article 7 2 in relation to uncertificated shares, the Board may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Regulations and the relevant system,
- 5.2.3** references in these Articles to a requirement on any person to execute or deliver an instrument of transfer or certificate or other document which shall not be appropriate in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Board may make from time to time pursuant to Article 5 2 10 below,
- 5.2.4** for the purposes referred to in Article 8 2, a person entitled by transmission on death or bankruptcy to a share in uncertificated form who elects to have some other person registered shall either
- (a) procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person, or
  - (b) change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person,
- 5.2.5** the Company shall enter on the Register of Members the number of shares which are held by each member in uncertificated form and in certificated form and shall maintain the Register of Members in each case as is required by the Regulations and the relevant system and, unless the Board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings,
- 5.2.6** a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which applies only in respect of certificated shares or uncertificated shares,

- 5.2.7** for the purposes referred to in Article 2 8, the Board may in respect of uncertificated shares authorise some person to transfer and/or require the holder to transfer the relevant shares in accordance with the facilities and requirements of the relevant system,
- 5.2.8** for the purposes of Article 22 9, any payment in the case of uncertificated shares may be made by means of the relevant system (subject always to the facilities and requirements of the relevant system) and without prejudice to the generality of the foregoing such payment may be made by the sending by the Company or any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the holder or joint holders of such shares or, if permitted by the Company, of such person as the holder or joint holders may in writing direct, and for the purpose of Article 22 10 the making of a payment in accordance with the facilities and requirements of the relevant system concerned shall be a good discharge to the Company,
- 5.2.9** subject to the Statutes, the Board may issue shares as certificated shares or as uncertificated shares in its absolute discretion and Articles 3 1, 3 2, 22 11, 22 14 and 22 15 shall be construed accordingly,
- 5.2.10** the Board may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing and transfer of uncertificated shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 5 and the Regulations and the facilities and requirements of the relevant system and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 5,
- 5.2.11** for the purposes referred to in Article 25, the Company may in respect of uncertificated shares give any notice or other document by means of the relevant system (subject always to the facilities and requirements of the relevant system),
- 5.2.12** the Board may utilise the relevant system to the fullest extent available from time to time in the exercise of the Company's powers or functions under the Statutes or these Articles or otherwise in effecting any actions,
- 5.2.13** the Board may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security, and
- 5.2.14** the Company shall comply with the provisions of Regulations 21 and 22 of the Regulations, in particular in relation to Article 7 4

**5.3** Where any class of shares in the capital of the Company is a participating security and the Company is entitled under provisions of the Statutes or the rules made and practices instituted by the operator of any relevant system or under these Articles to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any shares which are held in uncertificated form, such entitlement (to the extent permitted by the Regulations and the rules made and practices instituted by the operator of the relevant system) shall include the right to

**5.3.1** request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form, and/or

**5.3.2** require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to change his holding of such uncertificated shares into certificated form within such period as may be specified in the notice, prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such shares, and/or

**5.3.3** appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such shares as may be required to effect a transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned, and/or

**5.3.4** transfer any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by entering the name of the transferee in the Register of Members in respect of that share as a transferred share, and/or

**5.3.5** otherwise rectify or change the Register of Members in respect of that share in such manner as may be appropriate, and/or

**5.3.6** take such other action as may be necessary to enable those shares to be registered in the name of the person to whom the shares have been sold or disposed of or as directed by him

**5.4** For the purposes of this Article 5

**5.4.1** words and expressions shall have the same respective meanings as in the Regulations,

**5.4.2** references herein to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form are references to that share being an

uncertificated unit of a security, and references to a certificated share or to a share being in certificated form are references to that share being a unit of a security which is not an uncertificated unit, and

**5.4.3** "cash memorandum account" means an account so designated by the operator of the relevant system

## **6. PROVISIONS RELATING TO PARTLY-PAID SHARES**

- 6.1** The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares, and each member shall (subject to being given at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares
- 6.2** A call may be made payable by instalments. A call may be postponed, or be wholly or in part revoked, as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made
- 6.3** If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of allotment of the share or in the notice of the call (but not exceeding 17 per cent per annum), but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part
- 6.4** Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium or as an instalment of a call, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified
- 6.5** Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment



- 6.6** The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money (whether on account of the nominal amount of the shares or by way of premium) uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls, and any such payment in advance of calls shall to that extent extinguish the liability upon the shares in respect of which it is advanced, and upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may pay interest at such rate as the member paying such sum and the Directors agree. Any such payment in advance of calls on any share shall not entitle the holder of such shares to participate in respect of such amount in any dividend.
- 6.7** If a member fails to pay in full or in part any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company for reason of such non-payment. The notice shall name a further day (not earlier than 14 days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares on which the call was made will be liable to be forfeited.
- 6.8** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any shares liable to be forfeited hereunder.
- 6.9** Subject to the provisions of the Statutes, a share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit. At any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if they think fit, authorise some person to execute an instrument of transfer of a forfeited or surrendered share to any other person as aforesaid (or in the case of shares in uncertificated form, the Directors shall take such action under the Regulations or the rules of the relevant system necessary to enter the purchaser, or such person as directed by the purchaser, on its register as the holder of the relevant shares).
- 6.10** A person, any of whose shares have been forfeited or surrendered, shall cease to be a member in respect of the forfeited or surrendered shares and shall surrender to the Company for cancellation the certificate for the shares forfeited (or in the case of shares in uncertificated form, the taking of such equivalent action under the Regulations or the rules

of the relevant system), but shall notwithstanding such forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares (with interest thereon, unless and to the extent that the Directors resolve to waive interest, at the rate at which interest was payable on those moneys before the forfeiture) from the date of forfeiture or surrender until payment, and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal

- 6.11** The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share, and the Company shall also have a first and paramount lien on every such share standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person (whether a member of the Company or not) The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article
- 6.12** The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy
- 6.13** The net proceeds of a sale pursuant to Article 6 12 above, after payment of the costs thereof, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the share or shares sold (or in the case of shares in uncertificated form, the taking of such equivalent action under the Regulations or the rules of the relevant system) and subject to a like lien for debts or liabilities not presently payable as existed upon the share or shares prior to the sale) be paid to the person entitled to the share or shares at the time of the sale
- 6.14** A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold whether to satisfy a lien of the Company or otherwise on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the share certificate delivered to a purchaser or allottee thereof, shall (subject to the execution of an instrument

of transfer if the same be required, or in the case of shares in uncertificated form, the taking of such equivalent action under the Regulations or the rules of the relevant system as the Directors consider appropriate), constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share

## **7. TRANSFERS OF SHARES**

**7.1** Subject as aforementioned, all transfers of shares shall be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the Register of Members in respect thereof. Nothing in these Articles shall preclude the transfer of shares or other securities of the Company in uncertificated form in accordance with the terms of Article 5, and any references contained in these Articles in relation to the execution of any instrument of transfer or the registration of any transfer of shares or other securities of the Company in uncertificated form, shall be read in accordance with the terms of Article 5

**7.2** The Directors may decline to recognise any instrument of transfer, unless

**7.2.1** the instrument of transfer (duly stamped if the Statutes so require) is deposited at the Office or such other place as the Directors may appoint, accompanied by the certificate for the shares to which it relates and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) Provided that, in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange as defined in the Financial Services and Markets Act 2000, the lodgment of a share certificate will only be necessary if a certificate has been issued in respect of the share in question,

**7.2.2** the instrument of transfer is in respect of only one class of share,

**7.2.3** the instrument of transfer is in favour of not more than four transferees, and

**7.2.4** the instrument of transfer relates to a share in respect of which all sums presently payable to the Company have been paid

Provided that where the shares being transferred are admitted to the Official List of the Financial Services Authority and admitted to trading on the London Stock Exchange's market for listed securities, the Directors may not exercise their discretion not to recognise the instrument of transfer by reason of such instrument relating to partly-paid shares in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis

The Directors may also refuse to register a transfer if in their opinion (and with the approval of the Financial Services Authority) exceptional circumstances so warrant

- 7.3 The Directors shall register, or refuse to register, each transfer of shares within two months of its being lodged, and, if they refuse to register the same, shall promptly send to the transferor and the transferee notice of such refusal
- 7.4 The registration of transfers of shares, or of any class of shares, may be suspended and the Register of Members closed at such times and for such periods as the Directors may from time to time determine, provided always that the Register of Members shall not be closed for more than 30 days in any year
- 7.5 No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members relating to or affecting the title to any shares
- 7.6 All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in any case of fraud) be returned to the person depositing the same
- 7.7 The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof, and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, **PROVIDED ALWAYS THAT**

- 7.7.1** this Article 7 7 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant,
- 7.7.2** nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or any other liability which would not attach to the Company in the absence of this Article 7 7, and
- 7.7.3** references herein to the destruction of any document include references to the disposal thereof in any manner

## **8. TRANSMISSION OF SHARES**

- 8.1** In the case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him
- 8.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon supplying to the Company such evidence as to his title as may from time to time be required by the Directors, and subject as hereinafter provided, elect either (a) by giving written notice to the Company, to be registered himself as holder of the share or (b) to transfer such share to some other person All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member
- 8.3** Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall (upon supplying to the Company such evidence as the Directors may reasonably require as to his title) be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notices of or to attend or vote at general meetings of the Company or at any separate meeting of the holders of any class of shares in the Company nor, save as aforesaid, to any of the rights or privileges of a member, until he shall have become a member in respect of the share Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if within 60 days the notice is not complied with such person shall (but only in the case of a share which is fully paid) be deemed to have elected to be registered as a member in respect thereof and shall be registered accordingly

## **9. UNTRACED SHAREHOLDERS**

**9.1** The Company shall be entitled to sell at the best price reasonably obtainable therefor any share held by a member, or any share to which a person is entitled by transmission, if all the following stipulations are complied with in relation thereto

**9.1.1** during a period of 12 years within which at least three dividend payments in respect of the shares in question have become payable, no cheque or warrant sent by the Company in the manner prescribed by these Articles has been cashed, no communication has been received by the Company from the member or person concerned and no other method of payment permitted by the Articles has been successfully completed,

**9.1.2** the Company has, at the expiration of such period of 12 years, by advertisement in both a national daily newspaper and in a newspaper circulating in the area of the last known address of the member or the address at which service of notices upon such member or person may be effected in accordance with these Articles, and by notice in writing to the Financial Services if shares of the class concerned are listed thereon, given notice of its intention to sell such share, and

**9.1.3** the Company has not during a further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned

**9.2** To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share, and such instrument shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, such share (or in the case of shares in uncertificated form, the Company may take such equivalent action under the Regulations or the rules of the relevant system) The Company shall be liable to account without interest to the member or other person entitled to such share for the net proceeds of such sale and shall be deemed to be his debtor and not a trustee for him in respect of the same

## **10. GENERAL MEETINGS**

**10.1** The Company shall not more than 18 months after its incorporation and subsequently once in each year hold a general meeting as its annual general meeting in addition to any other general meetings in that year Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next Subject as aforesaid and to the provisions of the Act the annual general meeting shall be held at such time and place as the Directors may determine

**10.2** The Directors may whenever they think fit, and shall on requisition in accordance with the Act, proceed to convene a general meeting for a date not later than seven weeks after receipt of the requisition

**10.3** An annual general meeting shall be called by at least 21 days' notice and all other general meetings shall be called by at least 14 days' notice. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held. Provided that a general meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed

**10.3.1** in the case of an annual general meeting, by all the members entitled to attend and vote thereat, and

**10.3.2** in the case of a general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal amount of the shares giving that right,

and provided also that accidental omission to give notice (or any document intended to accompany such notice) to, or non-receipt of notice (or any document intended to accompany such notice) by, any person entitled thereto shall not invalidate the proceedings at any general meeting

**10.4** Every notice calling a general meeting shall be in writing and shall specify the place, the day and the time of meeting, and in the case of an annual general meeting shall specify the meeting as such. Notices shall be given as provided by these Articles to all the members, other than those who under the provisions of these Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the Directors (including the alternate directors) and to the Auditors and (where required by the Act) former auditors of the Company

**10.5** In every notice convening a general meeting of the Company or a meeting of any class of its members there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him, and that a proxy need not also be a member. The notice shall specify the general nature of the business to be transacted at the meeting, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect

**10.6** Every such notice sent to a member shall be accompanied by a form of proxy (with or without provision for its return prepaid) either in blank or nominating in the alternative any one or more of the Directors or the chairman of the meeting or any other person or persons. Every such form of proxy shall

- 10.6.1** provide for two-way voting on all resolutions intended to be proposed at the related meeting (except procedural resolutions),
  - 10.6.2** state that a member is entitled to appoint a proxy of his own choice and provide a space for the insertion of the name of such proxy, and
  - 10.6.3** state that, if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes
- 10.7** Where, by any provision contained in the Act, special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than 28 days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Act

## **11. PROCEEDINGS AT GENERAL MEETINGS**

- 11.1** The chairman (if any) of the Board of Directors, or in his absence the deputy or vice-chairman (to be chosen, if there be more than one, by agreement amongst them or, failing agreement, by order of appointment) shall preside as chairman at every general meeting of the Company. If there be no such chairman or deputy or vice-chairman, or if at any meeting none be present within five minutes after the time appointed for holding the meeting, or if none of them be willing to act as chairman, the Directors present shall choose some Director present to be chairman. If no Director be present, or if all the Directors present decline to take the chair, the members present shall choose some member present to be chairman of the meeting.
- 11.2** No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as in these Articles otherwise provided, two members present in person or by proxy and entitled to vote at the meeting shall be a quorum for all purposes.
- 11.3** If within 15 minutes from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to such other day, and at such time and place, as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine, and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. At any such adjourned meeting the quorum shall be those persons present.
- 11.4** The chairman shall take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of meeting, and his 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 nature In particular

**11.4.1** he may invite any person to attend and speak whom he considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting, and

**11.4.2** he may exclude from the meeting any member or other person who does not submit to, or fails to pass, appropriate security provisions

**11.5** The chairman of any general meeting at which a quorum is present may, without prejudice to any other power of adjournment which he may have under these Articles or at common law, with the consent of such meeting (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the original meeting When a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be determined by the Directors When a meeting is adjourned for 30 days or more or indefinitely, seven days' notice at least of the adjourned meeting shall be given in like manner as in the case of the original meeting

**11.6** The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place where it appears to him that

**11.6.1** the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, or

**11.6.2** the conduct of persons present prevents or is likely to prevent the orderly continuation of business, or

**11.6.3** an adjournment is otherwise necessary so that the business of the meeting may be properly conducted

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

**11.8** If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the related substantive resolution shall not be invalidated by any error in such ruling In the case of a resolution duly proposed as a Special Resolution no amendment thereto (other than a more clerical amendment or to correct a patent error) may in any event be considered or voted upon

**11.9** At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before, or upon the declaration of the result of, the show of hands a poll is duly demanded Subject to the provisions of the Statutes, a poll may be demanded

**11.9.1** by the chairman of the meeting, or

**11.9.2** by not less than five members present in person or by proxy and having the right to vote at the meeting, or

**11.9.3** by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting, or

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

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution on a show of hands has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution

**11.10** If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct (including the use of voting papers), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded The chairman of the meeting may (and if so directed by the meeting shall), in the event of a poll, appoint scrutineers (who need not be members) and may fix some place and time for the purpose of declaring the result of the poll

**11.11** [Article deleted]

**11.12** A poll demanded on the election of a chairman of a meeting or on a question of adjournment shall be taken forthwith A poll demanded on any other question shall be taken either immediately or at such subsequent time and place as the chairman of the meeting shall direct not being more than 30 days from the date of the meeting or the adjourned meeting at which the poll was demanded No notice need be given of a poll not taken forthwith

**11.13** A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the

consent of the chairman, the meeting shall continue as if the demand had not been made. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

## **12. VOTES OF MEMBERS**

- 12.1** Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or by a duly authorised representative (in the case of a corporation) or by proxy, shall have one vote and on a poll every member who is present in person (in the case of an individual) or by authorised representative (in the case of a corporation) or by proxy shall have one vote for every share of which he is the holder.
- 12.2** In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names of the holders stand in the Register of Members in respect of the share.
- 12.3** No member shall, unless the Directors otherwise determine, be entitled in respect of any share held by him to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company either personally or by proxy, or to exercise any right as a member, unless all calls or other sums presently payable by him in respect of that share in the Company have been paid.
- 12.4** Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company.
- 12.5** No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 12.6** Votes may be given either personally or by proxy. On a poll 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.

- 12.7** Any person (whether a member or not) may be appointed to act as a proxy. The instrument appointing a proxy shall be in writing in any usual or common form, or such other form as may be approved by the Directors, and shall be signed by the appointor or by his attorney duly authorised in writing, or if the appointor is a corporation shall be either under its common seal or under the hand of a duly authorised officer or attorney of the corporation. The Directors may, but shall not be bound to, require evidence of the authority of such officer or attorney. An instrument of proxy need not be witnessed.
- 12.8** The instrument appointing a proxy together with (unless the Directors waive such requirement) the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, shall be deposited at the Office, or at such other place in the United Kingdom as may be specified for that purpose in the notice calling the meeting or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Subject to Article 12.2, where more than one instrument of proxy is delivered in respect of the same shares, that delivered last shall prevail, if it is not clear which was delivered latest, none shall be valid. An instrument appointing a proxy to vote at any meeting and deposited as aforesaid shall, unless the contrary is stated thereon, be valid to empower the proxy so appointed to vote taken or demanded at such meeting or at any adjournment of such meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution, except in relation to an adjourned meeting in cases where the original meeting was held within 12 months from such date.
- 12.9** An instrument appointing a proxy shall be deemed to include the right to speak at the meeting.
- 12.10** A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporate member, or a poll demanded by proxy or by the duly authorised representative of a corporate member, shall be valid notwithstanding (in the case of a proxy) the previous death or mental disorder of the principal or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed or (in the case of a duly authorised representative of a corporate member) the revocation of his appointment, Provided that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office or (in the case of an instrument of proxy) such other place at which it was required to be deposited under Article 12.8 three hours at least before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

### **13. DISCLOSURE OF INTERESTS**

**13.1** Section 793 of the 2006 Act ("**Section 793**") shall be deemed to be incorporated into these Articles and accordingly to apply as between the Company and each member. If a notice is given under Section 793 (a "**Section 793 notice**") to a person appearing to be interested in any shares a copy shall at the same time be given to the holder of those shares but the accidental omission to do so or the non-receipt by the member shall not prejudice the operation of the provisions of this Article 13. The provisions of this Article 13 shall be without prejudice to the provisions of Section 794 of the 2006 Act, and in particular the Company shall be entitled to apply to the court under Section 794 whether or not these provisions apply or have been applied.

**13.2** If a member or any person appearing to be interested in any shares held by a member has been duly served with a Section 793 notice and is in default for the relevant period (as defined in Article 13.7) from such service in supplying to the Company the information thereby required, the provisions of Articles 13.3 and 13.4 shall apply. The restrictions imposed by those Articles in relation to any shares shall continue until a relevant event occurs in relation to those shares and shall lapse when it does so. For this purpose, a "**relevant event**" is either of the following:

**13.2.1** the default being remedied to the satisfaction of the Board, or

**13.2.2** the shares being registered in the name of a purchaser or offeror (or that of his nominee) pursuant to an arm's-length transfer (as defined in Article 13.5).

Any dividends withheld pursuant to Article 13.4 shall be paid to the member as soon as practicable after the restrictions contained in that Article lapse.

**13.3** If the member has a holding of less than 0.25 per cent. of any class of shares, then, subject to Article 13.5 and unless the Directors otherwise determine, the member shall not be entitled in respect of the shares concerned to attend or vote at a general meeting either personally or by proxy.

**13.4** If the member has a holding of at least 0.25 per cent. of any class of shares, then, subject to Article 13.5 and unless the Directors otherwise determine, the member shall not be entitled in respect of the shares held by him (whether or not referred to in the Section 793 notice)

**13.4.1** to attend or vote at a general meeting either personally or by proxy, or

**13.4.2** to receive any dividend (including shares issued in lieu of a dividend) payable in respect of such shares, or

**13.4.3** to transfer or agree to transfer any of such shares, or any rights therein.

**13.5** The restrictions in Articles 13 3 and 13 4 shall be without prejudice to the right of either the member holding the shares concerned or, if different, the beneficial owner of those shares to effect or agree to sell those shares by way of an arm's-length transfer For the purposes of this Article 13, an **"arm's-length transfer"** in relation to any shares is a transfer to a bona fide unconnected third party including

**13.5.1** a sale of those shares on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or on any stock exchange outside the United Kingdom on which the shares are normally traded, or

**13.5.2** an offer made to all the holders (or all the holders other than the person making the offer and the nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them

**13.6** For the purposes of this Article 13, the Company shall be entitled to treat any person as appearing to be interested in any shares if

**13.6.1** the member holding such shares or any person who is or may be interested in such shares either fails to respond to a Section 793 notice (or has given to the Company a notification pursuant to a Section 793 notice which in the opinion of the Directors fails to establish the identities of those interested in the shares) and if (after taking into account such notification and any other relevant notification pursuant to a Section 793 notice) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares, or

**13.6.2** that person (not being the member) is interested in those shares for the purposes of Section 793

**13.7** For the purposes of this Article 13, the **"relevant period"** shall be, in a case falling within Article 13 3, 28 days and, in a case falling within Article 13 4, 14 days

## **14. DIRECTORS**

**14.1** Subject as hereinafter provided, the Directors shall be not less than two but no more than 10 in number The Company may by Ordinary Resolution from time to time vary the minimum number and may also determine and from time to time vary the maximum number of Directors

**14.2** A Director or an alternate Director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company

- 14.3** The ordinary remuneration of the Directors shall not in aggregate exceed £100,000 per annum (or such higher sum as may from time to time be determined by an Ordinary Resolution) and shall be divided between the Directors as they may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he held office. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.
- 14.4** Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, lump sum, percentage of profits or otherwise as the Directors may determine.
- 14.5** Each Director (other than an alternate Director) may at any time appoint another Director or (subject to the approval of a majority of the Directors for the time being) any other person to be an alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from office and, subject to any requisite approval as aforesaid, appoint another person in his place.
- 14.6** An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the Directors and of all meetings of committees of the Directors of which his appointor is a member and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally at such meeting to perform all the functions of his appointor as a Director in the absence of such appointor. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative. If his appointor is for the time being absent from the United Kingdom or unable to act through ill-health or disability, his signature of any resolution in writing of the Directors shall be as effective as the signature of his appointor.
- 14.7** An alternate Director shall cease to be an alternate Director on the happening of any event which, if he were a Director, would cause him to vacate such office, or if his appointor ceases for any reason to be a Director. Provided that, if any Director retires, whether by rotation or otherwise, but is reappointed or is deemed to have been reappointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately to his retirement shall continue to operate after his reappointment as if he had not so retired.

**14.8** All appointments and removals of alternate Directors shall be effected by instrument in writing signed by the appointor Director and authenticated in such manner as the other Directors may accept. The appointor Director shall deposit the original signed instrument at the Office or deliver it at a meeting of the Directors as soon as reasonably practicable, but failure or delay in doing so shall not prejudice the validity of the appointment.

**14.9** Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of the Director appointing him. An alternate Director shall not be entitled to receive any remuneration from the Company for his services as an alternate Director but his remuneration shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such part (if any) of the latter's remuneration as shall be agreed between them.

## **15. DIRECTORS: APPOINTMENT AND RETIREMENT**

**15.1** At each annual general meeting, one third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to one third) shall retire from office by rotation, provided that

**15.1.1** no Director holding office of Chief Executive or Managing or Joint Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire, and

**15.1.2** notwithstanding the effect of the foregoing provision, each Director eligible for retirement shall be required to submit himself for re-election at least once in any period of three consecutive annual general meetings.

**15.2** Subject to the provisions of these Articles and the Statutes, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not offer himself for re-election, or who is required to retire by virtue of Article 15.1 above. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last elected Directors on the same day those to retire shall (unless they otherwise agree amongst themselves) be determined by lot. The Directors to retire on each occasion shall be determined by the composition of the board of Directors of the Company at the date of notice convening the annual general meeting and no Director shall be required to retire, or be released from retiring, by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting.

**15.3** [Article deleted]



- 15.4** The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by appointing a person thereto, and in default the retiring Director, if willing to act, shall be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill the vacancy, or a resolution for the reappointment of such Director shall have been put to the meeting and lost, or such Director shall have given notice in writing to the Company that he is unwilling to be re-elected, or where the default is due to the moving of a resolution in contravention of Article 15 6
- 15.5** No person other than a Director retiring at the meeting shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of Director at any general meeting unless, not less than seven nor more than 42 days (inclusive of the date on which the notice is given) before the day appointed for the meeting, there shall have given to the Company notice in writing by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors, and also notice in writing signed by the person to be proposed of his willingness to be appointed
- 15.6** At a general meeting a motion for the appointment of two or more persons as Directors by a single resolution shall not be proposed unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being given against it, and for the purposes of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment
- 15.7** The Directors shall have power at any time, and from time to time, to appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed any maximum number determined by or in accordance with these Articles Subject to the provisions of the Statutes and of these Articles, any Director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for re-election at that meeting Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting and, if not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof
- 15.8** Subject to the provisions of Article 15 7, the Company may at any time, and from time to time, by Ordinary Resolution appoint any person who is willing to act to be a Director either to fill a vacancy or as an additional Director and, without prejudice to the provisions of the Statutes, may by Ordinary Resolution remove a Director (including a Director holding executive office) before the expiration of his period of office, but so that such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company

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

- 15.9.1** if (but in the case of a Director holding any executive office subject to the terms of any contract of service between him and the Company) he resigns his office by instrument in writing signed by the resigning Director and authenticated in such manner as the other Directors may accept (provided that the resigning Director shall deposit the original signed instrument at the Office as soon as reasonably practicable but failure or delay in his so doing shall not prejudice the validity of the resignation) or if he shall in writing offer to resign and the Directors shall resolve to accept such offer,
- 15.9.2** if he becomes bankrupt or has a receiving order made against him or makes any arrangement or composition with his creditors generally or 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,
- 15.9.3** if, in the opinion of the majority of Directors other than the Director concerned and in the written opinion of a suitably qualified medical expert, he becomes of unsound mind if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs,
- 15.9.4** if he is absent from meetings of the Directors for six successive months without leave, and his alternate Director (if any) shall not during such period have attended in his stead, and the Directors resolve that his office be vacated,
- 15.9.5** if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company, or
- 15.9.6** if he ceases to be a Director by virtue of any provision of the Statutes or becomes prohibited by law from being a Director

## **16. DIRECTORS: EXECUTIVE OFFICE**

- 16.1** The Directors may from time to time appoint any one or more of their body to be holder of any executive office for such period (subject to the provisions of the Statutes) and on such terms and with or without such title or titles (including but not limited to Chairman, Deputy Chairman, Vice-Chairman, Managing Director, Chief Executive and Joint, Deputy or

Assistant Managing Director or Chief Executive) as they think fit and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment

- 16.2** A Director appointed to any such office shall receive such remuneration (whether by way of salary, commission, participation in profits, provision for retirement or insurance benefit, or partly in one way and partly in another, or otherwise) as the Directors may determine
- 16.3** The appointment of any Director to the office of Chairman or Deputy or Vice-Chairman of Managing Director or Chief Executive or Joint Managing or Deputy or Assistant Managing Director or Chief Executive shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company
- 16.4** The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly so state, such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company
- 16.5** The Directors may entrust to and confer upon any Director appointed to any such office any of the powers exercisable by them as Directors (other than the power to make calls or forfeit shares) upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers

**17. DIRECTORS: PROCEEDINGS**

- 17.1** Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit Questions arising at any meeting shall be determined by a majority of votes In case of an equality of votes the chairman of the meeting shall (whether or not - and, if so, regardless of how - he has already voted) be entitled to a casting vote A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom
- 17.2** A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at the meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote Any such authority must be by instrument signed by the authorising Director and authenticated in such manner as the other Directors may accept The authorising Director shall deposit the original signed instrument at the Office or deliver

it to a meeting of the Directors as soon as reasonably practicable, but failure or delay in his doing so shall not prejudice the validity of the authorisation

- 17.3** The quorum necessary for the transaction of the business of the Directors may be determined from time to time by the Directors, and unless so determined at any other number shall be two. For the purposes of this Article a person who holds office only as an alternate Director shall, if his appointor is not present, be counted in a quorum, but so that not less than two individuals shall constitute the quorum. Any Director who attends a meeting of Directors by telephone or other conference facility shall be deemed to be personally present at such meeting for all the purposes of these Articles and shall be counted in the quorum accordingly. A Director in communication by electronic means with the chairman and with all other parties to a meeting of the Directors or of a committee of the Directors shall be regarded for all purposes as attending such meeting provided that but only for so long as at such a meeting he has the ability to communicate interactively and simultaneously with all other parties attending the meeting including all persons attending by electronic means. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 17.4** A meeting at which one or more of the Directors attends by electronic means is deemed to be held at such place as the Directors shall at the said meeting resolve. In the absence of a resolution as aforesaid, the meeting shall be deemed to be held at the place, if any, where a majority of the Directors attending the meeting are physically present, or in default of such a majority, the place at which the chairman of the meeting is physically present.
- 17.5** The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number determined by or in accordance with these Articles, or below the number determined by or pursuant to these Articles as the quorum of Directors, the continuing Directors or Director may act for the purpose of filling such vacancies in their body or of summoning general meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.
- 17.6** The Directors may, from their number, from time to time elect and remove a Chairman and, if thought fit, one or more Deputy Chairmen or Vice-Chairmen and determine the period for which they are to hold office. The Chairman, or in his absence the Deputy Chairman (to be chosen, if there be more than one, by agreement amongst themselves or, failing agreement, by lot), or in the absence of any Deputy Chairman the Vice-Chairman (to be chosen, if there be more than one, as aforesaid), shall preside at all meetings of the Directors, but if no such Chairman, Deputy Chairman or Vice-Chairman be elected, or if at any meeting neither the Chairman nor any Deputy Chairman or Vice-Chairman be willing to preside or none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

- 17.7 The Directors may from time to time appoint a President of the Company and may determine the period for which he shall hold office. Such President may be either honorary or paid such remuneration as the Directors in their discretion shall think fit, and need not be a Director, but shall, if not a Director, be entitled to receive notice of and attend and speak, but not vote, at all meetings of the Board of Directors.
- 17.8 A resolution in writing, signed or approved (including by telefax) by all the Directors for the time being entitled to receive notice of a meeting of Directors or of a committee of Directors, shall be as effective as a resolution passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors, and so that any such resolution or document signed by an alternate Director shall be deemed to have been signed by the Director who appointed such alternate Director.
- 17.9 The Directors may delegate any of their powers or discretions to one or more committees, provided that more than one half of the members of each such committee shall consist of Directors. Any committee so formed shall in the exercise of the powers so delegated conform with any regulations which may from time to time be imposed by the Directors. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations imposed by the Directors under this Article, provided that no resolution of any such committee shall be effective unless a majority of the members of the committee present are Directors.
- 17.10 All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director or as a member of any such committee, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.
- 17.11 In this Article "**electronic**" means actuated by electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy and "**by electronic means**" means by any manner only capable of being so actuated.

## **18. DECLARATION OF DIRECTORS' INTERESTS**

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

- 18.1.1** may be a party to or otherwise directly or indirectly interested in
- (a) any transaction or arrangement with the Company or in which the Company is otherwise interested, or
  - (b) a proposed transaction or arrangement with the Company,
- 18.1.2** may be or become a member or director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested,
- 18.1.3** shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and
- 18.1.4** may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,
- save that with effect from the date on which Sections 177 and 182 of the 2006 Act shall come into effect, a Director shall, subject to sub-section 177(6) of the 2006 Act, be required to disclose all interests whether or not material in any transaction or arrangement referred to in Article 18 1 1 and the declaration of interest must (in the case of a transaction or arrangement referred to in Article 18 1 1(a)) and may, but need not, (in the case of a transaction or arrangement referred to in Article 18 1 1(b)) be made:
- (a) at a meeting of the Directors, or
  - (b) by notice to the Directors in accordance with
    - (i) Section 184 of the 2006 Act (notice in writing), or
    - (ii) Section 185 of the 2006 Act (general notice)
- 18.1.5** The directors may resolve that any situation referred to in this Article 18 and disclosed to them hereunder shall also be subject to such terms as they may determine including, without limitation, the terms referred to in Articles 18A 4 1 to 18A 4 4 (inclusive)

**18A. DIRECTORS' INTERESTS OTHER THAN IN RELATION TO TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY**

**18A.1** For the purposes of section 175 of the 2006 Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. For these purposes references to a conflict of interest includes a conflict of interest and duty and a conflict of duties. This Article does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company.

**18A.2** Authorisation of a matter under this Article shall be effective only if

**18A.2.1** the matter in question shall have been proposed in writing (giving full particulars of the relevant situation) for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may approve,

**18A.2.2** any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "**Interested Directors**"), and

**18A.2.3** the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

**18A.3** Any authorisation of a matter pursuant to this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

**18A.4** Any authorisation of a matter under this Article shall be subject to such terms as the Directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the Directors at any time. Such terms may include, without limitation, terms that the relevant Director

**18A.4.1** will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him otherwise than by virtue of his position as a Director, if to do so would breach any duty of confidentiality to a third party,

**18A.4.2** may be required by the Company to maintain in the strictest confidence any confidential information relating to the Company which also relates to the situation as a result of which the conflict arises ("**the conflict situation**"),

**18A.4.3** may be required by the Company not to attend any part of a meeting of the Directors at which any matter which may be relevant to the conflict situation is to be discussed, and not to view any board papers relating to such matters, and

**18A.4.4** shall not be obliged to account to the Company for any remuneration or other benefits received by him in consequence of the conflict situation

A Director shall comply with any obligation imposed on him by the Directors pursuant to any such authorisation

**18A.5** A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit

## **18B. VOTING BY INTERESTED DIRECTORS**

**18B.1** Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest (other than by virtue of his interest in shares, debentures or other securities of or in or otherwise through the Company) which is material, or a duty which conflicts or may conflict with the interests of the Company, unless his interest or duty arises only because one of the following Articles applies (in which case he may vote and be counted in the quorum)

**18B.1.1** the resolution relates to the giving to him or any other person of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him or by any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings,

**18B.1.2** the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security,

**18B.1.3** his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities by the Company or any of its subsidiary undertakings for subscription, purchase or exchange,

**18B.1.4** the resolution relates to any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever provided that he does not hold an interest in shares (as that term is used in Part 22 of the 2006 Act) representing 1 per cent or more of either any class of the equity share capital of such company or of the voting rights available to members of such company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances),



**18B.1.5** the resolution relates to any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings, which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates, or

**18B.1.6** the resolution relates to any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any of the Directors or for persons who include Directors provided that, for the purposes of this Article, "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him as is referred to in any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors

## **18C. FURTHER PROVISIONS**

**18C.1** For the purposes of Articles 18 to 18B (inclusive) and this Article 18C

**18C.1.1** an interest of a person who is, for any purpose of the Act (excluding any such modification thereof not in force when these Articles became binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has,

**18C.1.2** a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and

**18C.1.3** an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

**18C.2** The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company)

**18C.3** Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (provided he is not by the proviso to Article 18B 1 4 or for another reason precluded from voting) each of

the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment

- 18C.4** If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive
- 18C.5** For the purposes of Articles 18 to 18B and this Article 18C, the interest of any person who is connected with a Director (within the meaning of Section 252(2) of the 2006 Act) shall be taken to be the interest of that Director
- 18C.6** The Directors may establish, maintain, participate in or contribute to, or procure the establishment and maintenance of, participation in or contribution to, any pension, annuity, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company, or any of its predecessors in business, or of any company which is a subsidiary undertaking of the Company or is allied to or associated with the Company, or with any such subsidiary undertaking, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also establish, subsidise and subscribe to any institutions, associations, societies, clubs, trusts or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and make payments for or towards the insurance of any such persons as aforesaid, and (subject to the provisions of the Statutes) establish and contribute to any scheme for the acquisition of shares in the Company or its holding company (whether or not an employees' share scheme) and (subject as aforesaid) lend money to the Company's employees to enable them to acquire shares, and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with others Subject always, if the Statutes shall so require, to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by Ordinary Resolution, any Director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance, benefit or emolument

## **19. DIRECTORS: GENERAL POWERS**

- 19.1** The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to these Articles, the Memorandum of Association of the Company, the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company by a Special Resolution, but no regulation made by the Company by a Special Resolution shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given to the Directors by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article
- 19.2** The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may define their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors (other than the power to make calls or forfeit shares), with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby
- 19.3** The Directors may from time to time, and at any time, by power of attorney under the Seal or otherwise, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes, with such powers (other than the power to make calls or forfeit shares), authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles or the Statutes), for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him
- 19.4** To the extent permitted by the Statutes, the Company may cause to be kept in any territory a branch Register of Members resident therein, and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they think fit as regards the keeping of any such register

- 19.5** All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine
- 19.6** If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be
- 19.7** In accordance with section 77(1)(b) of the CA 2006, the Directors have the power to change the name of the Company by a resolution passed at a duly convened meeting of the Directors pursuant to these Articles <sup>1</sup>

## **20. DIRECTORS: BORROWING POWERS**

- 20.1** Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party
- 20.2** The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries (as hereinafter defined) so as to secure (so far, as regards the Subsidiaries, as by such exercise they can secure) that the aggregate amount at any one time owing or deemed to be owing by the Company and/or any of the Subsidiaries, determined as hereinafter mentioned, in respect of moneys borrowed by it or them or any of them shall not at any time, without the previous sanction of an Ordinary Resolution of the Company, exceed an amount equal to the Adjusted Capital and Reserves (as hereinafter defined) Provided that prior to the publishing of the first audited balance sheet of the Company such amount shall not, at any time, without the previous sanction of an Ordinary Resolution of the Company, exceed 90 per cent of the amount paid on the issued share capital of the Company
- 20.3** In this Article 20, the expression "**Adjusted Capital and Reserves**" means at any material time a sum equal to the aggregate of
- 20.3.1** the amount paid on the issued share capital of the Company, and

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<sup>1</sup> Article 19.7 was inserted pursuant to a special resolution of the Company passed on 3 March 2010

**20.3.2** the amount standing to the credit of the reserves of the Company (including any share premium account, capital redemption reserve and any credit balance on profit and loss account),

all as shown by the latest published balance sheet of the Company

**20.3.3** making such adjustments as may be appropriate to reflect any variation in the amount paid on such share capital or in the amount standing to the credit of such capital reserves and any variation in interests in Subsidiaries since the date of such consolidated balance sheet and so that if the Company proposes to issue or has issued any shares for cash and the issue of such shares has been underwritten then (in the case of a proposed issue) such shares shall be deemed to have been issued, and the amount (including any premium) of the subscription moneys payable (not being moneys payable later than four months after the date of allotment) in respect thereof shall be deemed to have been paid at the date of the underwriting of such issue,

**20.3.4** deducting amounts attributable to goodwill (other than goodwill arising on consolidation) and any other intangible asset and, if not otherwise taken into account, amounts attributable to minority interests in Subsidiaries and amounts set aside for taxation,

**20.3.5** deducting any debit balance on profit and loss account, and

**20.3.6** deducting any distribution by the Company or by any Subsidiary (otherwise than attributable to the Company out of profits earned prior to the date of such balance sheet) recommended, declared or paid since that date insofar as not provided for in such balance sheet

**20.4** For the purposes of this Article 20

**20.4.1** "**Subsidiary**" means any company of which the Company controls directly or indirectly not less than a majority of the votes which could be cast on a poll at a general meeting of such company but excluding votes which may only be cast in certain events whether or not such events have occurred and excluding also any company that the Board certifies is an investee company of the Company (whether or not the Company's investment in such company constitutes a qualifying holding for the purposes of Schedule 28B of the Income and Corporation Taxes Act 1988),

**20.4.2** "**consolidated balance sheet of the Company and the Subsidiaries**" means, during any accounting period when the Company does not have any Subsidiaries, the balance sheet of the Company,

**20.4.3**      **"moneys borrowed" and "borrowing"** means all borrowed moneys and shall be deemed to include to the extent not otherwise taken into account

- (a)      any fixed or minimum premium payable on final repayment,
- (b)      the principal amount raised in respect of acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of the Company or any Subsidiary,
- (c)      the principal amount of any debentures (whether secured or unsecured and whether the same shall have been issued for cash or otherwise) of the Company or a Subsidiary,
- (d)      the nominal amount of any issued share capital of a Subsidiary (other than equity share capital) not for the time being owned by the Company or another Subsidiary, and
- (e)      the nominal or principal amount of any share capital, debentures or indebtedness of any body whether corporate or unincorporate the beneficial interest wherein is not for the time being owned by the Company or a Subsidiary and the repayment whereof is guaranteed or secured by the Company or a Subsidiary,

but shall not include

- (f)      moneys owing by the Company to any Subsidiary or by any Subsidiary to another Subsidiary or to the Company,
- (g)      a proportion of the borrowings of any partly-owned Subsidiary (but only to the extent that an amount equal to such proportion exceeds sums borrowed, if any, from such partly-owned Subsidiary by the Company or another Subsidiary), such proportion being that which the issued equity share capital which is not for the time being beneficially owned either directly or indirectly by the Company bears to the whole of the issued equity share capital of such partly-owned Subsidiary,

**20.4.4**      a sum equal to the amount of moneys borrowed by a company which becomes a Subsidiary and which are outstanding at the date when such company becomes a Subsidiary shall, for a period of six months from the date of such event, be deemed not to be moneys borrowed,

- 20.4.5** any company which it is proposed shall become or cease to be a Subsidiary by means of a transaction which results in a material alteration in the amount of moneys borrowed shall be treated as if it had become or ceased to be a Subsidiary immediately preceding that transaction,
- 20.4.6** when the aggregate amount of moneys borrowed required to be taken into account for the purposes of this Article 20 on any particular day is being ascertained, any such moneys denominated or repayable (or repayable at the option of any person other than the Company or a Subsidiary) in a currency other than sterling shall be translated for the purposes of calculating the sterling equivalent at the rate(s) of exchange prevailing on that day in London and so that for this purpose the relevant rate of exchange shall be taken as the spot rate of any bank selected by the Company for the exchange of the relevant amount of the relevant currency into sterling at the close of business on the relevant date or, to the extent that the repayment of such moneys borrowed is covered by a forward purchase contract with a bank selected by the Company, at the rate of exchange specified therein, and
- 20.4.7** no moneys borrowed shall be included in the same calculation more than once
- 20.5** A report of the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of this Article 20 be owing by the Company and the Subsidiaries without such consents or sanctions as aforesaid shall be conclusive in favour of the Company and all persons dealing with the Company
- 20.6** No such sanction shall be required to the borrowing of any sum of money intended to be applied, and applied, within six months after such borrowing in the repayment (with or without premium) of any moneys then already borrowed and outstanding notwithstanding that the same may result in such limit being exceeded
- 20.7** No person dealing with the Company or any of its Subsidiaries shall be concerned to see or enquire as to the observance of such limit and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that such limit had been or would thereby be exceeded

## **21. ADMINISTRATIVE PROVISIONS**

- 21.1** The Directors shall cause minutes to be made
- 21.1.1** of all appointments of officers made by the Directors,
- 21.1.2** of the names of the Directors present at each meeting of Directors and of any committee of Directors, and

**21.1.3** of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors

All such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next following meeting, shall be evidence of the proceedings

**21.2** Subject as required by the Statutes, any register, index, minute book or accounting records required by these Articles or by law to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against, and for facilitating the discovery of, falsification

**21.3** Subject to the Statutes, the Secretary (or, if thought fit, joint Secretaries) of the Company shall be appointed by the Directors on such terms and for such period as they may think fit, and the Directors may also appoint one or more assistant or deputy Secretaries. Any Secretary or assistant or deputy Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company

**21.4** Anything by the Statutes required or authorised to be done by or to the Secretary of the Company may, if the office is vacant or such Secretary is absent or there is for any other reason no such secretary capable of acting, be done by or to any assistant or deputy Secretary or, if there is no assistant or deputy Secretary, or if such assistant or deputy Secretary is absent or for any other reason not capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors. Provided that any provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary

**21.5** The Directors shall provide for the safe custody of the Seal and the Securities Seal and neither shall be used except by the authority of a resolution of the Directors or of a committee of the Directors authorised in that behalf by the Directors. The Directors may from time to time make such regulations as they see fit (subject to the provisions of these Articles in relation to share and debenture certificates) determining the persons and the number of such persons who shall sign every instrument to which the Seal or the Securities Seal is affixed, and until otherwise so determined (and subject as aforesaid) every such instrument shall be signed by one Director and shall be countersigned by the Secretary or by a second Director

**21.6** The Company may have an official seal for use abroad under the provisions of the Statutes where and as the Directors shall determine, and the Company may by writing under the Seal



appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, so far as may be applicable, be deemed to include any such official seal as aforesaid.

**21.7** The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

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

## **22. RESERVES, DIVIDENDS AND CAPITALISATION**

**22.1** The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly, but no dividend shall exceed the amount recommended by the Directors. No dividends shall be payable otherwise than in accordance with the Act and out of the profits of the Company available for that purpose. Any surplus over the book value derived from the sale or realisation of any capital asset and any other sums representing capital profits within the meaning of the Act or other accretions to capital assets, including in particular any sums resulting from the writing-up of the book values of any capital assets, shall be available for dividend or any other distribution within the meaning ascribed thereto by Part 23 of the 2006 Act.

**22.2** Subject to the rights of holders, if any, of shares with special rights as to dividends, all dividends shall be declared and paid pro rata to the nominal amounts of the shares in respect whereof the dividend is paid, except that, if any share is issued on terms providing that it shall carry any particular rights as to dividend, such share shall rank for dividend accordingly.

- 22.3** The Directors may if they think fit from time to time resolve to pay to the members such fixed or variable interim dividends as appear to the Directors to be justified by the profits of the Company and are permitted by the Statutes. If at any time the share capital of the Company is divided into different classes, the Directors may (subject to the provisions of the Statutes) resolve to pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. Provided that the Directors act bona fide, they shall not incur any responsibility to the holders of shares conferring a preference for any damage that such holders may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.
- 22.4** The Directors may from time to time before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company (including any premiums received upon the issue of debentures or other securities or rights of the Company), and carry to reserve, such sums as they think proper as a reserve or reserves. Such sums shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may properly be applied and, pending such application, may at the like discretion either be employed in the business of the Company or be invested in such investments (including, but subject to the provisions of the Statutes, the shares of the Company) as the Directors may from time to time think fit. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it prudent not to divide.
- 22.5** Subject to the provisions of the Statutes or as otherwise required by law, where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company, the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased *cum* dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
- 22.6** The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share any sums presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company. The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed (or if, following one such failure of encashment, reasonable enquiries have failed to establish any new address of the holder of the related shares or, in

the case of joint holders, of any of them) but, subject to the provisions of these Articles, shall recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way

- 22.7** The Directors may retain the dividends payable upon shares in respect of which any person is, under the provisions in these Articles as to the transmission of shares, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same
- 22.8** All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the payment of any such dividend into a separate account or the investment of such dividend shall not constitute the Company a trustee in respect thereof. No dividend or other moneys payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share. Any dividend which has remained unclaimed for a period of 12 years from the date the dividend was declared or the due date for payment thereof shall at the expiration of that period be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely
- 22.9** Dividends may be paid in such manner as may reasonably be approved by the Directors, including by bank automated clearing system. Any dividend or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the register in respect of the shares, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holders otherwise direct, be made payable to the order of the registered holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders
- 22.10** If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share
- 22.11** A general meeting declaring a dividend on shares of any class may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures or other

securities or rights of any other company, and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular (a) may issue fractional certificates (b) may determine the value for distribution of such specific assets or any part thereof (c) may resolve that cash payments shall be made to any members upon the basis of the value so determined in order to adjust the rights of members (d) may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors and (e) generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates or any part thereof and otherwise as they think fit.

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

**22.13** Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares as at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

**22.14** The Directors may, if so authorised by Ordinary Resolution, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of any dividend specified by such Ordinary Resolution. The following provisions shall apply:

**22.14.1** such Ordinary Resolution may specify a particular dividend, or may specify all or any dividends declared or resolved to be paid within a specified period, but such period may not end later than the beginning of the fifth annual general meeting next following the date of the meeting at which such Ordinary Resolution is passed,

**22.14.2** the relevant value of the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be not less than, and may (with the sanction of a Special Resolution) exceed, such cash amount (disregarding any tax credit) of the dividend that such holder elects to forego, and so that for this purpose (i) "relevant value" shall be calculated by reference to the average of the middle-market quotations for the Company's Ordinary Shares on the London Stock Exchange (as derived from its Daily Official List) on the day on which the Ordinary Shares are first quoted *ex* the relevant dividend and the four

subsequent dealing days, or in such other manner as may be determined by or in accordance with such Ordinary Resolution and (ii) a certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount,

- 22.14.3** on or as soon as practicable after announcing that they have resolved to pay or are to recommend any dividend, the Directors, if they intend to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment notify the holders of Ordinary Shares in writing of the right of election, and specify the procedure to be followed and the place at which, and the latest time by which, elections must be lodged in order to be effective,
- 22.14.4** the Directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined,
- 22.14.5** the Directors may exclude from any offer any holders of Ordinary Shares if the Directors believe that the making of the offer to them would or might involve the contravention of the laws of, or the requirements of any regulatory body or stock exchange in, any territory or that for any other reason the offer should not be made to them,
- 22.14.6** the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been made ("**Elected Ordinary Shares**") and instead additional Ordinary Shares shall be allotted to the holders of the Elected Ordinary Shares on the basis of the allotment calculated as stated, and so that for such purpose the Directors shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) as the Directors may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the Elected Ordinary Shares,
- 22.14.7** the additional Ordinary Shares when allotted shall rank *pari passu* in all respects with the fully-paid Ordinary Shares then in issue except that they will not be entitled to participation in the relevant dividend,
- 22.14.8** the Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlement which would arise on such basis (including provisions whereby fractional entitlements are

disregarded or rounded up or the benefit of fractional entitlements accrues to the Company rather than to the members concerned), and so that the Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned, and

**22.14.9** the Directors may determine to treat as valid for the purposes of this Article any mandate in force to receive on a regular basis Ordinary Shares in lieu of cash dividends

**22.15** At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company (a "**Relevant Period**") distribution of the Company's capital profits (within the meaning of Section 833(2)(c) of the 2006 Act) shall be prohibited, except for the purpose of redeeming or purchasing its own shares in accordance with the Act. The Directors shall establish a reserve to be called the capital reserve. During a Relevant Period all surpluses arising from the realisation or revaluation of investments and all other moneys realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other moneys which are considered by the Directors to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the Statutes, the Directors may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the Statutes, any expenses, loss or liability (or provision therefor) which the Directors consider to relate to a capital item (including any proportion of the expenses of management or administration of its assets and/or of the finance costs of the Company) or which the Directors otherwise consider appropriate to be debited to the capital reserve, shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that, notwithstanding any other provision of these Articles, during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by Section 829 of the 2006 Act), except for the purpose of redeeming or purchasing its own shares in accordance with Sections 160 and 162 of the Act, or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by Section 829 of the 2006 Act) or be applied in paying dividends on any shares in the Company.

## **23. CAPITALISATION OF RESERVES**

The Directors may, with the sanction of an Ordinary Resolution, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating sums to the holders of Ordinary Shares on the Register of Members at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on such basis (including provisions whereby fractional entitlements are disregarded or rounded up or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

## **24. ACCOUNTS AND AUDITORS**

- 24.1** The Directors shall cause accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes to be kept and preserved in accordance with the Statutes. The accounting records shall be kept at the Office, or (subject to the provisions of the Statutes) at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. No member (other than an officer of the Company) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors or by the Company in general meeting.
- 24.2** The Directors shall from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Act.
- 24.3** A copy of every balance sheet and profit and loss account (including every document required by law to be comprised therein or annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and Auditors' reports shall not less than 21 days before the date of the meeting be sent to every member and to every holder of debentures of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Act or these Articles provided that

- 24.3.1** this Article shall not require copies of such documents to be sent to any person to whom, by virtue of Section 423(2) of the 2006 Act, the Company is not required to send the same, nor to any person of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures, but any member or holder of debentures to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Office, and
- 24.3.2** instead of these documents there may be sent a copy of such summary financial statement as may be permitted, in such form as may be specified and subject to such conditions as may be required, by law to be sent to the members of, and holders of debentures of, the Company
- 24.4** Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Statutes Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently becomes disqualified
- 24.5** The Auditors shall be entitled to attend any general meeting and to receive notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns them as Auditors
- 25. NOTICES**
- 25.1** Subject to the specific terms of any Article, any notice to be given to or by any person pursuant to these Articles shall be in writing (which, for the avoidance of doubt, shall be deemed to include a notice given in electronic form or by website communication), save that a notice convening a meeting of the Board or of a committee of the Board need not be in writing
- 25.2** Save as provided in Articles 25.5 and 25.13, any notice or other Shareholder Information may be served by the Company on, or supplied by the Company to, any person personally or by sending it by first-class post in a prepaid envelope addressed to such person at his postal address as appearing in the register or by sending or supplying it in electronic form or by website communication in accordance with Article 25.5 In the case of joint holders of a share all notices or other Shareholder Information shall be given or supplied to the joint holder who is named first in the register, and notice so given or other Shareholder Information so supplied shall be sufficient notice or supply to all the joint holders Any notice to be given to a person may be given by reference to the register as it stands at any time within the period of 15 days before the notice is given and no change in the register after that time shall invalidate the giving of the notice



- 25.3** In the case of notices or other Shareholder Information sent by post, proof that an envelope containing the communication was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given or other Shareholder Information sent. If the communication is made by post, it shall be deemed to be given or received at the expiration of 48 hours after the envelope containing it was posted.
- 25.4** Any member or person nominated to receive Shareholder Information whose address in the register is not within the United Kingdom and who gives to the Company a postal address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such postal address, but otherwise no such person, other than a person whose address in the register is within the United Kingdom, shall be entitled to receive any notice from the Company. Any member or person nominated by a member to receive Shareholder Information whose address in the register is not within the United Kingdom and who gives to the Company an address for the purposes of receipt of communications in electronic form may, at the absolute discretion of the Board, have notices served upon him at such address.
- 25.5** Notices or other Shareholder Information may be communicated by the Company in electronic form or by means of a website communication as set out in these Articles.
- 25.6** Subject to the provisions of the Statutes, any notice or other Shareholder Information (excluding a share certificate) will be validly sent or supplied if sent or supplied by the Company to any member or person nominated by a member to receive Shareholder Information in electronic form if that person has agreed (generally or specifically) (or, if the member is a company and it is deemed by the Statutes to have agreed) that the communication may be sent or supplied in that form and
- 25.6.1** the notice or other Shareholder Information is sent using electronic means (as that term is used in section 1168 of the 2006 Act) to such address (or to one of such addresses if more than one) as may for the time being be notified by the member to the Company (generally or specifically) for that purpose or, if the intended recipient is a company, to such address as may be deemed by a provision of the Statutes to have been so specified,
- 25.6.2** the notice or other Shareholder Information is sent or supplied in electronic form by hand, handed to the recipient or sent or supplied to an address to which it could validly be sent if it were in hard copy form, and
- 25.6.3** in each case that person has not revoked the agreement

- 25.7** Subject to the provisions of the Statutes any notice or other Shareholder Information (excluding a share certificate) will be validly sent or supplied by the Company if it is made available by means of a website communication where that person has agreed, or is deemed by the Statutes to have agreed (generally or specifically) that the communication may be sent or supplied to him in that manner and
- 25.7.1** that person has not revoked the agreement,
  - 25.7.2** that person is notified in a manner for the time being agreed for the purpose between that person and the Company of
    - 25.7.2.1** the publication of the notice or other Shareholder Information on a website,
    - 25.7.2.2** the address of that website, and
    - 25.7.2.3** the place on that website where the notice or other Shareholder Information may be accessed and how it may be accessed,
  - 25.7.3** the notice or other Shareholder Information continues to be published on the website throughout the period specified in the 2006 Act, and
  - 25.7.4** the notice or other Shareholder Information is published on the website throughout the period referred to in Article 25 7 3 Provided that if the notice or other Shareholder Information is published on that website for a part but not all of such period, the notice or other Shareholder Information will be treated as published throughout that period if the failure to publish the notice or other Shareholder Information throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid
- 25.8** When any notice or other Shareholder Information is given or sent by the Company by electronic means (as that term is used in section 1168 of the 2006 Act), it shall be deemed to have been given on the same day as it was sent to an address supplied by the member or person nominated by the member to receive Shareholder Information, and in the case of the publication of a notice or other Shareholder Information by website communication, it shall be deemed to have been received by the intended recipient when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website pursuant to Article 25 7 2 Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given

- 25.9** provision of this Article 25 which refers to anything agreed, notified or specified by a member shall be deemed to have been validly agreed, notified or specified, notwithstanding any provisions of the Statutes, if agreed, notified or specified by only one and not all of the joint holders of any shares held in joint names
- 25.10** Where in accordance with these Articles a member is entitled or required to give or send to the Company a notice in writing, the Company may, if it in its absolute discretion so decides, (or shall, if it is deemed to have so agreed by any provision of the Statutes) permit such notices (or specified classes thereof) to be sent to the Company by such means of electronic communication as may from time to time be specified (or be deemed by the Statutes to be agreed) by the Company, so as to be received at such address as may for the time being be specified (or deemed by the Statutes to be specified) by the Company (generally or specifically) for the purpose Any means of so giving or sending such notices by electronic communication shall be subject to any terms, limitations, conditions or restrictions that the Directors may from time to time prescribe
- 25.11** A member or person nominated by the member to receive Shareholder Information who (having no registered address within the United Kingdom) has not supplied to the Company either a postal address within the United Kingdom for the service of notices or an address for the service of notices in electronic form, subject always to the terms of Articles 25 4 and 25 5 shall not be entitled to receive notices from the Company If, on two consecutive occasions, a notice to a member or person nominated by the member to receive Shareholder Information has been returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the office a new postal address within the United Kingdom for the service of notices or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices in electronic form, subject always to the terms of Articles 25 4 and 25 5 For these purposes, a notice sent by post shall be treated as returned undelivered if the notice is sent back to the Company (or its agents) and a notice sent by electronic communication shall be treated as returned undelivered if the Company (or its agents) receive(s) notification that the notice was not delivered to the address to which it was sent
- 25.12** Every person who becomes entitled to a share
- 25.12.1** except as mentioned in Article 25 12 2, shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title, but
- 25.12.2** shall not be bound by any such notice given by the Company under section 793 of the 2006 Act

- 25.13** If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper and such notice shall be deemed to have been duly served on all persons entitled thereto at noon on the day when the advertisement appears. In any such case, the Company may still serve notices in electronic form or by website communication, subject always to the Statutes, and shall send confirmatory copies of the notice by post to persons to whom it was not sent in electronic form or by website communication and to those persons to whom notification of the publication of the notice on the Company's website would usually be given by post if at least seven clear days prior to the meeting the posting of notices to postal addresses throughout the United Kingdom becomes practicable.
- 25.14** A person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member on supply to the Company of such evidence as the Board may reasonably require to show his title to that share, and upon supplying also a postal address within the United Kingdom for the service of notices and documents and, if he wishes, an address for the service and delivery of electronic communications, shall be entitled (subject always to the terms of Articles 25.4 and 25.5) to have served on or delivered to him at such address any notice or document to which the member but for his death, mental disorder or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Until such address or addresses have been so supplied, any notice or other Shareholder Information may be sent or supplied in any manner in which it might have been sent or supplied if the death, mental disorder or bankruptcy had not occurred and if so sent or supplied shall be deemed to have been duly sent or supplied in respect of any share registered in the name of such member as sole or first-named joint holder.
- 25.15** Any member present, either personally or by proxy or (in the case of a corporate member) by representative, at any general meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called.
- 25.16** Whenever any of the Company's shares or debentures have been admitted to listing by the Financial Services Authority, the required number of all documents sent to the Company's shareholders (or any class thereof) or debenture holders generally shall at the same time be forwarded to the appropriate officer of the Financial Services Authority as may for the time being be required under its regulations or practice.

## **26. WINDING-UP**

- 26.1** If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a Special Resolution and any other sanction required by the Statutes, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is a liability.
- 26.2** The Company may, subject to the provisions of the Statutes and of these Articles, issue warrants or grant options to subscribe for shares in the Company. Such warrants or options shall be issued upon such terms and subject to such conditions as may be resolved upon by the Board of Directors including, without prejudice to the generality of the foregoing, terms and conditions which provide that, on a winding-up of the Company, a holder of warrants or grantee of options may be entitled to receive out of the assets of the Company available in the liquidation *pari passu* with the holders of shares of the same class as the shares in respect of which the subscription rights conferred by the warrants or the options can be exercised such a sum as he would have received had he exercised the subscription rights conferred by his warrants or the options prior to the winding-up but after deduction of the price (if any) payable on exercise of such subscription rights.

## **27. DURATION OF THE COMPANY**

At the tenth annual general meeting of the Company following the admission of the Ordinary Shares to the Official List of the Financial Services Authority and, if the Company has not then been liquidated, unitised or reconstructed, at each fifth subsequent annual general meeting of the Company convened by the Directors thereafter, the Directors shall propose an Ordinary Resolution that the Company should continue as a venture capital trust for a further five year period. If such Ordinary Resolution is not passed, the Directors shall draw up proposals for the voluntary liquidation, unitisation or other re-organisation of the Company for submission to the members of the Company at a general meeting to be convened by the Directors for a date not more than nine months after the date of the meeting at which such Ordinary Resolution was not passed. The Directors shall use all reasonable endeavours to ensure that such proposals for the liquidation, unitisation or reconstruction of the Company as are approved by a Special Resolution are implemented as soon as is reasonably practicable after the passing of such resolution. For the purposes of this Article only an Ordinary Resolution will not have been passed only if those members in person or by proxy who vote against the resolution hold in aggregate not less than 25 per cent of the

issued share capital of the Company at such time entitled to attend and vote at such a meeting

**28. INDEMNITY**

- 28.1** Subject to section 204 of the Act the Company may indemnify, out of the assets of the Company, any director of the Company or of any associated company against all losses and liabilities which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, provided that this Article 28.1 shall only have effect insofar as its provisions are not void under sections 232 or 234 of the 2006 Act
- 28.2** subject to sections 205(2) to (4) of the 2006 Act, the Company may provide a Director with funds to meet expenditure incurred or to be incurred by him in defending (or seeking relief in respect of) any civil or criminal proceedings brought or threatened against him in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or an associated company, and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under sections 197 to 203 of the 2006 Act to enable a director to avoid incurring such expenditure
- 28.3** The Company may also provide a Director with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under section 197 of the 2006 Act to enable a director to avoid incurring such expenditure