

Company number 06689959

THE COMPANIES ACT 2006

ARTICLES OF ASSOCIATION

**FIRST RESIDENTIAL PROPERTIES PLC**

(adopted 31 December 2010)

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**Company No 06689959**  
**A Company Limited by Shares**

**ARTICLES OF ASSOCIATION**

**FIRST RESIDENTIAL PROPERTIES PLC**

**1 PRELIMINARY**

**1 1 Table A**

The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (*SI 1985/805*) as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (*SI 2007/2541*) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (*SI 2007/2826*), and as otherwise amended before the adoption of these Articles shall not apply to the Company

**2 DEFINITIONS**

**2.1** In these Articles, except where the subject or context otherwise requires

<b>"Act"</b>	means the Companies Act 2006 including any modification or re-enactment thereof for the time being in force,
<b>"Acting in Concert"</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended),
<b>"A ordinary share"</b>	means an A ordinary share of £1 00 in the capital of the Company,
<b>"Articles"</b>	means these articles of association as altered from time to time by special resolution;
<b>"auditors"</b>	means the auditors for the time being of the Company;
<b>"the board"</b>	means the directors or any of them acting as the board of directors of the Company,
<b>"clear days"</b>	means the period excluding the day when a notice is given or deemed to be given and the day for which it is given or on which it is to take effect,
<b>"Connected Person"</b>	Has the meaning given to it by section 839 of the Income and Capital Gains Tax Act 1988,

<b>"Controlling Interest"</b>	means an interest in shares giving to the holder or holders control of the Company within the meaning of 1124 of the Corporation Tax Act 2010.
<b>"CREST"</b>	means the relevant system operated by CRESTCo in terms of the Regulations, which enables title to shares or other securities to be evidenced and transferred without a written instrument;
<b>"CRESTCo"</b>	means Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST,
<b>"director"</b>	means a director of the Company;
<b>"dividend"</b>	means dividend or bonus;
<b>"electronic communication"</b>	means a document or information sent or supplied in electronic form;
<b>"electronic copy", "electronic form" and "electronic means"</b>	having the meaning given to them in section 1168 of the Act,
<b>"hard copy" and "hard copy form"</b>	have the meaning given to them in section 1168 of the Act;
<b>"holder"</b>	means in relation to any shares the member whose name is entered in the register as the holder of such shares;
<b>"Listing"</b>	the effective admission to trading of all or any part of the share capital of any Group Company on the London Stock Exchange plc or the grant of permission to deal in all or any part of the share capital of any Group Company on the Alternative Investment Market or the PLUS market or on any recognised investment exchange (as defined in the Financial Services and Markets Act 2000), or any other sale or issue of shares of any Group Company by way of flotation or public offering in any country
<b>"London Stock Exchange"</b>	means London Stock Exchange plc,
<b>"member"</b>	means a member of the Company;
<b>"Memorandum"</b>	means the memorandum of association of the Company as amended from time to time,

<b>"NAV"</b>	the aggregate of the amount of the issued share capital of the Company and the amount of the consolidated capital and revenue reserves of the Company and its Subsidiaries
<b>"office"</b>	means the registered office of the Company;
<b>"Offer"</b>	means the initial offer for subscription of ordinary shares promoted by Webb Capital Advisory Limited and which is expected to close on or before 31 <sup>st</sup> March 2011.
<b>"ordinary share"</b>	means an ordinary share of 50p in the capital of the Company and an ordinary share of £1 00 in the capital of the Company;
<b>"paid"</b>	means paid or credited as paid,
<b>"register"</b>	means the register of members of the Company,
<b>"seal"</b>	means the common seal of the Company and includes any official seal kept by the Company by virtue of Section 39 or 40 of the Act;
<b>"secretary"</b>	means the secretary of the Company and includes a joint, assistant; deputy or temporary secretary and any other person appointed to perform the duties of the secretary;
<b>"Share Sale"</b>	the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where the shareholders and the proportion of shares held by each of them following completion of the sale are the same as the shareholders and their shareholdings in the Company immediately before to the sale,
<b>"SIPP Beneficial Member"</b>	the beneficial owner of ordinary shares which are held in a Self-Invested Personal Pension
<b>"Subsidiaries"</b>	has the meaning given to it in section 1159 of the Act,
<b>"United Kingdom"</b>	means Great Britain and Northern Ireland.

## 2 2 Construction

- 2 2.1 References to a document being executed include references to its being executed under hand or under seal or by any other method.

- 2 2 2 References to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.
- 2 2 3 Words denoting the singular number include the plural number and vice versa, words denoting the masculine gender include the feminine gender; and words denoting persons include corporations
- 2.2.4 Save as aforesaid any words or expressions defined in the Act or the Regulations (but excluding any modification thereof not in force at the date of adoption of these Articles) shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- 2 2.5 Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation (as defined by Section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force
- 2 2 6 Headings are inserted for convenience only and do not affect the construction of these Articles
- 2.2.7 In these Articles
  - 2.2.7.1 powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto,
  - 2.2 7 2 the word board in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated,
  - 2 2.7.3 no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and
  - 2.2.7.4 except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

### 3 **SHARE CAPITAL**

#### 3 1 Share Capital

The share capital of the Company on the adoption of these Articles is £51,250 divided into 2 ordinary shares of 50p each, 54,998 ordinary shares of £1.00 each and 1,250 A ordinary shares of £1.00 each

### 3.2 Shares with special rights

Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution of both the holders of A ordinary shares and the holders of ordinary shares determine or, subject to and in default of such determination, as the board shall determine.

### 3.3 Allotment

Subject to the provisions of the Act relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant thereto all unissued shares for the time being in the capital of the Company shall be at the disposal of the board, and the board may (subject as aforesaid) allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as it thinks fit

### 3.4 Commissions

The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Act. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other

### 3.5 Renunciation of Allotments

Notwithstanding any other provisions of these Articles the directors may at any time after the allotment of any share but before any person has been entered in the register as the holder, recognise a renunciation of any share by the allottee in favour of some other person. The directors may allow an allottee to renounce the share upon and subject to such terms and conditions as the directors may impose and the directors may refuse to register any renunciation in favour of more than four persons jointly.

### 3.6 Trusts not recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any share (or many fractional part of a share) except an absolute right to the entirety thereof in the holder.

## 4 **VARIATION OF RIGHTS**

### 4.1 Method of varying rights

Subject to the provisions of the Act, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three quarters in nominal value of both the issued A ordinary shares and the issued ordinary shares or with the sanction of an extraordinary resolution passed at a separate general meeting of both the holders of A ordinary shares and the holders of ordinary shares (but not otherwise).



#### 4 2 When rights deemed to be varied

For the purposes of Article 4.1, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights shall be deemed to be varied by the reduction of the capital paid up on those shares otherwise than by a purchase or redemption by the Company of its own shares and by the allotment of other shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares, but shall not otherwise be deemed to be varied by the creation or issue of other shares ranking *pari passu* with, or subsequent to, such first mentioned shares or by the purchase or redemption by the Company of any of its own shares

### 5 SHARE CERTIFICATES

#### 5.1 Issue of certificates

Every member, upon becoming the holder of any shares (except a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the board may from time to time determine. Subject to Article **Error! Reference source not found.** every certificate shall be sealed with the seal or executed in accordance with Article **Error! Reference source not found.** and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

#### 5.2 Risk

Where the Company sends share certificates to shareholders or their agents by post, such share certificates shall be sent at the shareholders' risk

### 6 SHARE RIGHTS

The respective rights attaching to the A ordinary shares and the ordinary shares shall in addition to any other rights specified elsewhere in these Articles be as follows:

#### 6 1 As regards voting

- 6 1 1 Subject to Article 6 1 2, each holder of A ordinary shares and of ordinary shares shall be entitled to one vote for every share in the capital of the Company held by him
- 6 1 2 Without prejudice to Article 6.1 1, a holder of ordinary shares ("**Holder**") together with any Connected Persons shall only be entitled to vote in respect of such number of ordinary shares held by him or them as equals 9.5% of the total number of ordinary shares in issue (but excluding those ordinary shares held by the

Holder and any Connected Persons) rounded down to the nearest whole number

6.2 As regards dividends:

The profits of the Company available for dividend and resolved to be distributed shall be distributed amongst the holders of ordinary shares only. The A ordinary shares shall not receive dividends

6.3 As regards capital

On a return of assets on liquidation, capital reduction or otherwise (other than a redemption or purchase of shares), the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority:

first, in paying to the holders of the A ordinary shares an amount equal to  $X$ , where  $X = 0.2$  multiplied by  $Z$  minus  $Y$  and where

$Y$  = the amount subscribed for ordinary shares pursuant to the Offer

and

$Z$  = the NAV immediately prior to the return of assets as determined by the auditors acting as experts.

pro rata to their holdings of A ordinary shares,

second, in paying to the holders of ordinary shares the balance, pro rata to their holdings of ordinary shares.

6.4 Additional rights attaching to the A ordinary shares on a Share Sale

6.4.1 On a Share Sale, the proceeds of a Share Sale shall be distributed in the following order of priority -

first, in paying to the holders of the A ordinary shares an amount equal to  $X$ , where  $X = 0.2$  multiplied by  $Z$  minus  $Y$  and where

$Y$  = the amount subscribed for ordinary shares pursuant to the Offer

and

$Z$  = all the consideration paid or payable in respect of any Share Sale, whether in monies or monies worth and whether deferred, conditional or contingent and where the Share Sale is not the sale of (or the grant of a right to acquire or to dispose of) the entire issued share capital of the Company, grossed up to assume that it is

pro rata to their holdings of A ordinary shares,

second, in paying to the holders of ordinary shares the balance, pro rata to their holdings of ordinary shares.

6.4.2 The board shall not register any transfer of shares if the proceeds of sale are not distributed in that manner (save in respect of any shares not sold in connection with that Share Sale), provided that, if the proceeds of sale are not settled in their entirety on completion of the Share Sale:

the board may register the transfer of the relevant shares, provided that the proceeds have been distributed in the order of priority set out in Article 6.4.1, and

the ordinary shareholders shall take any action required by the A ordinary shareholders to ensure that the proceeds of sale are distributed in the order of priority set out in Article 6.4.1.

6.5 As regards strategy -

The Company may from the first annual general meeting of the members of the Company held after 1<sup>st</sup> January 2019 and at each subsequent annual general meeting of the members of the Company by special resolution of the holders of ordinary shares approve the seeking by the board of an event by which shareholder value may be realised, whether by Share Sale, a return of assets or otherwise as the board may determine be in the best interests of the members of the Company and the board shall procure that the relevant resolution is proposed at the relevant annual general meeting

## 7 **LIEN**

7.1 Company to have lien on shares

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The board may at any time (generally or in particular cases) waive any lien or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount (including dividends) payable in respect of it.

7.2 Enforcement of lien by sale

The Company may sell, in such manner as the board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder or otherwise by operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold

7.3 Giving effect to sale

To give effect to any such sale the board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

7.4 Application of proceeds

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

## **8 CALLS ON SHARES**

### **8 1 Power to make calls**

Subject to the terms of allotment, the board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may be revoked in whole or part and the time fixed for payment of a call may be postponed in whole or part as the board may determine. 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.

### **8 2 Time when call made**

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

### **8 3 Liability of joint holders**

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

### **8 4 Interest payable**

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, such rate, not exceeding 3 per cent. above the base rate of the Bank of England from time to time, per annum, but the board may waive payment of such interest wholly or in part.

### **8 5 Deemed calls**

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and notified and payable on the date so fixed or in accordance with the terms of the allotment, and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified

### **8 6 Differentiation on calls**

Subject to the terms of allotment, the board may make arrangements on the issue of shares for a difference between the allottees and/or holders in the amounts and times of payment of calls on their shares

## 8 7 Payment of calls in advance

The board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made, and may pay upon all or any of the moneys so advanced (until the same would but for such advance become presently payable) interest at such rate not exceeding (unless the Company by ordinary resolution may otherwise direct) 3 per cent above the base rate of the Bank of England from time to time, per annum, but the board may waive payment of such interest wholly or in part

## 9 FORFEITURE AND SURRENDER

### 9.1 Notice requiring payment of call

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give to the person from whom it is due not less than fourteen clear days' notice in writing requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited

### 9 2 Forfeiture for non-compliance

If any such notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the board and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before the forfeiture the holder of the share, and an entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the register opposite the entry of the share, but no forfeiture shall be invalidated by any omission or neglect to give such notice or to make such entries

### 9 3 Sale of forfeited shares

Subject to the provisions of the Act, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the board determines, either to the person who was before the forfeiture the holder or to any other person, and at any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the board thinks fit Where for the purposes of its disposal a forfeited share is to be transferred to any person the board may authorise some person to execute an instrument of transfer of the share to that person The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share

### 9.4 Liability following forfeiture

A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the

certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest thereon at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at such rate, not exceeding 3 per cent , above the base rate of the Bank of England from time to time, per annum,

from the date of forfeiture until payment, but the board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal

#### 9 5 Surrender

The board may accept the surrender of any share which it is in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited

#### 9.6 Extinction of rights

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members

#### 9 7 Evidence of forfeiture or surrender

A statutory declaration by a director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share

### 10 **TRANSFER OF SHARES**

#### 10 1 Form and execution of transfer

10 1 1 The instrument of transfer of a share may be in any usual form or in any other form which the board may approve and shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal

10 1 2 Nothing in this Article or the provisions hereinafter shall preclude the transfer of shares or other securities of the Company in uncertificated form in accordance with the terms of Article 6 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 6.

## 10.2 Transfers of partly paid shares

The board may, in its absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid or on which the Company has a lien

## 10.3 Invalid transfers

10.3 1 The board may also refuse to register the transfer of a share unless the instrument of transfer

10 3 1 1 is lodged, duly stamped, at the office or at such other place as the board may appoint accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer,

10 3 1.2 is in respect of only one class of shares; and

10 3 1 3 is in favour of not more than four transferees.

10 3.2 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, the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question. The expressions "**recognised clearing house**" shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services and Markets Act 2000.

## 10 4 Notice of refusal to register

If the board refuses to register the transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee notice of the refusal

## 10 5 Suspension of registration

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the board may determine.

## 10 6 No fee payable on registration

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share

## 10.7 Retention of transfers

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

# 11 TRANSMISSION OF SHARES

## 11.1 Transmission

If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest, but nothing herein contained shall release the estate of a deceased member (whether a sole or joint holder) from any liability in respect of any share held by him

#### 11 2 Elections permitted/required

11.2 1 A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may, upon such evidence being produced as the board may properly require as to his entitlement, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to any such notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred.

11 2 2 The board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### 11.3 Rights of persons entitled by transmission

A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall, upon such evidence being produced as the board may properly require as to his entitlement and subject to the requirements of Article 10 3, have the same rights in relation to the share as he would have had if he were the holder of the share, and may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled in respect of it to receive notice of or to attend or vote at any meeting of the Company or to receive notice of or to attend or vote at any separate meeting of the holders of any class of shares in the Company.

### 12 **ALTERATION OF SHARE CAPITAL**

#### 12 1 Alterations by ordinary resolution

12.1.1 The Company may by ordinary resolution of both the holders of A ordinary shares and the holders of ordinary shares:

12 1.1.1 increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes,



- 12.1.1.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 12.1.1.3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others, and
- 12.1.1.4 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled

## 12.2 New shares subject to these Articles

All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise, and, unless otherwise provided by these Articles, by the resolution creating the new shares or by the conditions of issue, the new shares shall be unclassified shares.

## 12.3 Fractions arising

Whenever as a result of a consolidation or sub-division of shares any fractions arise, the board may settle the matter in any manner it deems fit and in particular may sell shares representing fractions to which any members would otherwise become entitled to any person, (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

## 12.4 Power to reduce capital

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

# 13 PURCHASE OF OWN SHARES

## 13.1 Power to purchase own shares

Subject to and in accordance with the provisions of the Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the Act and by an extraordinary resolution passed at a separate general meeting of the holders of each class of shares (if any) which, at the date on which the

contract is authorised by the Company in general meeting, entitle them, either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the Company.

## 13.2 Buy-back policy

13.2.1 Any member holding ordinary shares who wishes the Company to buy-back all or any of those ordinary shares (the "**Seller**") shall give the Company no less than 7 days' notice in writing, such notice to expire on 31<sup>st</sup> December in any year (the "**Buyback Sale Notice**"). Once given the Transfer Notice shall be irrevocable

13.2.2 A Seller may serve a Buyback Sale Notice in respect of part or all of the ordinary shares of which he is the holder

13.2.3 The Buyback Sale Notice shall specify

13.2.3.1 the number of Shares the Seller wishes to sell to the Company (the "**Buyback Shares**"); and

13.2.3.2 whether the Seller wishes to impose a condition that unless all the Buyback Shares are sold none shall be sold (a "**Total Sale Condition**").

13.2.4 By giving the Buyback Sale Notice, the Seller appoints the Company (acting by the board) as his agent with the power to sell the Buyback Shares (with all rights attaching to them) in accordance with the provisions of these articles

13.2.5 The price payable by the Company in respect of each Buyback Share shall be a sum equal to:-

95% of the NAV at 31 December of that year ("**Buyback NAV**") minus a sum equal to:-

(0.2 multiplied by the Buyback NAV minus the amount subscribed for ordinary shares pursuant to the Offer) and -

divided by the total number of ordinary shares in issue

(the "**Buyback Price**").

13.2.6 Within three months of 31 December the Company shall give notice in writing (the "**Buyback Offer Notice**") to such holders of ordinary shares who have given a Buyback Sale Notice stating the Buyback Price and offering to purchase all, some or none of the ordinary shares the subject of the Buyback Sale Notice at the Buyback Price. In determining whether it is able to purchase all, some or none of the ordinary shares the subject of any single Buyback Notice, it shall be mindful of any Total Sale Condition. In the event that the Company gives notice in writing to the effect that it will purchase all or some of the ordinary shares the subject of the Buyback Sale Notice, the holder of ordinary shares receiving such notice ("**Eligible Member**") shall be given a time, date and place of Completion (subject to shareholder approval) in that notice and which shall be not less

than seven and not more than 28 days after the date of AGM at which shareholder approval for the buyback will be sought

13.2.7 Subject to shareholder approval having been obtained, on Completion

13.2.7.1 the Company shall pay the purchase price in respect of the relevant Buyback Shares:

13.2.7.1.1 to the Eligible Member or to such bank account as has been notified to the Company (less any bank transfer charges), or

13.2.7.1.2 if the Eligible Member is not present at Completion or has not notified the Company of his bank account, to the Company to be held on trust (without interest) for the Seller (and the receipt of the Company for the purchase price shall be a good discharge to that Eligible Member (who shall not be bound to see to the application of it)) and

13.2.7.2 the Eligible Member shall transfer the relevant Buyback Shares to the Company and deliver the relevant share certificates

13.2.8 If the Eligible Member defaults in transferring any Buyback Shares to the Company pursuant to article 13.2.7.2, the Company is unconditionally and irrevocably authorised to appoint any person as agent of the Eligible Member to execute a stock transfer form for those Buyback Shares in the name, and on behalf, of the Eligible Member (and to do such other things as are necessary to transfer the relevant Buyback Shares pursuant to this article) and when that stock transfer form has been duly stamped, the Company shall cause those Buyback Shares to be cancelled in accordance with the Act,

and after that, the validity of the proceedings shall not be questioned by any person

13.2.9 Any money held on trust by the Company for the Eligible Member in respect of any Buyback Shares shall only be released to the Eligible Member on production of the relevant share certificates (or an appropriate indemnity for any lost share certificates) for the Buyback Shares that have been transferred to the Company.

13.2.10 The provisions of Articles 13.2.1 – 13.2.9 shall be strictly subject to the following;

13.2.10.1 the Company shall at no time be obliged to do or not to do anything which contravenes the Act or other applicable law,

13.2.10.2 only:-

13.2.10.2.1 the executors of the estate of a deceased former SIPP Beneficial

Member together with the Self-Invested Personal Pension scheme administrator (where that SIPP Beneficial Member was also the joint legal owner of the ordinary shares in question), or

13.2.10 2 2 a Self-Invested Personal Pension scheme administrator (administering a scheme as trustee for a deceased former SIPP Beneficial Member who was the beneficial owner of the ordinary shares in question but had no right of legal ownership)

may give a Buyback Sale Notice which notice expires on or before 31<sup>st</sup> December 2014 ("**SIPP Sellers**") Any Buyback Sale Notice which is given by other holders of ordinary shares and which expires on or before 31<sup>st</sup> December 2014 shall be treated as invalid and disregarded.

13 2 10.3 the board shall determine whether or not the Company offers to buy back any ordinary shares the subject of a Buyback Notice in its absolute discretion. In so determining, the board shall give preference to SIPP Sellers

13 2.10.4 the Company shall not buy back more than 5% of the outstanding issued ordinary share capital in any 12 month period Provided That this article shall not apply to SIPP Sellers

## 14 GENERAL MEETINGS

### 14 1 Types of general meeting

All general meetings of the Company other than annual general meetings shall be called general meetings The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act.

### 14.2 Class meetings

14.2 1 All provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply to every separate general meeting of the holders of any class of shares in the capital of the Company, except that:

14 2 1 1 the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class or, at any adjourned meeting of such holders, one holder present in person or by proxy, whatever the

amount of his holding, who shall be deemed to constitute a meeting,

14.2.1.2 any holder of shares of the class present in person or by proxy may demand a poll; and

14 2 1 3 each holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him

#### 14 3 Convening general meetings

Subject to the provisions of Article 14.1, the board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the requirements of the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director of the Company may call a general meeting.

### 15 NOTICE OF GENERAL MEETINGS

#### 15.1 Period of notice

15 1.1 An annual general meeting shall be called by at least twenty-one clear days' notice. All other general meetings shall be called by at least fourteen clear days' notice.

15.1 2 Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to each of the directors and to the auditors.

#### 15.2 Contents of notice

15.2.1 The notice shall specify the time and place of the meeting and, in the case of special business, the general nature of such business. All business shall be deemed special that is transacted at a general meeting and also all business that is transacted at an annual general meeting with the exception of:

15 2.1.1 the declaration of dividends;

15.2 1 2 the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the accounts;

15.2 1 3 the appointment and reappointment of directors,

15 2 1 4 the appointment of auditors where special notice of the resolution for such appointment is not required by the Act; and

15 2 1.5 the fixing of, or the determining of the method of fixing, the remuneration of the directors and/or auditors.

15 2 2 The notice shall, in the case of an annual general meeting, specify the meeting as such, and, in the case of a meeting to pass a special resolution, specify the intention to propose the resolution as a special resolution

15.2.3 For the purposes of Article 15 1 a notice of meeting must be given in accordance with the Act, that is in hard copy form, electronic form or by means of a website

### 15.3 Electronic Communication

15 3.1 If notice of meeting is sent in electronic form the Company must have complied with all applicable regulatory requirements and the person entitled to receive such notice must have agreed that the notice can be sent to him in that way and not revoked that agreement or, in the case of a company, be deemed to have agreed to receive notice in that way by a provision in the Act.

15 3 2 The notice must be sent to the address specified by the person entitled to receive such notice or, in the case of notice sent to a company, an address which is deemed to have been specified by any provision of the Act.

### 15 4 Notice of meeting on a website

15 4 1 Provided that the Company has complied with all applicable legal requirements the Company may send or supply a notice of meeting by making it available on a website and where the Company intends to make that notice of meeting available on a website, the Company must:

15.4 1 1 comply with the provisions of Article 43 2 and Article 43 2 2,

15 4 1 2 notify persons entitled to receive such notice that the notice of meeting has been published on the website, such notification to state that it concerns a notice of meeting, to specify the place, date and time of the meeting and whether the meeting will be an annual general meeting; and

15.4.1.3 the notice must be available on the website throughout the period beginning with the date of notification and ending with the conclusion of the meeting

### 15 5 General meetings at more than one place

15 6 The provisions of this Article shall apply if any general meeting is convened at or adjourned to more than one place

### 15 7 Notice and conditions for holding

The notice of the meeting or adjourned meeting shall specify the place at which the chairman of the meeting shall preside (the "**Specified Place**") and the directors shall make arrangements for simultaneous attendance and participation at other places (whether adjoining the Specified Place or in a different and

separate place or places altogether or otherwise) by members, provided that persons attending at any particular place shall be able to see and hear and be seen and heard (whether by audio visual links or otherwise) by persons attending at the other places at which the meeting is convened.

#### 15 8 Controlling level of attendance

The directors may from time to time make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a member who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.

#### 15 9 Place of meeting

For the purposes of all other provisions of these Articles any such meeting shall be treated as being held at the Specified Place.

#### 15.10 Adjournment to more than one place

If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these Articles.

#### 15 11 Accidental omission to give notice

The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by these Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any such person, shall not invalidate the proceedings at that meeting.

### 16 **PROCEEDINGS AT GENERAL MEETINGS**

#### 16.1 Quorum

No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two persons present in person or by proxy and entitled to vote upon the business to be transacted shall be a quorum

#### 16.2 If quorum not present

If such a quorum is not present within five minutes (or such longer time not exceeding thirty minutes as the chairman of the meeting may decide to wait) from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such time and place as the chairman of the meeting may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the meeting shall be dissolved

### 16.3 Chairman

The chairman, if any, of the board or, in his absence, any deputy chairman of the Company or, in his absence, some other director nominated by the board, shall preside as chairman of the meeting, but if neither the chairman, deputy chairman nor such other director (if any) is present within five minutes after the time appointed for holding the meeting or is not willing to act as chairman, the directors present shall elect one of their number to be chairman. If there is only one director present and willing to act, he shall be chairman. If no director is willing to act as chairman, or if no director is present within five minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their numbers to be chairman.

### 16.4 Directors entitled to speak

A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

### 16.5 Adjournments

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition, the chairman may adjourn the meeting to another time and place without such consent if it appears to him that it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present. When a meeting is adjourned for thirty days or more or for an indefinite period, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### 16.6 Amendments to resolutions

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

### 16.7 Methods of voting

16.7.1 A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of a vote on the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by

16.7.1.1 the chairman of the meeting; or



- 16.7.1.2 at least two members present in person or by proxy having the right to vote at the meeting, or
- 16.7.1.3 any 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
- 16.7.1.4 any member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right, and a demand by a person as proxy for a member shall be the same as a demand by the member.

#### 16.8 Declaration of result

Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution

#### 16.9 Withdrawal of demand for poll

The 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 the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll

#### 16.10 Conduct of poll

A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded

#### 16.11 When poll to be taken

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. 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 was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

#### 16.12 Notice of poll

No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

### 16.13 Effectiveness of special resolutions

Where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.

## 17 VOTES OF MEMBERS

### 17.1 Right to vote

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder

### 17.2 Votes of joint holders

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

### 17.3 Member under incapacity

A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court or official, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

### 17.4 Calls in arrears

No member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

### 17.5 Section 793 of the Act, restrictions if in default

If at any time the board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 793 of the Act (a "**Section 793 notice**") or any other provision of the Act concerning the disclosure on interests in voting shares and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the board may, in its absolute discretion at any time thereafter by notice (a "**direction notice**") to such member direct that

17.5.1 in respect of the shares in relation to which the default occurred (the "**default shares**") the member shall not be entitled to vote

at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company,

17 5 2 where the default shares represent at least  $\frac{1}{4}$  per cent., of the total number of shares of the class concerned less any shares of that class held in treasury by the Company, then the direction notice may additionally direct that.

17.5.2 1 except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the default shares, whether in respect of capital or dividend or otherwise, and the Company shall not meet any liability to pay interest on any such payment when it is finally paid to the member,

17.5 2 2 no other distribution shall be made on the default shares,

17 5 2 3 no transfer of any of the shares held by such member shall be registered unless:

17.5 2 3 1 the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the board may in its absolute discretion require to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or

17 5 2.3.2 the transfer is an approved transfer,

the Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

#### 17.6 When restrictions cease to have effect

17 6 1 Any direction notice shall cease to have effect

17.6.1 1 in relation to any shares which are transferred by such member by means of an approved transfer; or

17.6.1.2 when the board is satisfied that such member and any other person appearing to be interested in shares held by such member, has given to the Company the information required by the relevant Section 793 notice

17.7 Board may cancel restrictions

The board may at any time give notice cancelling a direction notice.

17.8 Provisions supplementary to Article 17.5

17.8.1 For the purposes of Article 17.5:

17.8.1.1 references to "**persons interested in shares**" and to "**interest in shares**" respectively shall be construed as they are for the purposes of Section 793 of the Act;

17.8.1.2 the prescribed period is 28 days from the date of service of the said notice under the Section 793 notice unless the default shares represent at least  $\frac{1}{4}$  per cent., of the total number of shares of the class concerned less any shares of that class held in treasury by the Company, when the prescribed period is 14 days from that date,

17.8.1.3 a transfer of shares is an approved transfer if but only if:

17.8.1.3.1 it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer (as defined in Section 974 of the Act); or

17.8.1.3.2 the board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares the subject of the transfer to a party unconnected with the member and with other persons appearing to be interested in such shares; or

17.8.1.3.3 the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services and Markets Act 2000 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

17.8.2 For the purposes of Section 808 of the Act any information received by the Company following the service of a Section 793 notice on a member pursuant to Article 17.5 is deemed to have been received by the Company as though the member had been required to provide the information under Section 793 of the Act

17.9 Sections 794 and 795 of the Act

Nothing contained in Article 17.5 shall limit the power of the Company under Sections 794 and 795 of the Act

#### 17 10 Errors in voting

If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting

#### 17 11 Objection to voting

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered, and every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive

#### 17 12 Supplementary provisions on voting

On a poll votes may be given either personally or by proxy 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

### 18 PROXIES AND CORPORATE REPRESENTATIVES

#### 18 1 Appointment of proxy

The appointment of a proxy shall be executed by or on behalf of the appointor.

#### 18 2 Form of proxy

Proxies shall be in any usual form or in any other form which the board may approve (which shall include provision for two-way voting) and the board may, if it thinks fit, but subject to the provisions of the Act, at the Company's expense send out with the notice of any meeting forms of instrument of proxy for use at the meeting Delivery of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned A member may appoint more than one proxy to attend on the same occasion

#### 18 3 Delivery of form of proxy

18.3 1 The appointment of a proxy and any power of attorney or other written authority under which it is executed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority may:

18.3.1.1 be deposited by personal delivery, post or facsimile transmission at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours, excluding non-working days, before the time appointed for holding

the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

18.3 1 2 in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:

18 3.1.2.1 in the notice convening the meeting, or

18 3.1.2.2 in any proxy sent out by the Company in relation to the meeting; or

18 3 1.2.3 in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;

be received at such address not less than 48 hours, excluding non-working days, before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

18 3.1 3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

18 3.1 4 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. No proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution. When two or more valid proxies are delivered in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the others as regards that share, if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.

18 3.2 In this Article "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications.

18 4 Validity of form of proxy

18.5 The proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

#### 18.6 Corporate representatives

Any corporation or corporation sole which is a member of the Company may (in the case of a corporation, by resolution of its directors or other governing body or by authority to be given under seal or under the hand of an officer duly authorised by it) authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. A person so authorised shall be entitled to exercise the same power on behalf of the grantor of the authority as the grantor could exercise if it were an individual member of the Company and the grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

#### 18.7 Revocation of authority

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received at least 3 hours 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.

18.8 In this Article, "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications

### 19 **NUMBER OF DIRECTORS**

#### 19.1 Limits on number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be not less than 2 but shall not be subject to any maximum in number.

### 20 **APPOINTMENT AND RETIREMENT OF DIRECTORS**

#### 20.1 Number of directors to retire

At every annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to, but greater than, one-third shall retire from office; but, if there is only one director who is subject to retirement by rotation, he shall retire

#### 20.2 Which directors to retire

Subject to the provisions of the Act and these Articles, the directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were

last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the directors after the date of the notice but before the close of the meeting

#### 20.3 When director deemed to be re-appointed

If the Company, at the meeting at which a director retires by rotation or otherwise does not fill the vacancy, the retiring director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the director is put to the meeting and lost

#### 20.4 Eligibility for election

20.4.1 No person other than a director retiring by rotation shall be appointed a director at any general meeting unless:

20.4.1.1 he is recommended by the board, or

20.4.1.2 not less than seven nor more than forty-two clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been given to the Company of the intention to propose that 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, together with notice executed by that person of his willingness to be appointed.

#### 20.5 Separate resolutions on appointment

Except as otherwise authorised by the Act, the appointment of any person proposed as a director shall be effected by a separate resolution.

#### 20.6 Additional powers of the Company

Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire. The appointment of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting

#### 20.7 Appointment by board

The board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director in either case whether or not for a fixed term, provided that the appointment does not cause the number of directors to exceed the number, if any, fixed by or in accordance with these Articles as the maximum number of directors. Irrespective of the terms of his appointment, a director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are



to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

#### 20.8 Position of retiring directors

A director who retires at an annual general meeting may, if willing to first act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

#### 20.9 No share qualification

A director shall not be required to hold any shares of the Company by way of qualification.

### 21 **ALTERNATE DIRECTORS**

#### 21.1 Power to appoint alternates

Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

#### 21.2 Alternates entitled to receive notice

An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of the board of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor (except as regards power to appoint an alternate) as a director in his absence. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

#### 21.3 Alternates representing more than one director

A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the board or any committee of the board to one vote for every director whom he represents (and who is not present) in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

#### 21.4 Expenses and remuneration of alternates

An alternate director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a director but shall not in respect of his services as an alternate director be entitled to receive any remuneration from the Company except such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

#### 21.5 Termination of appointment

21.5.1 An alternate director shall cease to be an alternate director:

- 21 5.1.1 if his appointor ceases to be a director, but, if a director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his re-appointment,
- 21 5 1.2 on the happening of any event which, if he were a director, would cause him to vacate his office as director, or
- 21.5.1.3 if he resigns his office by notice to the Company

#### 21 6 Method of appointment and revocation

Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment and shall take effect in accordance with the terms of the notice (subject to an approval required by 21 1 upon receipt of such notice at the office.

#### 21 7 Alternate not an agent of appointor

Save as otherwise expressly provided in these Articles, an alternate director shall be deemed for all purposes to be a director and, accordingly, except where the context otherwise requires, references to a director shall be deemed to include a reference to an alternate director. An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

### 22 POWERS OF THE BOARD

#### 22.1 Business to be managed by board

Subject to the provisions of the Act, the Memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the board which may exercise all the powers of the Company, including the power to dispose of all or any part of the undertaking of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the board by these Articles and a meeting of the board at which a quorum is present may exercise all powers exercisable by the board.

### 23 DELEGATION OF POWERS OF THE BOARD

#### 23 1 Committees of the board

The board may delegate any of its powers to any committee consisting of one or more directors. The board may also delegate to any director holding any executive office such of its powers as the board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the board may specify, and may be

revoked or altered. The board may co-opt on to any such committee persons other than directors, who may enjoy voting rights in the committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are directors. Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying.

## 23 2 Local boards, etc

The board may establish local or divisional 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 the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made upon such terms and subject to such conditions as the board may decide and the board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

## 23 3 Agents

The board may, by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the board determines, including authority for the agent or agents to delegate all or any of his or their powers, authorities and discretions, and may revoke or vary such delegation.

## 23 4 Offices including the title "**director**"

The board may appoint any person to any office or employment having a designation or title including the word "**director**" or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "**director**" in the designation or title of any such office or employment shall not imply that the holder is a director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these Articles.

# 24 **BORROWING POWERS**

## 24.1 Power to borrow

The board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) 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.

# 25 **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

25 1 Disqualification as a director

25 1 1 The office of a director shall be vacated if

- 25.1 1 1 he ceases to be a director by virtue of any provisions of the Act or these Articles or he becomes prohibited by law from being a director; or
- 25.1.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that act; or
- 25 1 1 3 he is, or may be, suffering from mental disorder and either:
  - 25.1.1.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
  - 25.1.1 3 2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
  - 25.1.1.3 3 he resigns his office by notice to the Company or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 20 7, or
  - 25 1 1 3.4 he shall for more than six consecutive months have been absent without permission of the board from meetings of the board held during that period and his alternate director (if any) shall not during such period have attended in his stead and the board resolves that his office be vacated;
- 25 1 1 4 he is requested to resign in writing by not less than three quarters of the other directors. In calculating the number of directors who are required to make such a request to the director, (i) there shall be

excluded any alternate director appointed by him acting in his capacity as such, and (ii) a director and any alternate director appointed by him and acting in his capacity as such shall constitute a single director for this purpose, so that the signature of either shall be sufficient.

#### 25.2 Power of Company to remove director

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

### 26 REMUNERATION OF NON-EXECUTIVE DIRECTORS

#### 26.1 Ordinary remuneration

The ordinary remuneration of the directors who do not hold executive office for their services (excluding amounts payable under any other provision of these Articles) shall not exceed in aggregate £50,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the board.

#### 26.2 Additional remuneration for special services

Any director who does not hold executive office and who serves on any committee of the directors, by the request of the board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may (without prejudice to the provisions of Article 26 1) be paid such extra remuneration by way of salary, commission or otherwise as the board may determine.

### 27 DIRECTORS' EXPENSES

#### 27 1 Directors may be paid expenses

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

### 28 EXECUTIVE DIRECTORS

#### 28.1 Appointment to executive office

Subject to the provisions of the Act, the board may appoint one or more of its body to be the holder of any executive office (except that of auditor) under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the board determines, and any remuneration which is so determined may be in addition to or in lieu of any ordinary remuneration as a director. The board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company by reason thereof

#### 28.2 Termination of appointment to executive office

Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any rights or claims which he may have against the Company by reason of such cesser. A director appointed to an executive office shall not ipso facto cease to be a director if his appointment to such executive office terminates

#### 28.3 Emoluments to be determined by the board

The emoluments of any director holding executive office for his services as such shall be determined by the board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund

### 29 **DIRECTORS' INTERESTS**

29.1 A Director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company must declare, in accordance with the Act, the nature and extent of his interest to the other Directors

29.2 A Director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company must declare, in accordance with the Act, the nature and extent of his interest to the other Directors unless the interest has been declared under 29.1 above.

29.3 For the purposes of Article 29.1 and Article 29.2

29.3.1 the declaration of interest must be made at a meeting of the directors or by notice in writing to the directors in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act,

29.3.2 if the declaration proves to be or becomes inaccurate or incomplete, a further declaration must be made,

- 29.3.3 a declaration in respect of a proposed transaction or arrangement must be made before the company enters into the transaction or arrangement;
  - 29 3 4 a declaration in respect of an existing transaction or arrangement must be made as soon as is reasonably practicable,
  - 29 3 5 a declaration of an interest of which the director is not aware or where the director is not aware of the transaction or arrangement in question is not required; and
  - 29 3 6 an interest of a person who is connected with a Director shall be treated as an interest of the Director
- 29 4 A Director need not declare an interest under Article 29.1 and Article 29.2:
- 29 4 1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest,
  - 29.4.2 if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
  - 29.4.3 if, or to the extent that, it concerns terms of his service contract that have been or are to be considered:
    - 29.4 3 1 by a meeting of the directors; or
    - 29 4.3.2 by a committee of the directors appointed for the purpose under the Articles
- 29 5 Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any interest of his in accordance with Article 29.1 and Article 29 2, a Director notwithstanding his office:
- 29 5 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - 29.5 2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and
  - 29 5.3 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
- 29 6 Any Director 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

- 29.7 In the case of interests arising under Article 29.1 or Article 29.2, save as otherwise provided in 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 which is material (otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest or duty arises only because the case falls within one or more of the following paragraphs:
- 29 7 1 the resolution relates to the giving to him or a person connected with him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him or such a person at the request of or for the benefit of, the Company or any Subsidiary Undertaking;
  - 29 7.2 the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any Subsidiary Undertaking for which the Director or a person connected with him has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security,
  - 29 7.3 his interest arises by virtue of him or a person connected with him subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or any Subsidiary Undertaking or by virtue of him or a person connected with him being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any Subsidiary Undertaking for subscription, purchase or exchange;
  - 29.7.4 the resolution relates in any way to any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Part 22 of the Act) representing one per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (excluding any shares in the company held as treasury shares and any voting rights attached thereto),
  - 29 7 5 the resolution relates in any way to an arrangement in whole or in part for the benefit of the employees of the Company or any Subsidiary Undertakings which does not award him as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates;
  - 29.7 6 the resolution relates in any way to the purchase or maintenance for the directors of insurance against any liability which by virtue of any rule of law would otherwise attach to all or any of them in respect of any negligence, default, breach of duty or breach of trust in relation to the Company or any Subsidiary Undertaking.



- 29.8 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 29.9 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 or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question may (unless the Director concerned is the chairman of the meeting in which case he shall withdraw from the meeting and the Board shall elect a vice chairman to consider the question in place of the chairman), before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of the interest in the accounts of the Company, be finally and conclusively decided by a majority of the Board (other than the Director concerned)

**30 DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST**

- 30.1 The directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a Director infringing his duty under section 175 of the Act 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 and which may reasonably be regarded as likely to give rise to a conflict of interest.
- 30 2 Authorisation of a matter under Article 30 1 is effective only if:
- 30 2 1 the matter has been proposed to the directors by its being submitted in writing for consideration at a meeting of the directors or for the authorisation of the directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve;
  - 30 2 2 any requirement as to 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, and
  - 30 2 3 the matter has been agreed to without the Director in question and any other interested Director voting or would have been agreed to if their votes had not been counted
- 30 3 Any authorisation of a matter under Article 30 1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 30 4 The Board may authorise a matter pursuant to Article 30.1 on such terms and for such duration, or impose such limits or conditions on it, as it may decide and vary the terms or duration of such an authorisation (including any limits or conditions imposed on it) or revoke it. A Director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation
- 30 5 Any terms imposed by the Board under Article 30 4 may include (without limitation):

- 30 5 1 whether the Director may vote (or be counted in the quorum) at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution relating to the relevant matter,
- 30.5.2 whether the Director is to be given any documents or other information in relation to the relevant matter, and
- 30.5.3 whether the Director is to be excluded from discussions in relation to the relevant matter at a meeting of the Board or any committee or sub-committee of the Board or otherwise.
- 30.6 The Director shall not be required to disclose any confidential information obtained in relation to the relevant matter (other than through his position as a Director of the Company) to the Company or to use or apply it in performing his duties as a Director if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter.
- 30.7 A Director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act if he acts in accordance with such terms, limits and conditions (if any) as the Board may impose in respect of its authorisation of the Director's conflict of interest or possible conflict of interest under Article 30 1
- 30 8 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 30 1 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit
- 30.9 A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties

## 31 **DIRECTORS' INTERESTS - GENERAL**

- 31 1 For the purposes of Article 29 1 to Article 30 9
  - 31 1 1 an interest of a person connected with a Director shall be treated as an interest of the Director, and
  - 31 1 2 section 252 of the Act shall determine whether a person is connected with a Director.
- 31 2 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of the Board or of a committee of the Board or ratify any contract, transaction or arrangement, or other proposal, not duly authorised by reason of a contravention of any provisions of these Articles.
- 31 3 Exercise by Company of voting rights
 

The board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them directors of such body

corporate, or voting or providing for the payment of remuneration to the directors of such body corporate)

## **32 GRATUITIES, PENSIONS AND INSURANCE**

### **32.1 Gratuities and pensions**

The board may (by establishment of or maintenance of schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present director or employee of the Company or any of its subsidiaries or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

### **32.2 Insurance**

Without prejudice to the provisions of Article 48 1, the board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

### **32.3 Directors not liable to account**

No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company

### **32.4 Section 247 of the Act**

Pursuant to Section 247 of the Act, the board is hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary. Any such provision shall be made by a resolution of the board in accordance with the said section

## **33 PROCEEDINGS OF DIRECTORS**

### **33.1 Convening meetings**

Subject to the provisions of these Articles, the board may regulate its proceedings as it thinks fit. A director may, and the secretary at the request of a director

shall, call a meeting of the board. Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during his absence be sent in writing to him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and, if no such request is made to the board, it shall not be necessary to give notice of a board meeting to any director who is for the time being absent from the United Kingdom. No account is to be taken of directors absent from the United Kingdom when considering the adequacy of the period of notice of the meeting. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. Any director may waive notice of a meeting and any such waiver may be retrospective.

### 33.2 Quorum

The quorum for the transaction of the business of the board may be fixed by the board and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no director objects.

### 33.3 Powers of directors if number falls below minimum

The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

### 33.4 Chairman and deputy chairman

The board may appoint one of their number to be the chairman, and one of their number to be the deputy chairman, of the board and may at any time remove either of them from such office. Unless he is unwilling to do so, the director appointed as chairman, or in his stead the director appointed as deputy chairman, shall preside at every meeting of the board at which he is present. If there is no director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

### 33.5 Validity of acts of the board

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director or alternate director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or any member of the committee or alternate director or that any of them were disqualified from holding office, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote.

### 33.6 Resolutions in writing

33.6.1 A resolution in writing signed by all the directors entitled to receive notice of a meeting of the board or of a committee of the board (not being less than the number of directors required to form a quorum of the board) shall be as valid and effectual as if it had been passed at a meeting of the board or (as the case may be) a committee of the board duly convened and held and for this purpose

33.6 1 1 a resolution may consist of several documents to the same effect each signed by one or more directors,

33 6 1 2 a resolution signed by an alternate director need not also be signed by his appointor, and

33.6 1 3 a resolution signed by a director who has appointed an alternate director need not also be signed by the alternate director in that capacity.

### 33.7 Meetings by telephone, etc

Without prejudice to the first sentence of 33 1, a meeting of the board or of a committee of the board may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly

### 33.8 Decision of chairman final and conclusive

If a question arises at a meeting of the board or of a committee of the board as to the entitlement of a director to vote or be counted in a quorum, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed. If any such question arises in respect of the chairman of the meeting, it shall be decided by resolution of the board (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the chairman have not been fairly disclosed

## 34 **SECRETARY**

### 34 1 Appointment and removal of secretary

Subject to the provisions of the Act, the secretary shall be appointed by the board for such term, at such remuneration and upon such conditions as it may think fit, and any secretary so appointed may be removed by the board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company

## 35 **MINUTES**

35 1 Minutes required to be kept

35.1.1 The board shall cause minutes to be kept for the purpose:

35.1.1 1 of all appointments of officers made by the board;  
and

35 1 1 2 of all proceedings at meetings of the Company, of  
the holders of any class of shares in the Company,  
of the board, and of committees of the board,  
including the names of the directors present at each  
such meeting.

35 1.2 Any such minutes, if purporting to be signed by the chairman of  
the meeting to which they relate or of the meeting at which they  
are read, shall be sufficient evidence without any further proof of  
the facts therein stated

36 **DELIVERY OF DEEDS**

36 1 Delivery of deeds

A document which is executed by the Company as a deed shall not be deemed to  
be delivered by the Company solely as a result of its having been executed by the  
Company.

37 **REGISTERS**

37 1 Overseas and local registers

Subject to the provisions of the Act, the Company may keep an overseas or local  
or other register in any place, and the board may make, amend and revoke any  
such regulations as it may think fit respecting the keeping of the register

37 2 Certified copies

Any director or the secretary or any person appointed by the board 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  
holders of any class of shares of the Company or the board or any committee of  
the board, 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. A document purporting to be a copy of a resolution, or  
the minutes of or an extract from the minutes of a meeting of the Company or  
the holders of any class of shares of the Company or of the board or any  
committee of the board that 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 minutes or  
extract is a true and accurate record of proceedings at a duly constituted  
meeting

38 **DIVIDENDS**

38.1 Declaration of dividends

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board

### 38 2 Interim dividends

Subject to the provisions of the Act, the board may pay interim dividends if it appears to the board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer 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. The board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the board that the profits available for distribution justify the payment. Provided the board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights

### 38 3 Apportionment of dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly

### 38 4 Dividends in specie

A general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other body corporate. Where any difficulty arises in regard to the distribution, the board may settle the same as it thinks fit and, in particular, may fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees

### 38 5 Scrip dividends

38 5.1 The directors may, if authorised by an ordinary resolution of the Company, offer any holders of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of all or any dividends specified by the ordinary resolution. The following provisions shall apply

38 5.1.1 an ordinary resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period,

- 38 5 1 2 the entitlement of each holder of shares to new shares shall be such that the relevant value of the entitlement (calculated by reference to the average quotation) shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. For this purpose the "**average quotation**" of a share shall be the average of the middle market quotations for those shares on the London Stock Exchange, as derived from the Daily Official List, on the day on which the shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution but shall never be less than the par value of the share;
- 38 5.1.3 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,
- 38.5.1.4 on or as soon as practicable after announcing that any dividend is to be declared or recommended, the directors, if they intend to offer an election in respect of that dividend, shall also announce that intention. If, after determining the basis of allotment, the directors decide to proceed with the offer, they shall notify the holders of shares in writing of the terms and conditions of the right of election offered to them, specifying the procedure to be followed and place at which, and the latest time by which, elections or notices amending or terminating existing elections must be lodged in order to be effective;
- 38.5.1.5 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 appropriated to give effect to it after the basis of allotment is determined,
- 38 5.1.6 the directors may exclude from any offer any holders of shares where the directors believe the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them,
- 38 5 1 7 the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on shares in respect of which an election has been made (the "**elected shares**") and instead additional shares shall be allotted to the holders of the elected shares on the basis stated in Article 38 5 1.2 above. For such purpose the directors shall appropriate out of any



amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the directors may determine a sum equal to the aggregate nominal amount of the additional shares to be allotted and apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to the holders of the elected shares on the basis stated in 180.2 above,

38 5.1.8 the additional shares when allotted shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue except that they will not be entitled to participation in the relevant dividend,

38 5 1 9 no fraction of a share shall be allotted. The directors may make such provision as they think fit for any fractional entitlements including provision whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any holder and such accruals or retentions are applied to the allotment of fully paid shares to such holder and/or provision whereby cash payments may be made to holders in respect of their fractional entitlements,

38 5.1.10 the directors may do all acts and things considered necessary or expedient to give effect to the allotment and issue of any shares pursuant to this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person, acting on behalf of the holders concerned, to enter into an agreement with the Company providing for such allotment and incidental matters and any agreement made under such authority shall be effective and binding on all concerned;

38.5 1 11 the directors may, in their discretion, amend, suspend or terminate any offer which is in operation.

#### 38 6 Permitted deductions

The board may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company in respect of that share

#### 38 7 Procedure for payment

Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent by post to the registered address of the holder or person entitled or, if two or more persons are the holders of the share or are jointly

entitled to it by reason of the death or bankruptcy of the holder or otherwise by operation of law, to the registered address of that one of those persons who is first named in the register or to such person and to such address as the person or persons entitled may in writing direct. Every such cheque or warrant shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and shall be sent at the risk of the person entitled, and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share. Any such dividend or other money may also be paid by any other method (including direct debit, bank or other funds transfer system and dividend warrant) which the board considers appropriate, and to or through such person as the holder or joint holders may in writing direct. 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.

#### 38.8 Interest not payable

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

#### 38.9 Forfeiture of unclaimed dividends

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the board so resolves, be forfeited and cease to remain owing by the Company. The payment by the board of any unclaimed dividend or other moneys payable in respect of a share into a separate account shall not constitute the Company a trustee thereof. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if such instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions. The entitlement conferred on the Company by this Article in respect of any member shall cease if such member claims a dividend or cashes a dividend warrant or cheque.

#### 38.10 Retention of dividends and bonuses payable on shares over which the Company has a lien

The directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

#### 38.11 Right to stop sending dividend warrants by post

38.11.1 Notwithstanding Article 38.7 or any authorisation given to the Company, the Company may stop sending dividend cheques or warrants by post in relation to a share if:

38.11.1.1 dividend cheques or warrants have been sent by post and returned undelivered or left uncashed during the periods for which the same are valid on two consecutive occasions, or

38.11.1.2 a dividend cheque or warrant has been sent by post to the registered address of the member or other person entitled to the dividend on that share and

returned undelivered or left uncashed during the period for which the same are valid and reasonable enquiries have failed to establish any new address for such member or person.

- 38 11 2 The Company must recommence sending cheques or warrants (or using another method of payment) in respect of dividends if the member or other person entitled to the dividend claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way

## **39 CAPITALISATION OF PROFITS AND RESERVES**

### **39 1 Power to capitalise**

- 39.1 1 The board may with the authority of an ordinary resolution of the Company

39.1 1 1 subject as hereinafter provided, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including the Company's share premium account and capital redemption reserve, if any,

39 1 1.2 appropriate the sum resolved to be capitalised to the members or any class of members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares, debentures or other obligations of the Company of a nominal amount equal to that sum, and allot the shares debentures or other obligations credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid,

39.1 1 3 make such provision by authorising the sale and transfer to any person of fractions to which any members would become entitled or resolve that the distribution be made as nearly as practicable in the correct proportion but not exactly so or may ignore fractions altogether or resolve that cash payments be made to any members in order to adjust the rights of all parties or otherwise as (in each case) the board determines where shares or debentures

become, or would otherwise become, distributable under this Article in fractions;

39.1 1 4 authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for either:

39.1.1.4.1 the allotment to such members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled upon such capitalisation; or

39 1 1 4 2 the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares, and any agreement made under such authority shall be binding on all such members, and

39.1 1 5 generally do all acts and things required to give effect to such resolution as aforesaid.

#### 40 **RECORD DATES**

40.1 Record dates for dividends, etc

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

#### 41 **ACCOUNTS**

41.1 Rights to inspect records

No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the board or by ordinary resolution of the Company or order of a court of competent jurisdiction

41 2 Delivery of balance sheets and profit and loss accounts

A copy of every balance sheet and profit and loss account (including any documents required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the directors' and auditors' reports (together, the "Report & Accounts") shall, at least twenty-one days previously to the meeting, be delivered or sent by post or by using electronic communications to an address for the time being notified to the Company by the member to every member and to every debenture holder of the Company of whose address the Company is aware, and to every other person who is entitled to receive notice of

meetings from the Company under the provisions of the Act or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders, provided that the requirements of this Article shall be deemed satisfied in relation to a member by sending to such member, where permitted by the Act and instead of such copies, a summary financial statement derived from the Company's annual accounts and the report of the directors and prepares in the form and containing the information prescribed by the Act and any regulations made thereunder.

For the purposes of this Article, "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications.

41 3 The Report & Accounts to be delivered or sent to every member and to every debenture holder of the Company of whose address the Company is aware, and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Act or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders, is also to be treated as delivered or sent where

41.3 1 the Company and that person have agreed that the Report & Accounts required to be given or sent to that person may instead be accessed by him on a website,

41 3.2 that person is notified, in a manner for the time being agreed between him and the Company, of the publication of the Report & Accounts on a website, the address of that website and the place on that website where the document may be accessed and how it may be accessed, and

41 3 3 the Report & Accounts are published in accordance with Article 41.4 below,

and such Report & Accounts are to be treated as sent at the time of the notification mentioned in sub-paragraph 41 3 2 of this Article.

41.4 Where Report & Accounts are required by Article 41 3 3 above to be published in accordance with this Article 41.4, they shall be treated as so published only if the Report & Accounts are published on the website throughout the period beginning at least 21 days before the date of the meeting at which they are to be laid before the Company and ending with the conclusion of that meeting and the notification referred to in Article 41 3 2 above is given not less than 21 days before the date of the meeting, but so that nothing in this Article 41 4 shall invalidate the proceedings of the meeting where the Report & Accounts are published for a part, but not all, of the 21-day period and the failure to publish the Report & Accounts throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid

## 42 NOTICES

42 1 When notice required to be in writing

Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the board) shall be in writing or shall be given using

electronic communications to an address for the time being notified for that purpose to the person giving the notice

For the purposes of this Article, "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications

#### 42 2 Method of giving notice

42.2 1 The Company may serve or deliver any notice or other document to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Company by the member. In the case of joint holders of a share, all notices or other documents shall be served on or delivered to the joint holder whose name stands first in the register in respect of the joint holding and any notice or other document so served or delivered shall be deemed for all purposes sufficient service on or delivery to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address, but otherwise

42 2 1 1 no such members shall be entitled to receive any notice from the Company, and

42 2.1.2 without prejudice to the generality of the foregoing, any notice of general meeting of the Company which is in fact given or purports to be given to such members shall be ignored for the purpose of determining the validity of the proceedings at such general meeting;

For the purposes of this Article, "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications.

#### 42 3 Deemed receipt of notice

A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called

#### 42.4 Notice to persons entitled by transmission

A notice or other document may be served or delivered by the Company on or to the persons entitled by transmission to a share, whether in consequence of the death or bankruptcy of a member or otherwise by sending or delivering it, in any manner authorised by these Articles for the service or delivery of a notice or other document on or to a member addressed to them by name, or by the title of representatives of the deceased or trustee of the bankrupt or by any like description at the address, if any within the United Kingdom supplied for that

purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice or other document may be served or delivered in any manner in which it might have been served or delivered if the death or bankruptcy or other event giving rise to the transmission had not occurred.

#### 42.5 Transferees etc bound by prior notice

Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a share shall be bound by any direction notice issued under Article 17.5 to a person from whom he derives his title.

#### 42.6 When notices by post or electronic communication deemed served

42.6.1 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice sent by post shall be deemed to be given.

42.6.1.1 if sent by first class post from an address in the United Kingdom or another country to another address in the United Kingdom or, as the case may be, that other country, on the day following that on which the envelope containing it was posted;

42.6.1.2 if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, on the day following that on which the envelope containing it was posted; and

42.6.1.3 in any other case, on the second day following that on which the envelope containing it was posted.

42.6.2 Proof that a notice contained in an electronic communication was sent in accordance with guidelines issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice contained in an electronic communication shall be deemed to be given at the expiration of 48 hours after the time it was sent.

#### 42.7 Notice during disruption of postal services

If at any time the Company is unable effectively to convene a general meeting by notices sent through the post in the United Kingdom as a result of the suspension or curtailment of postal services, notice of such general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised on the same date in at least two daily newspapers having a national circulation and such notice shall be deemed to have been served on all persons who are entitled to have notice of meetings served on them at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

### 43 COMMUNICATIONS

#### 43.1 Documents sent by the Company

- 43.1.1 Subject to any requirement of the Act and provided that the Company has complied with all applicable legal requirements, the Company may send any documents or notices to its members in electronic form and such documents or notices will be validly sent provided that
  - 43.1.1.1 the member has agreed (generally or specifically) (or in the case of a company is deemed to have agreed by a provision in the Act) that documents or notices can be sent in electronic form;
  - 43.1.1.2 the documents are documents to which the agreement applies; and
  - 43.1.1.3 copies of the documents are sent in electronic form to the address notified by the member to the Company for that purpose.

#### 43.2 Documents communicated by website

- 43.2.1 Subject to any requirement of the Act and provided that the Company has complied with all applicable legal requirements, the Company may send documents or notices to its members by means of a website and any such documents or notices will be validly sent provided that
  - 43.2.1 1 the member has expressly agreed (generally or specifically) that documents or notices may be sent by means of a website to him or he has been asked (individually) to agree that documents and notices can be sent by means of a website and the Company has received no response to that request within 28 days from the date on which the request was sent,
  - 43.2.1.2 the documents are documents to which the agreement or request for agreement applies; and
  - 43 2 1.3 the member is notified of the presence of the documents on the website, the address of the website, the place on the website where the documents may be accessed and how they may be accessed.
- 43.2 2 Documents must be available on the website for a period of not less than 28 days from the date of notification unless the Act make provision for any other time period
- 43.2.3 If the documents are published on the website for a part only of the period of time referred to in Article 43 2 2, they will be treated as being published throughout the period if the failure to publish throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid



### 43.3 Right to hard copies

Where the Company sends documents to members otherwise than in hard copy form, any member can require the Company to send him a hard copy version and the Company must do so free of charge and within 21 days of the date of the member's request.

### 43.4 Documents sent to the Company

- 43.4.1 Where the Act permit documents to be sent to the Company, only such documents as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose
- 43.4.2 If the document in electronic form is sent by hand or by post, it must be sent to the Company's office.
- 43.4.3 A document sent to the Company in electronic form is sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified

### 43.5 Signature of notice

The signature to any notice to be given by the Company may be written or printed.

## 44 **DESTRUCTION OF DOCUMENTS**

### 44.1 Power of Company to destroy documents

- 44.1.1 The Company shall be entitled to destroy all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the register, at any time after the expiration of six years from the date of registration thereof and all dividend mandates or variations or cancellations thereof 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 all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof and all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded. It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that 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.

- 44 1.1 1 the provisions aforesaid 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;
- 44 1 1 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 in any other circumstances which would not attach to the Company in the absence of this Article; and
- 44.1.1.3 references herein to the destruction of any document include references to the disposal thereof in any manner

## 45 UNTRACED SHAREHOLDERS

### 45.1 Power to dispose of shares of untraced shareholders

- 45 1 1 The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by virtue of transmission on death, bankruptcy, or otherwise by operation of law if and provided that:
  - 45.1.1 1 during the period of twelve years prior to the date of the publication of the advertisements referred to in Article 45.1.1.2 below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have been declared and all dividend warrants and cheques which have been sent in the manner authorised by these Articles in respect of the shares in question have remained uncashed, and
  - 45.1.1.2 the Company shall as soon as practicable after expiry of the said period of twelve years have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person giving notice of its intention to sell the shares; and
  - 45.1.1 3 during the said period of twelve years and the period of three months following the publication of the said advertisements the Company shall have received no indication either of the whereabouts or of the existence of such member or person
- 45.1.2 If during any twelve year period referred to in Article 45 1.1 1 above, further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Article (other

than the requirement that they be in issue for twelve years) have been satisfied in regard to the further shares, the Company may also sell the further shares

#### 45 2 Transfer on sale

To give effect to any such sale, the board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

#### 45 3 Proceeds of sale

The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the board from time to time thinks fit.

### 46 **WINDING UP**

#### 46.1 Liquidator may distribute in specie

If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to any assets upon which there is a liability.

#### 46 2 Disposal of assets by liquidator

The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either then already constituted or about to be constituted for the purpose of carrying out the sale.

### 47 **CREST**

47 1 Nothing in these Articles shall preclude any share or other security of the Company from being issued, held, registered, converted, transferred or otherwise dealt with in uncertificated form in accordance with the Regulations and any rules or requirements laid down from time to time by CREST or any other relevant system operated pursuant to the Regulations.

47 2 In relation to any share or other security which is in uncertificated form, these Articles shall have effect subject to the provisions of the Regulations and (so far as consistent with them) to the following provisions

47.2.1 the Company shall not be obliged to issue a certificate evidencing title to shares and all references to a certificate in respect of any shares or securities held in uncertificated form in these Articles shall be deemed inapplicable to such shares or securities which are in uncertificated form and furthermore shall be interpreted as a reference to such form of evidence of title to uncertificated shares or securities as the Regulations prescribe or permit;

47.2 2 the registration of title to and transfer of any shares or securities in uncertificated form shall be effected in accordance with the Regulations and there shall be no requirement for a written instrument of transfer,

47 2 3 a properly authenticated dematerialised instruction given in accordance with the Regulations shall be given effect in accordance with the Regulations,

47.2 4 any communication required or permitted by these Articles to be given by a person to the Company may be given in accordance with and in any manner (whether or not in writing) prescribed or permitted by the Regulations,

47.2.5 if a situation arises where any provisions of these Articles are inconsistent in any respect with the terms of the Regulations in relation to shares or securities of the Company which are in uncertificated form then:

47 2.5.1 the Regulations will be given effect thereto in accordance with their terms, and

47.2.5.2 the directors shall have power to implement any procedures as they may think fit and as may accord with the Regulations for the recording and transferring of title to shares and securities in uncertificated form and for the regulation of those proceedings and the persons responsible for or involved in their operation

47 3 The directors shall have the specific powers to elect, without further consultation with the holders of any shares or securities of the Company (except where such shares or securities are constituted by virtue of some other deed, document or other source), that any single or all classes of shares and securities of the Company become capable of being traded in uncertificated form in accordance with the Regulations on CREST or any other Operator (as defined in the Regulations) of a relevant system.

47 4 Replacement certificates

If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity (with or without security) and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of

indemnity as the board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

#### 48 **INDEMNITY**

##### 48 1 Indemnity to directors, officers, etc

Subject to the provisions of the Act but without prejudice to any indemnity for which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution or discharge of his duties or the exercise of his powers or otherwise in relation thereto, including (but without limitation) any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.