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30 September

2021

ENSCO 1417 LIMITED
(company number 13447585)

ARTICLES OF ASSOCIATION

adopted by Special Resolution passed on
30 September 2021

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**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
ENSCO 1417 LIMITED**

1. PRELIMINARY AND DEFINITIONS

1.1 Exclusion of Table A and Model Articles

No regulations for the management of the Company set out in any schedule of or otherwise contained or incorporated in any statute or other instrument having statutory force shall apply to the Company and the following shall be the Articles of Association of the Company.

1.2 Definitions

In these Articles (if not inconsistent with the subject or context) the following words and expressions shall have the following meanings:

“address”	in relation to a communication made by electronic means, includes any number or address used for the purposes of that communication;
“Articles”	means these articles of association as originally drafted or as from time to time altered and the expression “Article” shall be construed accordingly;
“Auditors”	means the auditors for the time being of the Company;
“Bad Leaver”	<p>a Member holding Relevant Option Shares who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in article 13.1 as a result of:</p> <p>(a) the voluntary resignation of that Member (other than for a reason set out in the definition of Good Leaver); or</p> <p>(b) any other circumstances in which he is not a Good Leaver;</p>
“Business Day”	any day (other than a Saturday, Sunday or public holiday) during which the banks in London are open for normal business;
“CA 2006”	means the Companies Act 2006 (and reference to a section followed by (CA 2006) or CA 2006 is to a section of that act;
“Change of Control”	means the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, that Third Party Purchaser (together with any person connected with or acting in concert with that Third Party Purchaser) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company;
“Clear Days”	means, in relation to the sending of a notice, the period excluding the day on which the notice is sent or deemed to

	be sent and the day of the matter in relation to which it is sent or the day on which it is to take effect;
"Company"	means Ensco 1417 Limited or such other name by which the Company may for the time being be registered in accordance with the Statutes;
"Compulsory Transfer Event"	each of the events set out in article 13.1;
"Compulsory Transfer Notice"	has the meaning given in article 13.2;
"Compulsory Transfer Shares"	in relation to a Relevant Member, any Relevant Option Shares held by the Relevant Member at the time of the relevant Compulsory Transfer Event, together with any further Shares received by that Relevant Member any time after the relevant Compulsory Transfer Event which are derived from any such Relevant Option Shares, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise;
"Directors"	means the directors for the time being of the Company and the expression "Director" shall be construed accordingly;
"dividend"	means dividend or bonus;
"Electronic Communication"	has the meaning given in the Electronic Communications Act 2000;
"electronic form"	means the same as in the CA 2006;
"electronic means"	means the same as in the CA 2006;
"EMI Option"	any option granted by the Company to any employee or director of any Group Company which satisfied, or purports to satisfy, the provisions of Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003;
"Employee Trust"	any trust which is established for the benefit of the employees of the Company or any Group Company and/or any of the persons referred to in section 1166 of the CA 2006;
"Ensco 1416"	Ensco 1416 Limited (company number 13382217);
"Expert"	the expert identified and engaged in accordance with article 48;
"Fair Value"	the price which the Expert states in writing to be their opinion of the fair value of the Relevant Option Shares concerned, calculated on the basis that: <ul style="list-style-type: none"> (a) the fair value is the sum which a willing buyer would agree with a willing seller on an arm's length sale to be the purchase price for the Relevant Option Shares concerned on a sale of the entire issued share capital of the Company; (b) no account shall be taken of the size of the holding which the Relevant Option Shares comprise or whether those Relevant Option Shares represent a majority or minority interest;

- (c) if the Company is then carrying on business as a going concern, it will continue to do so; and
- (d) any difficulty in applying any of the bases set out above shall be resolved by the Expert as they, in their absolute discretion, think fit;

“Good Leaver”

a Member holding Relevant Option Shares who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in article 13.1 as a result of:

- (a) the death of that Member;
- (b) disability or incapacity through ill health (other than where such ill health arises from the abuse of alcohol or drugs) where the board of Directors considers such ill health is preventing, or is likely to prevent, the Member from performing his normal duties;
- (c) the Member voluntarily choosing to retire from the Group with the consent of the board of Directors; or
- (d) any other reason which the board of Directors determines, in their absolute discretion within 20 Business Days of the Member ceasing to be employed or engaged by a Group Company, shall result in the Member being a Good Leaver for the purposes of these Articles;

“Group”

means the Company and any subsidiary of the Company from time to time and references to a Group Company shall be construed accordingly;

“holder”

means, in relation to any share, the person whose name is entered in the Register as the holder of that share and **“Shareholder”** and **“Member”** shall have the same meaning;

“Member”

any holder for the time being of shares;

“Member Majority”

means the holders for the time being of more than 50% of the Ordinary Shares;

“month”

means calendar month;

“Office”

means the registered office for the time being of the Company;

“Option Exercise Price”

in relation to any Relevant Option Share, the amount paid by the Member to acquire such Relevant Option Share;

“Option Shares”

means Ordinary Shares issued and allotted pursuant to an EMI Option;

“Ordinary Shares”

means ordinary shares of £0.001 each in the capital of the Company;

“paid up”

means paid up or credited as paid up;

"Register"	means the register of members maintained by the Company and "registered" shall be construed accordingly;
"Reinvestment"	has the meaning given in Article 17.1;
"Reinvestment Securities"	has the meaning given in Article 17.2;1
"Relevant Member"	a Member holding Relevant Option Shares as a result of that Member exercising an EMI Option;
"Relevant Option Shares"	any Option Shares issued and allotted pursuant to an EMI Option granted on or after the date on which these Articles are adopted;
"Reserved Matters"	means those matters identified by the Directors from time to time pursuant to Article 33.1;
"seal"	means any common seal of the Company (if any) or any official seal or securities seal which the Company may have or be permitted to have under the Statutes;
"Secretary"	means the secretary of the Company and includes (subject to the Statutes) an assistant or deputy secretary, and any person appointed by the Directors to perform any of the duties of the Secretary;
"share"	means any share in the capital of the Company (including, save where otherwise stated, any Option Share(s)) and the expression "Shares" shall be construed accordingly;
"Share Consideration"	has the meaning given in Article 17.1;
"Statutes"	means CA 2006 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company, and every statutory modification or re-enactment of the same for the time being in force;
"Third Party Purchaser"	any person who is not a Member for the time being or a person connected with such a Member; and
"United Kingdom"	means Great Britain and Northern Ireland.

1.3

Interpretation

1.3.1 Unless the context otherwise requires:

- (a) words denoting the singular include the plural and vice versa;
- (b) words denoting any gender include all other genders;
- (c) any reference to **"persons"** includes individuals, bodies corporate, companies, partnerships, unincorporated associations, firms, trusts and all other legal entities;

1.3.2 Any reference to a statute, statutory provision or subordinate legislation shall be construed as referring to that statute, statutory provision or subordinate legislation as amended, modified, consolidated, re-enacted or replaced and in force from time to time.

1.3.3 Subject to Article 1.3.2 above and unless the context otherwise requires, all words and expressions which are defined in CA 2006 shall have the same meanings in these Articles.

1.3.4 Headings are for convenience only and shall not affect the interpretation of these Articles.

- 1.3.5 “**subsidiary company**” shall have the same meaning as set out in Section 1159 (CA 2006) for the purpose of provisions specified in SI 2007/3495 and 3(1)(a) (subject to savings and transitional provisions specified in articles 6, 7, 9, 12 and Schedules 1 and 4).

1.4 **Electronic Communications and Publication of Documents on a Website**

Unless stated otherwise, for the purposes of these Articles:

- 1.4.1 references to “**writing**” include references to the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods (including, without limitation, by Electronic Communication) and “**written**” shall be construed accordingly;
- 1.4.2 references to a document being “**signed**” or “**executed**” include references to it being executed under hand or under seal or, in the case of an Electronic Communication, by electronic signature (as defined in Section 7(2) Electronic Communications Act 2000), and “**signature**” shall be construed accordingly;
- 1.4.3 references to an “**instrument**” means a written document in tangible form and not comprised in an Electronic Communication;
- 1.4.4 references to sending to any persons printed copies and references to documents being deposited at or delivered to an address include references to using Electronic Communications for sending those copies or documents to such address as may for the time being be notified to the Company by that person for that purpose. Copies of those documents are also to be treated as sent to a person where:
- (a) the Company and that person have agreed to that person having access to the documents on a web site (instead of their being sent to such person);
 - (b) the documents are documents to which that agreement applies; and
 - (c) that person is notified, in a manner for the time being agreed for the purpose between such person and the Company, of:
 - (i) the publication of the documents on a web site;
 - (ii) the address of that web site; and
 - (iii) the place on that web site where the documents may be accessed, and how they may be accessed;
- 1.4.5 documents treated as sent to any person pursuant to Article 1.4.4 are to be treated as sent to such person not less than 21 days before the date of a meeting if, and only if:
- (a) the documents are published on the web site throughout a period beginning at least 21 days before the date of the meeting and ending with the conclusion of the meeting; and
 - (b) the notification given for the purposes of Article 1.4.4(c) is given not less than 21 days before the date of the meeting; and
- 1.4.6 nothing in these Articles shall invalidate the proceedings of a meeting where:
- (a) any documents that are required to be published as mentioned in Article 1.4.5 are published for a part, but not all, of the period mentioned in that Article; and
 - (b) the failure to publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.
- 1.4.7 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.

1.5 Form of Resolution

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

2. LIABILITY OF MEMBERS

The liability of the Members is limited to the amount, if any, unpaid on the shares held by them.

3. SHARE CAPITAL

3.1 Shares with Special Rights

Subject to the provisions of the Statutes and to any rights attached to existing shares or class of shares, any share may be issued with, or have attached to it, such rights and restrictions as the Company may by ordinary resolution determine.

3.2 Redeemable Shares

Subject to the provisions of the Statutes and to any rights attached to existing shares, any shares may be issued on terms that they are redeemable, or at the option of the Company or the holder are liable to be redeemed, on such terms and in such manner as may be provided by these Articles or as the Company may by ordinary resolution determine.

4. ALTERATION OF SHARE CAPITAL

4.1 Power to Increase, Consolidate, Sub-Divide and Cancel Shares

4.1.1 The Company may by ordinary resolution:

- (a) increase its share capital by such sum divided into shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (c) subject to the Statutes, sub-divide its shares, or any of them, into shares of a smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, one or more of the shares may, as compared with the others, have such preferred, deferred or other special rights, or be subject to such restrictions as the Company has power to attach to unissued or new shares; and
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

4.2 Fractions

4.2.1 Subject to any direction by the Company in general meeting, whenever as a result of a consolidation or sub-division of shares any Member would become entitled to a fraction of a share, the Directors may on behalf of the Members deal with the fractions as they think fit. In particular, but without limitation, the Directors may sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those Members (except that any amount otherwise due to a Member, being less than £3 or such other sum as the Directors may from time to time determine, may be retained for the benefit of the Company).

4.2.2 To give effect to a sale under Article 4.2.1 above, the Directors may:

- (a) authorise any person to execute an instrument of transfer in respect of the share to, or in accordance with the directions of, the buyer and may cause the name of the buyer or such person as he may direct to be entered into the Register as the holder of the share(s) comprised in any such transfer and the buyer shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity in, or invalidity of, the proceedings relating to the sale; or

- (b) if the necessary unissued shares are available and subject to the CA 2006, issue to each such holder credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding to a whole number (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at the Directors' discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of the profit and loss account (or income statement) and capitalised by applying the same in paying up such shares.

4.3 Power to Reduce Capital

Subject to the Statutes, and to any rights for the time being conferred on the holders of any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any way.

4.4 Power to Purchase Own Shares

Subject to the Statutes, and the terms of any resolution of the Company in general meeting passed pursuant to these provisions, the Company may purchase all or any of its shares of any class, including any redeemable shares.

4.5 Purchase of own shares out of cash

Subject to the Statutes, the Company may purchase its own shares to the extent permitted by section 692(1ZA) CA 2006.

5. VARIATION OF RIGHTS

5.1 Variation of Rights

If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any class of shares may be varied or abrogated (whether or not the Company is being wound up) in such manner (if any) as may be provided by those rights or, if no such provision is made, either:

- 5.1.1 with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares); or
- 5.1.2 with the authority of a special resolution passed at a separate general meeting of the holders of those shares.

5.2 Class Meetings

The provisions of these Articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, mutatis mutandis, to every meeting of the holders of any class of shares, except that:

- 5.2.1 the quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class (excluding any shares of that class held as treasury shares);
- 5.2.2 at an adjourned meeting the quorum shall be one person holding shares of the class or his proxy;
- 5.2.3 every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
- 5.2.4 a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.

5.3 Deemed Variation

Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall not be deemed to be varied or abrogated by the creation or issue of further shares ranking

pari passu with or subsequent to them or by the purchase or redemption by the Company of any of its own shares.

6. SHARES

6.1 Subject to the provisions of and save as provided by the Statutes, if the Company issues shares at a premium, whether for cash or otherwise, the Directors must transfer a sum equal to the aggregate amount or value of the premiums to an account to be called the share premium account and any amount for the time being standing to the credit of such account shall not be applied in the payment of dividends.

6.2 Authority to Allot Shares and Power to Disapply Statutory Pre-Emption Rights

6.2.1 The Directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 551 (CA 2006) to exercise for each Section 551 (CA 2006) prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 551 (CA 2006) amount.

6.2.2 During each Section 561 (CA 2006) prescribed period the Directors shall be empowered:

(a) (otherwise than in connection with a rights issue) to allot equity securities wholly for cash pursuant to and within the terms of the authority conferred by Article 6.2.1; and

(b) to make sales of shares which are an allotment of equity securities by virtue of Section 560(2) (CA 2006)

up to an aggregate nominal amount equal to the Section 561 and 562 (CA 2006) amount as if, in each case, Section 561 and 562 (CA 2006) did not apply to any such allotment or sale; and

(c) to allot equity securities wholly for cash pursuant to and within the terms of the authority conferred by Article 6.2.1 in connection with a rights issue as if Section 561 and 562 (CA 2006) did not apply to any such allotment.

6.2.3 Pursuant to such authority and/or power the Directors may during such period make offers or agreements which would or might require the allotment of equity securities after the expiry of such period, and the Directors may allot such securities in pursuance of such an offer or agreement as if the authority and/or power had not expired.

6.2.4 For the purposes of this Article 6.2:

(a) **"rights issue"** means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the Register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached to them (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any country or territory);

(b) **"Section 551 prescribed period"** means any period (not exceeding five years on any occasion) for which the authority conferred by Article 6.2.1 is granted or renewed by an Ordinary Resolution or Special Resolution (as the case may be) stating the Section 551 amount for that period;

(c) **"Section 561 prescribed period"** means any period (not exceeding five years on any occasion and not expiring after the date of the Section 551 prescribed period) for which the power conferred by Article 6.2.2 is granted or renewed by Special Resolution stating the Section 561 amount for that period;

(d) the **"Section 551 amount"** shall for any Section 551 prescribed period be that stated in the relevant Ordinary or Special Resolution;

- (e) the “**Section 561 amount**” shall for any Section 561 prescribed period be that stated in the relevant Special Resolution;
- (f) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to those rights; and
- (g) words and expressions defined in or for the purposes of Part 17 of the CA 2006 shall bear the same meanings in this Article 6.2.

6.3 **Power to Pay Commission and Brokerage**

The Company may, in connection with the issue of any shares, exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Subject to the provisions of the Statutes, 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.

6.4 **Renunciation of Allotment**

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 the share by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

6.5 **Trusts Not Recognised**

Except as required by law or these Articles, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required to recognise (even when having notice of it) any interest in or in respect of any share, except the holder's absolute right to the entirety of the share.

7. **SHARE CERTIFICATES**

7.1 **Entitlement to Certificate**

On becoming the holder of any share, every Member (except a financial institution as defined in Section 778(2) (CA 2006)) shall be entitled, without payment, to receive one certificate for all the shares of each class held by him. Shares of different classes shall not be included in the same certificate. If the Member transfers part of the shares represented by a certificate, he shall be entitled, without payment, to receive a new certificate for the balance of those shares.

7.2 **Form of Certificate**

Every share certificate shall:

- 7.2.1 be issued under seal or signed by at least one Director and the Secretary or by at least two Directors (which may include any signature applied mechanically or electronically) or in such other manner as the Directors may approve; and
- 7.2.2 specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

7.3 **Joint Holders**

- 7.3.1 The Company shall not be bound to register more than four persons as the joint holders of any share or shares (except in the case of executors or trustees of a deceased Member).
- 7.3.2 In the case of joint holders, the Company shall not be bound to issue more than one certificate for all shares in any particular class registered in their joint names, and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.

7.4 **Replacement Certificates**

If a share certificate is damaged, defaced or worn-out or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued on compliance with

such conditions as to evidence, indemnity and security for such indemnity and on the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit and, in the case of damage, defacement or wearing out, on delivery up of the old certificate to the Office.

8. LIEN ON SHARES

8.1 Lien on Partly Paid Shares

The Company shall have a first and paramount lien on every share which is not fully paid, for all amounts called or payable (whether or not due) in respect of that share. The lien shall extend to every amount (including, without limitation, dividends) payable in respect of that share. The Directors may waive any lien which has arisen and may declare any share to be wholly or partly exempt from this Article 8.

8.2 Enforcement of Lien

The Company may sell any share subject to a lien in such manner as the Directors may decide if an amount in respect of which the lien exists is due and payable and is not paid within 14 days after a written notice has been given to the holder of the share, or any person entitled to it by transmission, demanding payment of that amount and stating that the share may be sold if the notice is not complied with.

8.3 Giving Effect to Sale

To give effect to a sale under Article 8.2, the Directors may authorise any person to execute an instrument of transfer in respect of the share to, or in accordance with the directions of, the buyer.

Subject to the payment of any stamp or other duty due the buyer shall be entered in the Register as the holder of such shares and he shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

8.4 Application of Sale Proceeds

The net proceeds of any sale of a share pursuant to this Article 8, shall be received by the Company and after payment of costs, shall be applied in or towards satisfaction of the amount due to the Company and any residue shall (subject to a like lien for any amounts not presently due as existed on the share before the sale and, upon the surrender of the share certificate for cancellation) be paid to the holder or person entitled by transmission to the share immediately before the sale.

9. CALLS ON SHARES

9.1 Power to Make Calls

Subject to the terms of allotment and issue of the shares and to the provisions of these Articles, the Directors may make calls on the Members in respect of any amounts unpaid on their shares (whether in respect of nominal amount or premium) and each Member shall (subject to receiving at least 14 Clear Days' notice specifying when and where payment is to be made) pay to the Company the amount called on his shares as required by the notice. A call may be revoked or postponed in whole or in part as the Directors may decide. A call may be made payable in one sum or by instalments.

9.2 Time When Call Made

A call shall be deemed to be made at the time when the resolution of the Directors authorising that call is passed.

9.3 Transfer

A person on whom a call is made shall remain liable for it notwithstanding the subsequent transfer of the share in respect of which the call is made.

9.4 Joint Holders

The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of that share.

9.5 Interest on Calls

If a call is not paid in full on or before the due date for payment, the person from whom it is due shall pay interest on the amount unpaid, from the due date for payment to the date of actual payment, at such rate (not exceeding 15 per cent per annum) as the Directors may decide together with all expenses that may have been incurred by the Company by reason of such non-payment. The Directors may waive payment of the interest and/or expenses in whole or in part.

9.6 Rights Suspended When Calls Unpaid

Unless the Directors otherwise decide, a Member shall not be entitled to attend or vote, either in person or by proxy, at any general meeting of the Company or to exercise any other right as a Member in respect of any share held by him unless and until all calls and other sums presently payable by him in respect of that share have been paid.

9.7 Deemed Calls

A sum which, by the terms of allotment of a share, is payable on allotment or at a fixed time, or by instalments at fixed times, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date or dates fixed for payment and, in case of non-payment, these Articles shall apply as if that sum had become payable by virtue of a call duly made and notified.

9.8 Power to Differentiate

On any issue of shares the Directors may make arrangements for a difference between the allottees or holders of the shares in the amounts and times of payment of calls on their shares.

9.9 Payment of Calls in Advance

The Directors may, if they think fit, receive all or any part of the amounts payable on a share beyond the sum actually called up on it if the holder is willing to make payment in advance. Such payment in advance shall extinguish the liability on the share in respect of which it is made to the extent of the payment. The Directors may pay interest on sums paid in advance (until such sums would otherwise be due) at such rate as may be agreed between the Directors and the Member paying the sum in advance (not exceeding 15 per cent per annum) in addition to the dividend payable on such part of the share in respect of which such advance has been made as is actually called up. No dividend shall be payable on so much of the moneys paid up on a share as exceeds the amount for the time being called up on a share. The Directors may at any time repay the amount so advanced on giving to such Member not less than three months' notice in writing of their intention to do so, unless before the expiration of such notice the amount so advanced shall have been called up on the share in respect of which it was advanced.

9.10 Delegation of Power to Make Calls

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the Members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, despite any change of Directors, and shall be assignable if expressed so to be.

10. FORFEITURE OF SHARES

10.1 Notice of Unpaid Calls or Instalments

If a call or instalment remains unpaid on any share, in whole or in part, after the due date for payment, the Directors may give a notice to the holder requiring him to pay so much of the call or instalment as remains 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:

- 10.1.1 state a further day, being not less than 14 days from the date of the notice, on or before which payment is to be made;

- 10.1.2 name the place where payment is to be made; and
- 10.1.3 state that, if the notice is not complied with, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.
- 10.2 Forfeiture for Non-Compliance**
- If the requirements of a notice given under Article 10.1 are not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors. The forfeiture shall include all dividends declared and other sums payable in respect of the forfeited share and not actually paid before the forfeiture.
- 10.3 Notice After Forfeiture**
- If a share is forfeited, notice of the forfeiture shall be given to the person who was the holder of the share or (as the case may be) the person entitled to the share by transmission, and an entry that notice of the forfeiture has been given, with the relevant date, shall be made in the Register, but no forfeiture shall be invalidated by any omission to give such notice or to make such entry.
- 10.4 Surrender**
- The Directors may accept a surrender of any share liable to be forfeited. A surrendered share shall be treated as if it had been forfeited for the purposes of these Articles.
- 10.5 Power to Annul Forfeiture**
- The Directors may, at any time before the forfeited share has been sold, re-allotted or otherwise disposed of, annul the forfeiture upon payment of all calls and interest due on the share and all expenses incurred in respect of the share, and on such further terms (if any) as the Directors think fit.
- 10.6 Disposal of Forfeited Shares**
- Subject to the Statutes, every share which is forfeited shall become the property of the Company and may be sold, re-allotted or otherwise disposed of (either to the person who was before the forfeiture the holder of the share or to any other person) upon such terms and in such manner as the Directors shall decide and the Company may receive the consideration, if any, for such sale, re-allotment or disposal. Any share not disposed of in accordance with this Article within a period of three years from the date of its forfeiture or surrender shall, at the expiry of that period be cancelled in accordance with the provisions of the Statutes.
- 10.7 Giving Effect to Disposal**
- To give effect to a sale, re-allotment or disposal under Article 10.6, the Directors may authorise any person to execute an instrument of transfer in respect of the share to, or in accordance with the directions of, the buyer.
- The buyer shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.
- 10.8 Effect of Forfeiture**
- 10.8.1 A person whose share has been forfeited shall cease to be a Member in respect of the forfeited share and shall surrender the share certificate to the Company for cancellation. The person shall remain liable (unless payment is waived in whole or in part by the Directors) to pay to the Company all sums payable by him on or in respect of that share at the time of forfeiture, together with interest from the time of forfeiture until payment at such rate as the Directors shall decide (not exceeding 15 per cent per annum), in the same manner as if the share had not been forfeited. He shall also be liable to satisfy all the claims and demands (if any) which the Company has enforced or might have enforced in respect of the share at the time of forfeiture but his liability shall cease if and when the Company shall have received payment in full of all amounts due in respect of the share. No deduction or allowance shall be made for the value of the share at the time of forfeiture or for any consideration received on its disposal.

- 10.8.2 On the forfeiture or surrender of a share, 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 shareholder and the Company shall cease except for those rights and liabilities which are expressly preserved by these Articles or given or imposed by the Statutes in the case of past Members.

10.9 **Evidence of Forfeiture**

A statutory declaration by a Director or the Secretary that a share has been forfeited or surrendered or sold to satisfy a lien of the Company on a specified date shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts stated in it and shall (subject to the execution of any necessary transfer) constitute a good title to the share. The person to whom the share is sold or disposed shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity in, or invalidity of, the proceedings with reference to the forfeiture or surrender, sale, re-allotment or disposal of the share.

11. **SHARE WARRANTS**

11.1 **Power to Issue Share Warrants**

The Company with respect to fully paid shares may in its discretion issue warrants (“**Share Warrants**”) under the Seal or in accordance with Article 7.2 or Article 36 stating that the bearer of the Share Warrant is entitled to the shares specified in that Share Warrant and may provide by coupons or otherwise for the payment of future dividends and any other sum becoming payable on the shares comprised in such Share Warrant and for the purpose of obtaining in respect of such shares an allotment or offer of shares or debentures or the exercise of any other rights of any description to which Members may be or become entitled.

11.2 **Conditions Governing Share Warrants**

The Directors may determine and may from time to time vary, the conditions upon which Share Warrants shall be issued, and in particular the conditions upon which:

- 11.2.1 a new Share Warrant may be issued in place of one worn out, defaced, stolen, lost or destroyed (where, in the case of a Share Warrant stolen, lost or destroyed, the Directors are satisfied beyond reasonable doubt that the original has been destroyed);
- 11.2.2 the bearer of a Share Warrant shall be entitled, if at all, to attend and vote at general meetings, and;
- 11.2.3 a Share Warrant may be surrendered and the name of the bearer entered in the Register in respect of the shares comprised in such Share Warrant.

Subject to such conditions and to these Articles the bearer of a Share Warrant shall be deemed to be a Member and shall have the same rights and privileges as if his name were entered in the Register in respect of the shares comprised in such Share Warrant. The bearer of a Share Warrant shall be subject to the conditions governing Share Warrants for the time being in force whether made before or after the issue of Share Warrants

12. **TRANSFER OF SHARES**

12.1 **Right to Transfer Shares**

Subject to the restrictions in these Articles, a Member may transfer all or any of his shares in any manner which is permitted by the Statutes and is from time to time approved by the Directors.

12.2 **Transfers of shares**

- 12.2.1 An instrument of transfer of a share may be in any usual form or in any other form which the Directors may approve and shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee. An instrument of transfer need not be under seal.

- 12.2.2 The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it.
- 12.2.3 The Directors may, in their absolute discretion and without giving any reason, refuse to register any transfer of a share including but not limited to circumstances where:
- (a) it is in respect of a share which is fully paid up;
 - (b) the instrument of transfer is left at the Office, or at such other place as the Directors may decide, for registration;
 - (c) the instrument of transfer is accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to prove the title of the intending transferor or his right to transfer the shares;
 - (d) the instrument of transfer is duly stamped (if so required);
 - (e) it is in respect of only one class of shares; and
 - (f) it is in favour of not more than four transferees.
- 12.2.4 The directors may not refuse to transfer any share which is transferred in accordance with articles 15 or 16.
- 12.3 **Notice of Refusal to Register**
- If the Directors refuse to register a transfer of a share they shall give notice to the transferee of the refusal within two months after the date on which the instrument of transfer was lodged with the Company.
- 12.4 **No Fee Payable on Registration**
- No fee shall be charged by the Company for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.
- 12.5 **Retention of Transfers**
- The Company shall be entitled to retain an instrument of transfer which is registered, but an instrument of transfer which the Directors refuse to register shall (except in the case of fraud or suspicion of fraud) be returned to the person presenting it.
- 12.6 **Recognition of Renunciation**
- Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- 12.7 **Requirement for Written Transfer to Evidence Title**
- For the avoidance of doubt nothing in these Articles shall require shares to be transferred by a written instrument if the Statutes provide otherwise and the Directors shall be empowered to implement such arrangements as they consider fit in accordance with and subject to the Statutes to evidence and regulate the transfer of title to shares in the Company and for the approval or disapproval as the case may be by the Directors of the registration of those transfers.
13. **RELEVANT MEMBERS - COMPULSORY TRANSFERS**
- 13.1 In this article 13 in relation to a Relevant Member holding Relevant Option Shares but in respect of those Relevant Option Shares only and not any other Shares or Option Shares, it shall be a Compulsory Transfer Event if that Relevant Member, being an employee or director of, or a consultant to, a Group Company, ceases to be such an employee, director or consultant in circumstances where they are a Bad Leaver and where that Relevant Member does not remain, or immediately become, an employee or director of, or a consultant to, another Group Company and the Directors notify the Company within six months of the occurrence of such event (or, if later, within six months of the date on which the Directors first become aware of the occurrence of such event) that such event is a Compulsory Transfer Event in relation to that Relevant Member for the purposes of this article 13.

- 13.2 Upon the Directors notifying the Company that an event is a Compulsory Transfer Event in respect of a Relevant Member in accordance with article 13.1, the Relevant Member shall be deemed to have served a notice (a **Compulsory Transfer Notice**) in respect of all the Compulsory Transfer Shares held from time to time by that Relevant Member. A Compulsory Transfer Notice shall supersede any other current notice of transfer in respect of any Compulsory Transfer Shares.
- 13.3 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of this article 13 at a price (the **Compulsory Transfer Price**) in respect of the Compulsory Transfer Shares of:
- 13.3.1 whichever is the lower of:
- (a) their Fair Value; and
 - (b) their Option Exercise Price,
- provided that the Directors (acting in their absolute discretion, such discretion to be final and binding) may at any time by notice to the Company specify that in respect of any particular Relevant Member the Compulsory Transfer Price for all Compulsory Transfer Shares held by that Relevant Member shall, on that occasion, be the Option Exercise Price (in which case there shall be no need in respect of that Relevant Member on that occasion to establish the Fair Value) and the Compulsory Transfer Price shall be determined by the notice served pursuant to this article 13.3.1 on the date upon which such notice is received at the registered office of the Company.
- 13.4 Any dispute as to whether the provisions of article 13.3 apply in relation to any Compulsory Transfer Notice shall not affect the validity of a Compulsory Transfer Notice nor shall it delay the procedure to be followed under this article 13 in respect of such notice. If, however, the Option Exercise Price is less than the Fair Value any buyer acquiring Compulsory Transfer Shares pursuant to a Compulsory Transfer Notice while such dispute is continuing shall pay to the Relevant Member whichever is the lower of their Fair Value and their Option Exercise Price and shall, in addition, pay to the Company an amount equal to the difference between their Fair Value and their Option Exercise Price. The Company shall hold such amount as trustee in a separate interest-bearing account and shall, upon final resolution of the relevant dispute, pay such amount (together with interest in such amount but less any applicable bank charges) to:
- 13.4.1 the Relevant Member, in respect of any Compulsory Transfer Shares which are determined to be sold for their Fair Value; or
 - 13.4.2 the buyer, in respect of any Compulsory Transfer Shares which are determined to be sold for their Option Exercise Price.
- 13.5 For the purposes of this article 13 the date of cessation of a Member's employment, directorship or engagement shall be (or be deemed to be) whichever is the first to occur of:
- 13.5.1 the date of a notice given by a Group Company to the Member terminating (or purporting to terminate) that Member's employment, directorship or engagement with the Group (or, if later, the date specified in any such notice as being the termination date), regardless of whether any such notice constitutes unfair or wrongful dismissal;
 - 13.5.2 the date of a notice given by a Member to a Group Company terminating (or purporting to terminate) that Member's employment, directorship or engagement with the Group (or, if later, the date specified in any such notice as being the termination date), regardless of whether any such notice may lawfully be given by the Member;
 - 13.5.3 the date on which a repudiatory breach of any contract of employment or engagement by either the Member or a Group Company is accepted by the other party to that contract;
 - 13.5.4 the date of any event which results in the termination of the contract of employment or engagement under the doctrine of frustration; or

- 13.5.5 in any circumstances other than those specified in articles 13.5.1 to 13.5.4, the date on which the Member actually ceases to be employed or engaged by the Group.
- 13.6 Notwithstanding any other provision of these Articles, unless the Directors (acting in their absolute discretion, such discretion to be final and binding) resolve otherwise, any Compulsory Transfer Shares shall, with effect from the date of the relevant Compulsory Transfer Notice (or, if later, the date on which such Relevant Option Shares are issued), cease to confer upon the holder of those Relevant Option Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Compulsory Transfer Shares (or other Shares).
- 13.7 **Board Invitees**
- In these Articles, the expression **Board Invitee** shall mean any of:
- 13.7.1 the Company (subject to compliance by the Company with the provisions of the Statutes); and/or
- 13.7.2 the trustees of any Employee Trust; and/or
- 13.7.3 any person(s) (being a current or future employee or officer of a Group Company) nominated by the Directors,
- as selected by the Directors in the period of 6 months after the date on which the Compulsory Transfer Price is agreed or determined in accordance with these Articles.
- 13.8 **Offer Notice**
- 13.8.1 Subject to article 13.8.2, the Directors shall serve a notice (an **Offer Notice**) on all Members and any Board Invitees (as the case may be) to whom the Compulsory Transfer Shares are to be offered in accordance with these Articles as soon as reasonably practicable after (and in any event within 10 Business Days of) whichever is the first to occur of:
- (a) the period prescribed in article 13.7 for the selection of Board Invitees having expired; or
 - (b) the identity of all Board Invitees having been determined; or
 - (c) the Directors determining that none of the Compulsory Transfer Shares are to be offered to a Board Invitee,
- or, if later, on the Compulsory Transfer Price being agreed or determined in accordance with these Articles.
- 13.8.2 An Offer Notice shall not be sent, and no Compulsory Transfer Shares shall be treated as offered to, the Seller or to any Member who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Compulsory Transfer Notice in respect of any Compulsory Transfer Shares registered in his name.
- 13.8.3 An Offer Notice shall:
- (a) state the Compulsory Transfer Price;
 - (b) contain the other relevant information set out in the Compulsory Transfer Notice;
 - (c) invite the relevant offerees to respond in writing to the Company stating the number of Compulsory Transfer Shares which they wish to purchase; and
 - (d) expire, and the offer made in that Offer Notice shall be deemed to be withdrawn, on a date which is not less than 10 nor more than 20 Business Days after the date of the Offer Notice.

13.8.4 Compulsory Transfer Shares of a class specified in the first column of the table set out below will be treated as offered:

- (a) firstly, to all persons in the category set out in the corresponding line in the second column in the table below;
- (b) secondly, to the extent not already accepted by persons in the second column, to all persons in the category set out in the corresponding line in the third column in the table below.

Class of Compulsory Transfer Shares	First offer to	Second offer to
Ordinary Shares	Board Invitees	Members holding Ordinary Shares

13.9 Allocation of Compulsory Transfer Shares

13.9.1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Members holding shares of a class specified in a column in the table in article 13.8.4 having responded to the Offer Notice and the Company having received valid applications for all the Compulsory Transfer Shares (in either case the **Allocation Date**), the Directors shall allocate the Compulsory Transfer Shares in accordance with the applications received in the priorities and in respect of each class of persons set out in the table in article 13.8.4 provided that:

- (a) if there are applications from any class of offerees for more than the number of Compulsory Transfer Shares available for that class, the Compulsory Transfer Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Compulsory Transfer Shares than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively; and
- (b) the allocation of any fractional entitlements to Compulsory Transfer Shares amongst the Members holding Ordinary Shares shall be dealt with by the Directors in such manner as they see fit; and
- (c) the allocation of Compulsory Transfer Shares between two or more Board Invitees shall be at the absolute discretion of the Directors; and
- (d) no Compulsory Transfer Shares shall be allocated to any Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a notice of transfer (including a Compulsory Transfer Notice) in respect of any Shares registered in his name.

13.9.2 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Member or Board Invitee to whom Compulsory Transfer Shares have been allocated pursuant to article 13.9.1 (each a **Buyer**). An Allocation Notice shall state:

- (a) the number and class of Compulsory Transfer Shares allocated to that Buyer;
- (b) the name and address of the Buyer;
- (c) the aggregate purchase price payable by the Buyer in respect of the Compulsory Transfer Shares allocated to him; and
- (d) the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Compulsory Transfer Shares shall take place.

13.9.3 Completion of a sale and purchase of Compulsory Transfer Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in

respect of the Compulsory Transfer Shares allocated to a Buyer, transfer those Compulsory Transfer Shares, and deliver the relevant share certificate(s) in respect of such Compulsory Transfer Shares, to that Buyer.

13.9.4 Subject to article 13.9.5, the service of an Allocation Notice shall constitute the acceptance by a Buyer of the offer to purchase the number of Compulsory Transfer Shares specified in that Allocation Notice on the terms offered to that Buyer.

13.9.5 If after following the procedure set out in this article 13 the total number of Compulsory Transfer Shares applied for and allocated to the Buyers remains less than the total number of Compulsory Transfer Shares, then the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Compulsory Transfer Shares and the Relevant Member shall be entitled to retain the Compulsory Transfer Shares.

13.10 Default by the Seller

13.10.1 If a Seller shall fail for any reason (including death) to transfer any Compulsory Transfer Shares to a Buyer when required by this article 13, the Directors may authorise any Director to execute each necessary transfer of Compulsory Transfer Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer.

13.10.2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Compulsory Transfer Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 13.10 the validity of the proceedings shall not be questioned by any person.

13.10.3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Compulsory Transfer Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors).

14. TRANSMISSION OF SHARES

14.1 Transmission on Death

If a Member dies, the survivor or survivors where he was a joint holder, or 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 shares. Nothing in these Articles 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.

14.2 Elections Permitted

14.2.1 A person becoming entitled by transmission to a share may, on production of any evidence as to his entitlement as the Directors may require, elect either to become registered as the holder of the share or to have another person nominated by him registered as the transferee.

14.2.2 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.

14.2.3 All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer or other document or action as if it were a transfer effected by the Member from whom the title by transmission is derived and the event giving rise to the transmission had not occurred.

14.3 **Directors may Require Election**

The Directors may at any time send a notice requiring any person becoming entitled by transmission to a share to elect either to be registered himself or to transfer the share. If after 60 days, the notice has not been complied with, the Directors may withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

14.4 **Rights of Persons Entitled by Transmission**

A person becoming entitled by transmission to a share shall, on production of any evidence as to his entitlement as the Directors may require and subject to Article 12.2, have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share and shall have the same rights in relation to the share as he would have if he were the holder except that, until he becomes registered as the holder of the share, he shall not be entitled to receive notice of or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or to any of the other rights or privileges of a Member.

15. **DRAG ALONG**

15.1 If the holders of not less than 50% of the Shares (together the **Selling Members**) wish to transfer all their Shares to a proposed purchaser (the **Proposed Purchaser**), they shall have the option (a **Drag Along Option**) to require all of the other Members (the **Remaining Members**) to transfer all their Shares with full title guarantee to the Proposed Purchaser (or as the Proposed Purchaser shall direct) in accordance with this article 15.

15.2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to each of the Remaining Members at any time before the registration of the transfer of the Selling Members' Shares. A Drag Along Notice shall specify:

15.2.1 that the Remaining Members are required to transfer all their Shares (the **Remaining Shares**) pursuant to this article 15;

15.2.2 the identity of the Proposed Purchaser;

15.2.3 the consideration for which, or the price at which, the Remaining Shares are to be transferred, determined in accordance with article 15.4 (the **Drag Along Consideration**); and

15.2.4 the proposed date of transfer (if known).

15.3 A Drag Along Notice:

15.3.1 may be revoked by the Selling Members at any time prior to the completion of the sale and purchase of the Remaining Shares; and

15.3.2 shall lapse if for any reason the sale of the Selling Members' Shares to the Proposed Purchaser is not completed within 40 Business Days of the date of service of the Drag Along Notice (such lapse being without prejudice to the right of the Selling Members to serve any further Drag Along Notice following such lapse).

15.4 The Drag Along Consideration shall be the same consideration per Remaining Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Proposed Purchaser in respect of each Share held by all Members other than the Remaining Members together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by all Members other than the Remaining Members which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held by those Members. In the event of dispute a decision of the Directors as to the amount of the Drag Along Consideration due to each Member shall be final and binding on the Company and all the Members.

15.5 Upon the service of a Drag Along Notice each Remaining Member is required, as a legally binding commitment, not to divulge or communicate to any third party either the fact that the Selling Members wish to transfer their Shares to the Proposed Purchaser (or any other person)

or any other information concerning the sale and purchase of any of the Selling Members' Shares or the Remaining Shares pursuant to this article 15.

- 15.6 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Members' Shares (or such later date, being not more than 20 Business Days after the date of such completion, as the Directors may direct in writing).
- 15.7 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed each of the Selling Members (severally) as the agent of the Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form and covenant for full title guarantee in respect of the Remaining Shares registered in the name of that Remaining Member and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Remaining Shares pursuant to this article 15.
- 15.8 The provisions of this article 15 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer of Shares contained in these Articles shall not apply to the transfer of any Shares to a Proposed Purchaser named in a Drag Along Notice (or as that Proposed Purchaser may direct).
- 15.9 Where, at any time after the service of a Drag Along Notice but before completion of the sale and purchase of the Remaining Shares by the Proposed Purchaser, any person (a **New Member**) becomes a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Member. For these purposes, an existing member who becomes the registered holder of additional shares at any time after the service of a Drag Along Notice, but before completion of the sale and purchase of the Remaining Shares by the Proposed Purchaser, will also be classed as a New Member in respect of such shares and the provisions of this article 15.9 shall apply. Upon the deemed service of a Drag Along Notice pursuant to this article 15.9 the New Member shall become bound to sell and transfer to the Proposed Purchaser (or as the Proposed Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 15 shall apply mutatis mutandis to the sale of any such Shares by such New Member provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
- 15.9.1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this article 15.9; and
- 15.9.2 the date of completion of the sale and purchase of the Remaining Shares pursuant to the original Drag Along Notice.

16. TAG ALONG

- 16.1 Subject to article 15, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the **Committed Shares**) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration:
- 16.1.1 a Member Majority has consented to such a transfer; and
- 16.1.2 the relevant Third Party Purchaser has made a bona fide offer (a **Tag Along Offer**) by notice in writing (a **Tag Along Notice**) to acquire, in accordance with this article 16, from all the Members other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration, or at the price, (the **Tag Along Consideration**) calculated in accordance with article 16.3.
- 16.2 A Tag Along Notice shall:
- 16.2.1 state the Tag Along Consideration;
- 16.2.2 state the identity of the relevant Third Party Purchaser;

- 16.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and
 - 16.2.4 expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than 5 nor more than 20 Business Days after the date of the Tag Along Notice) specified in that notice.
- 16.3 For the purposes of this article 16, the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares. In the event of dispute a decision of the Directors as to the amount of the Tag Along Consideration due to each Member shall be final and binding on the Company and all the Members.
- 17. REINVESTMENT**
- 17.1 Before registration of a sale or other disposition of any shares which would result in a Change of Control the board of Directors may require (without requirement to provide cause or justification) each Member who is selling or disposing of shares to the relevant Third Party Purchaser to reinvest in Ensco 1416 not more than the total aggregate cash consideration less any tax and/or capital gains tax payable in respect of such sale or disposal to be received by him in connection with the sale of such shares (the “**Share Consideration**”) provided that each Member shall be required to reinvest the same proportion of their Share Consideration and all Members shall rank pari passu (the “**Reinvestment**”).
- 17.2 The Reinvestment shall be by way of a subscription by each relevant Member pari passu for either new A ordinary shares of £0.001 each in the capital of, and/or new loan notes issued by, Ensco 1416 (“**Reinvestment Securities**”) at par and in an amount specified by the board of Directors in accordance with Article 17.1 such Reinvestment Securities to be in the same form and subject to the same terms as the other shares of the same class in the capital of, and/or loan notes issued by, Ensco 1416 then in issue.
- 17.3 Each Member to which Article 17.1 applies irrevocably and unconditionally authorises the Company (acting as agent on his behalf) to:
- 17.3.1 give good receipt for, and on his behalf, to receive the amount due to him in respect of the Share Consideration;
 - 17.3.2 apply (without requirement for further consent) such Share Consideration in satisfying the cash subscription price for the Reinvestment Securities to be subscribed for by him pursuant to the Reinvestment.
- 17.4 If a Member required to make the Reinvestment fails or refuses to subscribe for Reinvestment Securities pursuant to article 17.2, the board of Directors may authorise any Director to act as that Member's attorney (and such appointment is hereby authorised by that Member) to execute and deliver all documents required to implement the Reinvestment on his behalf including, without limitation, a subscription letter and any deed of adherence.
- 17.5 Following the subscription for Reinvestment Securities pursuant to article 17.2, the name of each relevant Member shall be entered into the register of members and/or register of noteholders as the registered holder of such number of Reinvestment Securities subscribed for by him and Ensco 1416 shall issue and deliver to each relevant Member a share and/or a loan note certificate duly executed by Ensco 1416 in respect of such Reinvestment Securities.
- 18. GENERAL MEETINGS**
- 18.1 General Meetings**
- The Directors may convene a general meeting whenever, and at such time and place, as they think fit. The Directors shall also convene a general meeting on the requisition of Members pursuant to the Statutes.

18.2 Insufficient Directors to Convene Meeting

If there are insufficient Directors in the United Kingdom to convene a general meeting, any Director or any two Members may convene a general meeting.

19. NOTICE OF GENERAL MEETINGS

19.1 Period of Notice

All general meetings shall be convened by not less than 14 Clear Days' notice in writing.

19.2 Short Notice

Subject to the provisions of the Statutes, a general meeting may be convened by shorter notice than that specified in Article 19.1, if it is so agreed by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving a right to attend and vote at the meeting (excluding any treasury shares).

19.3 Contents of Notice

The notice shall specify:

19.3.1 the place, the day and the time of the meeting;

19.3.2 if the meeting is convened to consider an ordinary and/or a special resolution, the intention to propose the resolution as such; and

19.3.3 with reasonable prominence, that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member.

19.4 Recipients of Notice

The notice shall be given to all Members (other than any who, under the provisions of these Articles or of any restrictions imposed on any shares, are not entitled to receive such notice from the Company) to all persons entitled to a share in consequence of death or bankruptcy of a Member and to each Director and alternate director.

19.5 Entitlement to Attend and Vote

For the purposes of determining which persons are entitled to attend and/or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours (excluding in the calculation of such time period, any part of a day that is not a working day) before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.

20. PROCEEDINGS AT GENERAL MEETINGS

20.1 Quorum

20.1.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the appointment of a chairman which shall not be treated as part of the business of the meeting.

20.1.2 Except as otherwise provided by these Articles two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation which is a Member, shall be a quorum.

20.1.3 If within 15 minutes from the time fixed for holding a general meeting (or such longer interval, not exceeding 30 minutes, as the chairman may decide) a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case, the meeting shall stand adjourned to such time and place as the chairman of the meeting (or, in default, the Directors) may determine.

- 20.1.4 If at an adjourned meeting a quorum is not present within fifteen minutes from the time fixed for holding the meeting, the Members present in person or by proxy shall be a quorum.

20.2 **Security**

The Directors may from time to time make any security arrangements which they consider appropriate relating to the holding of a general meeting of the Company including, without limitation, arranging for any person attending a meeting to provide proof of identity, to be searched and for items of personal property which may be taken into a meeting to be restricted. A Director or the Secretary or any other person authorised by the Directors may in their absolute discretion:

- 20.2.1 refuse entry to a meeting to any person who refuses to comply with any such arrangements; and
- 20.2.2 eject from a meeting any person who causes the proceedings to become disorderly.

20.3 **Chairman**

20.3.1 At each general meeting, the chairman of the Directors (if any) or, if he is absent or unwilling, the deputy chairman of the Directors (if any) shall preside as chairman of the meeting. If neither the chairman nor deputy chairman is present and willing, one of the other Directors selected for the purpose by the Directors present (or, if only one Director is present and willing, that Director) shall preside as chairman of the meeting. If no Director is present within fifteen minutes after the time fixed for holding the meeting or if none of the Directors present is willing to preside as chairman of the meeting, the Members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

20.3.2 The Chairman shall take such action or give directions as he thinks fit to promote the orderly conduct of the meeting as set out in the notice of the meeting and the Chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

20.4 **Right to Attend and Speak**

Each Director shall be entitled to attend and speak at any general meeting of the Company whether or not he is a Member. The chairman may invite any person who is not a Member to attend and speak at any general meeting of the Company if he considers that such person has the appropriate knowledge or experience of the Company's business to assist in the deliberations of the meeting.

20.5 **Adjournment**

- 20.5.1 The chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting to another time and/or place.
- 20.5.2 In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place if, in his opinion:
- (a) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting;
 - (b) the conduct of the persons present prevents or is likely to prevent the orderly continuation of business; or
 - (c) an adjournment is otherwise necessary to facilitate the conduct of the business of the meeting.
- 20.5.3 Nothing in this Article shall limit any other power vested in the chairman of the meeting to adjourn the meeting.

- 20.5.4 No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

20.6 Notice of Adjourned Meeting

Whenever a meeting is adjourned for 28 days or more or for an indefinite period, at least 7 Clear Days' notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting but otherwise no person shall be entitled to any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

20.7 Meeting at More than one Place

- 20.7.1 A general meeting may be held at more than one place if:

- (a) the notice convening the meeting specified that it shall be held at more than one place;
- (b) the Directors resolve, after the notice convening the meeting has been given, that the meeting shall be held at more than one place; or
- (c) it appears to the chairman of the meeting that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend.

- 20.7.2 A general meeting held at more than one place is duly constituted and its proceedings are valid if (in addition to the other provisions of these Articles relating to general meetings being satisfied) the chairman of the meeting is satisfied that facilities (whether by electronic means or otherwise) are available to enable each person present at each place to participate in the business of the meeting.

- 20.7.3 The Members present at each place in person or by proxy shall be counted in the quorum for, and shall be entitled to vote at, the meeting. The meeting is deemed to take place at the place at which the chairman of the meeting is present.

- 20.7.4 The Directors may from time to time make such arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant to this Article 20.7 (including, without limitation, the issue of tickets or the imposition of some other means of selection) as they, in their absolute discretion, consider appropriate and may from time to time alter any such arrangements. If a Member, pursuant to such arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at one of the other venues.

20.8 Resolutions and Amendments

- 20.8.1 Subject to the Statutes, a resolution may only be put to the vote at a general meeting if the chairman of the meeting in his absolute discretion decides that the resolution may properly be regarded as within the scope of the meeting.

- 20.8.2 If the chairman of the meeting in good faith rules a resolution or an amendment to a resolution admissible or out of order (as the case may be) the proceedings of the meeting on the resolution in question shall not be invalidated by any error in his ruling. Any ruling by the chairman of the meeting in relation to such matters shall be final and conclusive.

- 20.8.3 In the case of a resolution to be proposed as a special resolution, no amendment may be made, at or before the time at which the resolution is put to the vote, to the form of the resolution as set out in the notice of meeting, except to correct a patent error or as may otherwise be permitted by law.

- 20.8.4 In the case of a resolution to be proposed as an ordinary resolution, no amendment may be made, at or before the time at which the resolution is put to the vote, unless:

- (a) it is to correct a patent error or as may otherwise be permitted by law; or

- (b) in the case of an amendment to the form of the resolution as set out in the notice of meeting, notice of the intention to move the amendment is received at the Office no later than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time fixed for the holding of the relevant meeting; or
- (c) the chairman of the meeting in his absolute discretion otherwise decides that the amendment or amended resolution may properly be put to the vote.

The giving of notice under Article (b) above shall not prejudice the power of the chairman of the meeting to rule the amendment out of order.

- 20.8.5 With the consent of the chairman of the meeting, a person who proposes an amendment to a resolution may withdraw it before it is put to the vote.

20.9 **Circulation of Resolutions etc. on Requisition of Members**

- 20.9.1 Subject to the provisions of the CA 2006, the Directors shall on the requisition of Members and, where relevant, those entitled under Section 153 of the CA 2006, the "**requisitionists**", circulate to the Members entitled to have notice of any general meeting, any statement of not more than one thousand words with respect to a matter referred to in any proposed resolution or other business to be dealt with at that meeting.
- 20.9.2 Members and requisitionists who requisition the Company to circulate the statement must meet the expenses of circulation (the "**Costs**") unless the Members have resolved that the Company will meet the costs.

In the case where the Members and requisitionists have to meet the costs, the Company will not be bound to circulate the resolution or statement unless there is deposited with it or tendered to it a sum or sums reasonably sufficient to meet the costs. The costs must, in the case of the statement, be deposited or tendered not later than one week before the date of the meeting to which it relates.

21. **VOTING AT GENERAL MEETINGS**

21.1 **Method of Voting and Demand for Poll**

- 21.1.1 At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is duly demanded before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll.
- 21.1.2 Subject to the Statutes, a poll may be demanded by:
 - (a) the chairman of the meeting; or
 - (b) at least five Members present in person or by proxy and entitled to vote at the meeting; or
 - (c) a Member or Members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting (excluding any voting rights attached to any shares held as treasury shares); or
 - (d) a Member or Members present in person or by proxy holding shares conferring the right to vote at the meeting 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 (excluding any shares conferring a right to vote at the meeting which are held as treasury shares).
- 21.1.3 A demand for a poll by a person as proxy for a Member shall be as valid as if the demand were made by the Member himself.
- 21.1.4 A demand for a poll may be withdrawn before the poll is taken but only with the consent of the chairman of the meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a

show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made. If a demand is withdrawn, the chairman or other Member or Members so entitled may himself or themselves demand a poll.

21.1.5 Unless a poll is demanded (and the demand is not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or has been carried 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 that fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

21.1.6 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 a poll has been demanded.

21.2 How Poll is to be Taken

21.2.1 If a poll is demanded (and the demand is not withdrawn) it shall be taken at such time, either at the meeting at which the poll is demanded or within 30 days after the meeting, at such place and in such manner (including by electronic means) as the chairman of the meeting shall direct. The chairman may (and if so directed by the meeting shall) appoint scrutineers who need not be Members.

21.2.2 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at the meeting without adjournment.

21.2.3 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.

21.2.4 On a poll, votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

21.2.5 The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

21.3 Chairman's Casting Vote

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

22. VOTES OF MEMBERS

22.1 Voting Rights

Subject to these Articles and to any special rights or restrictions as to voting for the time being attached to any class of shares in the Company:

22.1.1 on a show of hands every Member who is present in person shall have one vote; and

22.1.2 on a poll every Member present in person or by proxy shall have one vote for every share of which he is the holder.

22.2 Representation of Corporations

Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any general meeting of the Company. The representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member present at the meeting in person, including (without limitation) power to vote on a show of hands or on a poll and to demand or concur in demanding a poll. Any Director or the Secretary or some person authorised for the purpose by the Secretary may require evidence of the authority of any such representative before permitting him to exercise his powers.

22.3 Voting Rights of Joint Holders

If more than one of the joint holders of a share tenders a vote on the same resolution, whether in person or by proxy, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the relevant share.

22.4 Member Under incapacity

A Member in respect of whom an order has been made by any court 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 any person authorised in that behalf by that court and such other person may, on a poll, vote by proxy. The right to vote shall be exercisable only if evidence satisfactory to the Directors of the authority of the person claiming the right to vote is received at the Office (or at such other address as may be specified for the receipt of proxy appointments) not later than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised.

22.5 Objections to Admissibility of Votes

No objection shall be raised as to the admissibility of any vote or to the counting of or failure to count any vote unless it is raised at the meeting or adjourned meeting or poll at which the vote objected to is given or tendered. Every vote not disallowed at such meeting or poll shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the error is of sufficient magnitude to vitiate the resolution. The chairman's decision on such matters shall be final and conclusive.

22.6 No Right to Vote where Sums Overdue on Shares

No Member (whether in person or by proxy or in the case of a corporate Member, by a duly authorised representative) shall (unless the Directors otherwise determine) be entitled to vote or to exercise any other right of membership at any general meeting or at any separate meeting of the holders of any class of shares in the Company in respect of any share held by him unless all calls or other sums presently payable by him in respect of that share in the Company have been paid.

23. PROXIES

23.1 Proxies

23.1.1 A Member may appoint any person to be his proxy and may appoint more than one proxy to attend and vote on the same occasion. A proxy need not be a Member.

23.1.2 The appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting or on the poll concerned.

23.1.3 The appointment of a proxy shall (subject to any contrary direction contained in the appointment):

- (a) be deemed to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit;
- (b) be valid for any adjournment of the meeting as well as for the meeting to which it relates;
- (c) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of such meetings; and
- (d) the appointment of a proxy shall not be valid after the expiry of 12 months from the date of the appointment, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from that date.

23.2 Form of Proxy

- 23.2.1 The appointment of a proxy shall be in any usual or common form, or such other form as may be approved by the Directors and, in the case of an instrument in writing, shall be signed by the appointer or by his agent duly authorised in writing, or if the appointer is a corporation shall be either under its common seal or under the hand of an officer or agent so authorised. The Directors may require evidence of the authority of any such officer or agent.
- 23.2.2 The Directors may, at the expense of the Company, send by post, Electronic Communication or otherwise, instruments or forms of proxy to the Members (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares of the Company. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote by proxy at the meeting.

23.3 Accidental Omission to Send Proxy

The accidental omission to send a form of proxy or the non-receipt of such form by any Member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

23.4 Lodgement of Proxy

The appointment of a proxy and the authority (if any) under which it is made, or a certified copy of such authority, shall:

- 23.4.1 in the case of an instrument in writing, be deposited at the Office (or at such other place in the United Kingdom as is specified for that purpose in the notice calling the meeting or in any instrument of proxy sent out by the Company in relation to the meeting) not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
- 23.4.2 in the case of an appointment contained in an Electronic Communication, where an address has been specified for the purpose of receiving Electronic Communications:
- (a) in the notice convening the meeting; or
 - (b) in any instrument of proxy sent out by the Company in relation to the meeting; or
 - (c) in any invitation contained in an Electronic Communication to appoint a proxy issued by the Company in relation to the meeting,
- be received at such address not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
- 23.4.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as specified in Articles 23.4.1 and 23.4.2 above after the poll has been demanded and not less than 24 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for the taking of the poll; or
- 23.4.4 in the case of a poll not taken immediately but 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.

23.5 Invalid Appointment

- 23.5.1 Subject to Articles 23.5.2 below, an appointment of proxy which is not deposited, delivered or received in a manner specified in Article 23.4 shall be invalid.

23.5.2 The Directors may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any required evidence of authority has not been received in accordance with Article 23.4.

23.6 More than One Valid Appointment Received

If two or more valid but differing proxy appointments are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

23.7 Notice of Revocation of Authority

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the death or mental disorder of the appointer or previous termination of the authority of the person voting or demanding a poll, or the transfer of the share in respect of which the appointment of the proxy or representative is made, unless notice in writing of the death, mental disorder, termination or transfer was received at the Office (or at such other address at which the proxy appointment was duly received) at least 24 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time fixed for holding the relevant meeting or adjourned meeting or poll.

24. DIRECTORS

24.1 Number of Directors

The number of Directors (other than alternate Directors) shall not, unless otherwise determined by an ordinary resolution of the Company, be less than three nor more than 10.

24.2 No Share Qualification

A Director need not hold any shares of the Company but shall be entitled to receive notice of and to attend and speak at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company.

24.3 Age Limit

No Director shall vacate his office or be ineligible for appointment or re-appointment as a Director by reason only of his having attained any particular age, nor shall special notice be required of any resolution appointing or approving the appointment of such a Director or any notice be required to state the age of the person to whom such resolution relates.

24.4 Designation of "Director" not to Imply Directorship

The Directors may from time to time appoint any person to a position in the Company having a designation or title including the word "**Director**" or attach to any existing position with the Company such a designation or title. The inclusion of the word "**Director**" in the designation or title of any person (other than the office of Managing Director) shall not imply that such person is a Director of the Company nor shall such person by virtue of such designation or title be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any purpose (including any of the purposes of these Articles).

25. REMUNERATION, EXPENSES AND PENSIONS

25.1 Remuneration of Directors

The Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such fees, not exceeding in aggregate £250,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine), as the Directors may decide save where such remuneration is included in the remuneration received pursuant to any employment contract with any member of the Group. Such sum shall be divided among the Directors in such proportion and manner as the Directors may agree or, if no such agreement, equally. Any fee payable under this Article 25 shall be distinct from any remuneration or other amounts payable to the Directors under other provisions of these Articles and shall accrue from day to day. Such maximum aggregate level of fees shall in any event be increased on each anniversary of the date of adoption of these Articles by the same percentage by which the Index of Retail Prices for all items last published by the Office for

National Statistics of Her Majesty's Government (or any successor index or publishing body thereto) before such anniversary shall have increased over the Index last published before the date falling one year before such anniversary.

25.2 Special Remuneration

If, by arrangement with the Directors, any Director performs or renders any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable special remuneration (whether by way of lump sum, salary, commission, participation in profits or otherwise) as the Directors may decide in addition to any remuneration payable under or pursuant to any other of these Articles.

25.3 Expenses

A Director shall be paid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred by him in and about the performance of his duties as Director, including without limitation, his expenses of travelling to and from Directors' meetings, committee meetings, general meetings or separate meetings of the holders of any class of shares or debentures in the Company.

25.4 Pensions and Other Benefits

25.4.1 The Directors may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or has been at any time a director of the Company or in the employment or service of the Company or of any company which is or was a subsidiary of or associated with the Company or of the predecessors in business of the Company or of any such subsidiary or associated company or the relatives or dependants of any such person. For that purpose the Directors may procure the establishment and maintenance of, or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement and pay any insurance premiums.

25.4.2 Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not be obliged to account for it to the Company.

26. APPOINTMENT AND REMOVAL OF DIRECTORS

26.1 Appointment by the Company

Subject to these Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director or to replace a Director removed from office pursuant to Article 26.5, but so that the total number of Directors shall not exceed any maximum number fixed by or in accordance with these Articles.

26.2 Appointment by the Directors

26.3 The Directors may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not exceed any maximum number fixed by or in accordance with these Articles. **Eligibility**

No person shall be appointed a Director unless:

26.3.1 he is recommended by the Directors; or

26.3.2 not less than 7 nor more than 42 Clear Days before the date appointed for the meeting, a Member (other than the person to be proposed) entitled to vote at the meeting has given to the Company notice of his intention to propose a resolution for the appointment of that person, stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors and any announcement required to be made pursuant to the Statutes together with a notice executed by that person of his willingness to be appointed.

26.4 Separate Resolutions

Every resolution of a general meeting for the appointment of a Director shall relate to one named person only and a single resolution for the appointment of two or more persons shall be void, unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being cast against it.

26.5 Removal of Director

26.5.1 In addition to any power of removal conferred by the Statutes, the Company may, by ordinary resolution of which special notice has been given in accordance with CA 2006, remove any Director notwithstanding anything in these Articles or in any agreement between him and the Company (but without prejudice to any claim he may have for damages for breach of any such agreement) and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place.

26.6 Vacation of Office of Director

Without prejudice to the provisions of these Articles relating to the removal of a Director, the office of a Director shall be vacated if:

26.6.1 he ceases to be a Director by virtue of any provisions of the Statutes or these Articles or he becomes prohibited by law from being a Director;

26.6.2 he becomes bankrupt or he makes any arrangement or composition with his creditors generally or applies to the court for an interim order under Section 253 Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

26.6.3 he is, or may be, suffering from mental disorder and in relation to that disorder either he is admitted to hospital for treatment or an order is made by a court (whether in the United Kingdom or elsewhere) for his detention or for the appointment of some person to exercise powers with respect to his property or affairs and, in either case, the Directors resolve that his office be vacated;

26.6.4 he is regarded as physically or mentally incapable of acting as a Director by a registered medical practitioner who is treating him and may remain so for more than three months and a written opinion is given by the registered medical practitioner to the Company to that effect;

26.6.5 both he and his alternate Director (if any) are absent either in person or by telephone, without the permission of the Directors, from Directors' meetings for six consecutive months and the Directors resolve that his office be vacated;

26.6.6 he is requested to resign by notice in writing signed by not less than three-quarters of the other Directors in number and being at least three in number (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company);

26.6.7 he gives to the Company notice of his wish to resign, in which event he shall vacate that office on the receipt of the notice by the Company or at such later time as is specified in the notice; or

26.6.8 he only held office as a Director for a fixed term and such term expires; or

26.6.9 in the case of a Director who holds executive office, his appointment to such office is terminated or expires and the Directors resolve that his office be vacated.

26.7 A resolution of the Directors disclosing a Director to have vacated office pursuant to this Article shall be conclusive as to the fact and grounds of vacation stated in the resolution.

27. EXECUTIVE DIRECTORS

27.1 Appointment

The Directors may from time to time appoint one or more Directors to hold any executive office (including without limitation that of chief executive or managing director) for such term (subject to the Statutes) and on such terms as the Directors may decide. The Directors may revoke or

terminate any such appointment without prejudice to any claim for damages for breach of contract between the Director and the Company.

27.2 Remuneration

The remuneration of a Director appointed to any executive office shall be fixed by the Directors and may be by way of salary, commission, participation in profits or otherwise and either in addition to or inclusive of any fee payable to him for his services as Director pursuant to these Articles.

27.3 Termination

Any appointment of a Director to an executive office shall terminate immediately if he ceases to be a Director but without prejudice to any claim for damages for breach of contract between the Director and the Company. A Director appointed to an executive office shall not cease to be a Director merely because his appointment to that executive office terminates.

28. ALTERNATE DIRECTORS

28.1 Appointment

28.1.1 Each Director (other than an alternate Director) may, for a period of no more than six months in any twelve month period by written notice to the Company at the office, appoint another Director or any other person approved for that purpose by the Directors and willing to act, as his alternate and may remove him from that office at any time during his appointment.

28.1.2 If his appointor is absent from the United Kingdom or otherwise not available, the alternate Director's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. Apart from this, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles but he shall be an officer of the Company.

28.2 Participation in Meetings During the Period of Appointment

28.2.1 During his appointment, an alternate Director (having provided an address within the United Kingdom for service of notices to the Company) shall be entitled to receive notice of all Directors' meetings and of all meetings of committees of which his appointer is a member, to attend, be counted in the quorum and vote at any such meeting at which his appointer is not personally present and generally to exercise and discharge all the functions, powers and duties of his appointer as a Director in his absence.

28.2.2 Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate in addition to his own vote if he is also a Director, but he shall count as only one person for the purpose of determining whether a quorum is present.

28.3 Alternate Responsible for Own Acts

Every person acting as an alternate Director shall be subject in all respects to these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the Director appointing him.

28.4 Expenses and Remuneration

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with and to be paid expenses and be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive from the Company any fee or remuneration in his capacity as an alternate Director, except such part (if any) of the remuneration payable to his appointer as the appointer may, by notice to the Company, direct.

28.5 Termination of Appointment

Any person appointed as an alternate Director shall cease to be an alternate Director immediately:

- 28.5.1 on the expiry of the period referred to in Article 28.1 above;
- 28.5.2 on his signed written resignation being provided to the Company at the office;
- 28.5.3 if his appointer ceases to be a Director;
- 28.5.4 if his appointer removes him by notice to the Company; or
- 28.5.5 on the happening of any event which, if he is or were a Director, causes or would cause him to vacate that office.

29. PROCEEDINGS OF DIRECTORS

29.1 Directors' Meetings

The Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings as they think fit. A Director may, and the Secretary at the request of a Director shall, summon a Directors' meeting at any time.

29.2 Notice of Directors' Meetings

- 29.2.1 Notice of a Directors' meeting may be given to a Director personally or by word of mouth or given in writing or by Electronic Communications at such address as he may from time to time specify for this purpose (or, if he does not specify an address, at his last known address). A Director may waive his right to receive notice of any meeting either prospectively or retrospectively.
- 29.2.2 A Director absent or intending to be absent from the United Kingdom may request to the Directors that notice of Directors' meetings shall, during his absence, be sent to him in writing or by Electronic Communications to such address as may be notified by him to the Company for that purpose, but he shall not be entitled to a longer period of notice than if he had been present in the United Kingdom. If no such request is made it shall not be necessary to give notice of a Directors' meeting to any Director who is for the time being absent from the United Kingdom.

29.3 Quorum

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless so fixed at any other number, shall be two. Subject to these Articles, any Director who ceases to be a Director at a Directors' meeting may continue to be present and to act as a Director and be counted in the quorum until the end of the Directors' meeting if no other Director objects.

29.4 Chairman or Deputy to Preside

- 29.4.1 The Directors may appoint a chairman and one or more deputy chairman or chairmen and may at any time revoke any such appointment.
- 29.4.2 The chairman, or failing him any deputy chairman (the longest in office taking precedence if more than one is present), shall preside at all Directors' meetings. If no chairman or deputy chairman has been appointed, or if he is not present within 5 minutes after the time fixed for holding the meeting, or is unwilling to act as chairman of the meeting, the Directors present shall choose one of their number to act as chairman of the meeting.

29.5 Competence of Directors' Meetings

A Directors' meeting at which a quorum is present shall be competent to exercise all the powers and authorities for the time being vested in or exercisable by the Directors.

29.6 Voting

Questions arising at any Directors' meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

29.7 Directors' Meetings by Telephone etc.

29.7.1 A Directors' meeting may consist of a conference between Directors some or all of whom are in different places provided that each Director may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables him:

- (a) to hear each of the other participating Directors addressing the meeting; and
- (b) if he so wishes, to address all of the other participating Directors simultaneously.

29.7.2 A quorum is deemed to be present if at least the number of Directors required to form a quorum may participate in the manner specified in Article 29.7.1 above in the business of the meeting.

29.7.3 A Directors' meeting held in the manner specified in Article 29.7.1 above is deemed to take place at the place where the largest group of participating Directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

29.8 Resolutions Without Meetings

29.8.1 A resolution which is signed or approved by all the Directors (or all members of a committee of the Directors) entitled to vote on that resolution shall be as valid and effectual as if it had been passed at a Directors' meeting (or meeting of a committee of the Directors as the case may be) duly called and constituted.

29.8.2 The resolution may be contained in one document or Electronic Communication or in several documents or Electronic Communications in like form, each signed or approved by one or more of the Directors concerned.

29.8.3 For the purpose of this Article 29.8:

- (a) the signature or approval of a validly appointed alternate Director (if any) shall suffice in place of the signature of the Director appointing him; and
- (b) the approval of a Director or a validly appointed alternate Director shall be given in writing or by electronic means.

29.9 Validity of Acts of Directors In spite of Formal Defect

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

30. MINUTES

30.1 Minutes Required to be Kept

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

- 30.1.1 of all appointments of officers made by the Directors;
- 30.1.2 of the names of all the Directors and alternate Directors present at each meeting of the Directors and of any committee of the Directors; and
- 30.1.3 of all resolutions (including written resolutions) and proceedings of all meetings of the Company or any class of Members, and of the Directors and any committee of the Directors.

30.2 Minutes Conclusive

Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting or the Secretary, shall be prima facie evidence of the matters stated in them without any further proof.

31. GENERAL POWERS OF THE DIRECTORS

31.1 General Powers

Subject to the Statutes, these Articles and any directions given by special resolution of the Company, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of these Articles or such direction shall invalidate any prior act of the Directors which would have been valid if the alteration had not been made or the direction had not been given. The powers given by this Article 31.1 shall not be limited by any special authority or power given to the Directors by any other Article or any resolution of the Company.

31.2 Power to Act Notwithstanding Vacancy

The continuing Directors (or the sole continuing Director) at any time may act notwithstanding any vacancy in their number, but if the number of Directors is less than the minimum number fixed by or in accordance with these Articles, they or he may act for the purpose of appointing a Director or Directors or calling a general meeting to make such appointments, but not for any other purpose. If there are no Director or Directors able or willing to act, any two Members may summon a general meeting for the purpose of appointing Directors.

31.3 Provisions for Employees

The Directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family or any person who is dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiary undertakings.

31.4 Exercise of Voting Rights

The Directors 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 they think fit (including, without limitation, the exercise of that power in favour of any resolution appointing any Director as a director of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

31.5 Offices including the Title "Director"

The Directors 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, and the holder shall not 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 or the Statutes.

31.6 Overseas Registers

Subject to the Statutes, the Directors may exercise the powers conferred on the Company with regard to the keeping of an overseas branch, local or other register and may make and vary such regulations as they think fit respecting the keeping of any such register.

32. BORROWING POWERS

32.1 Power to Borrow

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Statutes, to create and issue debenture and other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

32.2 Borrowing Limit

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiary undertakings so as to procure (but as regards its subsidiary undertakings only so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding in

respect of Moneys Borrowed by the Group (exclusive of Moneys Borrowed by one Group Company from another and after deducting Cash Deposited) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 3 times the Adjusted Capital and Reserves.

32.3 Definitions

For the purposes of this Article 32:

32.3.1 **"Adjusted Capital and Reserves"** means a sum equal to the aggregate from time to time of:

- (a) the amount paid up on the allotted or issued share capital of the Company; and
- (b) the amount standing to the credit of the reserves, whether or not distributable (including, without limitation, any revaluation reserve, merger reserve, share premium account or capital redemption reserve), after adding or deducting any balance standing to the credit or debit of the profit and loss account of the Group;

all as shown in the Relevant Balance Sheet, but after:

- (c) making such adjustments as may be appropriate to reflect:
 - (i) any variation in the amount of the paid up share capital and the amount standing to the credit of any of such reserves since the date of the Relevant Balance Sheet and so that, for the purpose of making such adjustments, if any proposed allotment of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been allotted and the amount (including the premium) of the subscription moneys (not being moneys payable later than six months after the date of allotment) shall be deemed to have been paid up to the extent so underwritten on the date when the issue of such shares was underwritten (or, if the underwriting was conditional, the date on which it became unconditional);
 - (ii) any variation since the date of the Relevant Balance Sheet of the companies comprising the Group;
- (d) excluding (so far as not already excluded):
 - (i) amounts attributable to the proportion of the issued equity share capital of any subsidiary undertaking which is not attributable, directly or indirectly, to the Company;
 - (ii) any sum set aside for taxation (other than deferred taxation);
- (e) deducting:
 - (i) the amount of any distribution declared, recommended or made by any Group Company to a person other than a Group Company out of profits accrued up to and including the date of (and not provided for in) the Relevant Balance Sheet;

32.3.2 **"Cash Deposited"** means an amount equal to the aggregate of the amounts beneficially owned by Group Companies which are deposited for the time being with any bank or other person (not being a Group Company) and which are repayable to any Group Company on demand or within three months of such demand, subject, in the case of amounts deposited by a partly-owned subsidiary undertaking, to the exclusion of a proportion equal to the proportion of its issued equity share capital which is not attributable, directly or indirectly, to the Company;

32.3.3 **"Group"** means the Company and its subsidiary undertakings from time to time;

32.3.4 **"Group Company"** means any company in the Group;

32.3.5 **"Moneys Borrowed"** includes not only borrowings but also the following except in so far as otherwise taken into account:

- (a) the nominal amount of any issued share capital and the principal amount of any debenture or borrowing of any person, the beneficial interest or right to repayment of which is not for the time being owned by a Group Company but the payment or repayment of which is the subject of a guarantee or indemnity by a Group Company or is secured on the assets of a Group Company;
- (b) the principal amount raised by any Group Company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house (not being a Group Company) other than acceptances and acceptance credits relating to the purchase of goods or services in the ordinary course of trading and outstanding for six months or less;
- (c) the principal amount of any debenture (whether secured or unsecured) of any Group Company owned otherwise than by a Group Company;
- (d) the principal amount of any preference share capital of any subsidiary undertaking owned otherwise than by a Group Company;
- (e) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but any premium payable on final repayment of an amount not to be taken into account as Moneys Borrowed shall not be taken into account); and
- (f) any fixed amount in respect of a hire-purchase agreement or of a finance lease payable in either case by a Group Company which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the Relevant Balance Sheet (and for the purpose of this sub Article (f) "finance lease" means a contract between a lessor and a Group Company as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by that Group Company and "hire-purchase agreement" means a contract of hire-purchase between a hire-purchase lender and a Group Company as hirer);

but do not include:

- (g) moneys borrowed by any Group Company for the purpose of repaying, within six months of being first borrowed, the whole or any part of any moneys borrowed and then outstanding (including any premium payable on final repayment) of that or any other Group Company pending their application for such purpose within that period;
- (h) moneys borrowed by any Group Company for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other Group Company is guaranteed or insured up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured;
- (i) an amount equal to the moneys borrowed of any company outstanding immediately after it becomes a Group Company, provided that it became a Group Company during the six months preceding the calculation;
- (j) an amount equal to the amount secured on an asset immediately after it was acquired by a Group Company, provided that it was acquired during the six months preceding the calculation; and
- (k) notwithstanding sub Articles (a) to (f) above, the proportion of moneys borrowed by a Group Company (and not owing to another Group Company) which is equal to the proportion of its issued equity share capital not attributable, directly or indirectly, to the Company.

32.3.6 **"Relevant Balance Sheet"** means the latest published audited consolidated balance sheet of the Group but, where the Company has no subsidiary

undertakings, it means the latest published audited balance sheet and profit and loss account of the Company and, where the Company has subsidiary undertakings but there are no consolidated accounts of the Group, it means the respective latest published audited balance sheets and profit and loss accounts of the companies comprising the Group.

32.4 Conversion to Sterling

For the purposes of calculating the aggregate amount of Moneys Borrowed on any particular day, any sums denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:

- 32.4.1 at the rate of exchange used for the conversion of that currency in the Relevant Balance Sheet; or
- 32.4.2 if no rate was so used, at the middle market rate of exchange prevailing at the close of business in London on the date of that balance sheet; or
- 32.4.3 where the repayment of such sum is expressly covered by a forward purchase contract, currency option, back-to-back loan, swap or other arrangements taken out and entered into to reduce the risk associated with fluctuations in exchange rates, at the rate of exchange specified in that document;

but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

32.5 Auditors' Report or Certificate

A report or certificate of the Auditors:

- 32.5.1 as to the amount of the Adjusted Capital and Reserves or the amount of Moneys Borrowed falling to be taken into account for the purposes of this Article 32; or
- 32.5.2 to the effect that the limit imposed by this Article 32 has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions

shall be conclusive evidence of the amount or of that fact.

32.6 Persons Dealing with the Company

No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 32 is observed. No debt incurred or security given in excess of the limit shall be invalid or ineffectual, except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded.

33. DELEGATION OF DIRECTORS' POWERS

33.1 Matters Reserved for the Directors

The Directors may from time to time identify those matters which may not be delegated and which must be determined by the Directors.

33.2 Delegation to Individual Directors

Save in respect of the Reserved Matters the Directors may entrust to and confer upon any Director holding an executive office any of their powers and authorities (with power to sub-delegate) on such terms and conditions as they think fit and may revoke or vary all or any of them at any time.

33.3 Committees

- 33.3.1 Save in respect of the Reserved Matters the Directors may delegate any of their powers and authorities (with power to sub-delegate) to any committee consisting

of such person or persons (whether Directors or not) as they think fit, provided that:

- (a) the majority of the Members of the committee are Directors; and
- (b) no meeting of the committee shall be quorate for the purpose of exercising any of its powers or authorities unless a majority of those present are Directors.

33.3.2 The Directors may make any such delegation on such terms and conditions as they think fit and may revoke or vary any such delegation and discharge any committee wholly or in part. Any committee so formed shall, in the exercise of the powers and authorities so delegated, conform to any regulations that may be imposed on it by the Directors.

33.3.3 The proceedings of a committee with two or more members shall be conducted in accordance with any regulations imposed on it by the Directors and (subject to such regulations) in accordance with these Articles regulating the proceedings of the Directors so far as they are capable of applying. Where the Directors resolve to delegate any of their powers, authorities and discretions to a committee and such resolution states that the committee shall consist of any one or more unnamed Directors, it shall not be necessary to give notice of a meeting of such committee to any Directors other than the Director or Directors who form the committee.

33.4 Delegation to Committees

33.4.1 Save in respect of the Reserved Matters the Directors may delegate any of their powers or discretions (including, without limitation, the power to determine Directors' fees or additional remuneration and to vary the terms and conditions of employment of or confer any other benefit on any of the Directors) to committees. No such committee shall, unless the Directors otherwise resolve, have power to sub-delegate to sub-committees any of the powers or discretion delegated to it. Any such committee or sub-committee shall consist of two or more Directors and (if thought fit) one or more other persons provided that a majority of the members of the committee shall be Directors and no resolutions of the committee shall be effective unless a majority of those present when it is passed are Directors.

33.4.2 Any committee or sub-committee so formed shall in the exercise of the powers so delegated and in the conduct of its meetings and proceedings act in accordance with any regulations which may from time to time be imposed on it by the Directors.

33.4.3 Subject to this, the meetings and proceedings of any such committee or sub-committee consisting of two or more members shall be governed mutatis mutandis by the provision of these Articles regulating the meetings and proceedings of the Directors.

33.5 Local Directors

33.5.1 Save in respect of the Reserved Matters:

- (a) the Directors may establish any local or divisional Directors or agency for managing any of the affairs of the Company whether in the United Kingdom or elsewhere and may appoint any persons to be members of a local or divisional Directors, or to be managers or agents, and may fix their remuneration; and
- (b) the Directors may delegate to any local or divisional Directors, manager or agent any of their powers and authorities (with power to sub-delegate) and may authorise the members of any local or divisional Directors or any of them to fill any vacancies and to act notwithstanding vacancies.

33.5.2 Any appointment or delegation under this Article 33.5 may be made on such terms and subject to such conditions as the Directors think fit and the Directors may remove any person so appointed, and may revoke or vary any delegation. Subject to such terms, the proceedings of any local Directors shall be governed

by such of these Articles as regulate the proceedings of the Directors so far as they are capable of applying.

33.6 Powers of Attorney

The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company on such terms (including without limitation terms as to remuneration) as they may decide and may delegate to any person so appointed any of their powers and authorities (with power to sub-delegate). The Directors may remove any person appointed under this Article 33.6 and may revoke or vary the delegation at any time.

34. DIRECTORS' INTERESTS

34.1 Director may have Interests

Subject to the Statutes and subject to disclosure of his interests in accordance with Article 34.2 a Director, notwithstanding his office:

- 34.1.1 may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- 34.1.2 may hold any other office or place of profit under the Company (except Auditor or auditor of a subsidiary of the Company) in conjunction with the office of Director for such period (subject to the Statutes) and upon such terms as the Directors may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Directors may decide, either in addition to or in lieu of any remuneration under any other provision of these Articles;
- 34.1.3 may be or become a Member or director of, or hold any other office or place of profit under, or otherwise be interested in, any other company in which the Company may be interested; and/or
- 34.1.4 may act by himself or his firm in a professional capacity for the Company (except as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; and

shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

34.2 Notification of interests

- 34.2.1 A Director who, to his knowledge, is in any way, whether directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest:
 - (a) if he knows his interest then exists, at the Directors' meeting at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration; or
 - (b) in any other case, at the first Directors' meeting after he knows that he is or has become so interested.
- 34.2.2 For the purposes of this Article 34.2, a general notice given to the Directors by a Director to the effect that:
 - (a) he is a member of a specified company or firm and is to be regarded as interested in any contract, arrangement, transaction or proposal which may, after the date of the notice, be made with that company or firm; or
 - (b) he is connected to a specified person and is to be regarded as interested in any contract, arrangement, transaction or proposal which may, after the date of the notice, be made with that person;

shall be deemed to be a sufficient declaration of interest in relation to any such contract, arrangement, transaction or proposal.

34.3 Interested Director not to Vote or Count in Quorum

- 34.3.1 Subject to Article 34.3.2 below, a Director shall not vote or be counted in the quorum at a meeting in relation to any resolution of the Directors or a committee of the Directors relating to any contract, arrangement, transaction or other proposal in which he has an interest which, together with any interest of a person connected with him (within the meaning of Sections 252 – 255 (CA 2006)), is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted.
- 34.3.2 The prohibition in Article 34.3.1 above shall not apply and a Director may vote and be counted in the quorum in respect of any resolution concerning any one or more of the following matters:
- (a) any contract, arrangement, transaction or proposal in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
 - (b) the giving of any guarantee, security or indemnity in respect of:
 - (i) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or
 - (ii) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part (either alone or jointly with others) under a guarantee or indemnity or by the giving of security;
 - (c) any issue or offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter;
 - (d) any contract, arrangement, transaction or proposal concerning any other company in which he, and any persons connected with him (within the meaning of Sections 252 – 255 (CA 2006)), do not to his knowledge hold an interest in shares (within the meaning of Sections 820 - 825 (CA 2006)) representing one per cent. or more of any class of the equity share capital of that company (or of any third company through which his interest is derived) or of the voting rights available to members of that company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);
 - (e) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates;
 - (f) the purchase or maintenance of insurance for the benefit of Directors or for the benefit of persons including Directors; and/or
 - (g) any proposal under which he may benefit concerning the giving of indemnities to Directors or other officers of the Company which the Directors are entitled to give under Article 47.

34.4 Director's Interest in Own Appointment

A Director shall not vote or be counted in the quorum at a meeting in respect of any resolution of the Directors or a committee of the Directors concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, to an office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each Director and, in that case, each of the Directors concerned (if not otherwise debarred from voting under

this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

34.5 Chairman's Ruling Conclusive on Director's Interest

If any question arises at any meeting as to the materiality of an interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than the chairman of the meeting) to vote or be counted in the quorum, and the question is not resolved by that Director voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the Director concerned shall be final and conclusive.

34.6 Directors' Resolution Conclusive on Chairman's Interest

If any question arises at any meeting as to the materiality of an interest of the chairman of the meeting, or as to the entitlement of the chairman to vote or be counted in the quorum, and the question is not resolved by the chairman voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by a resolution of the Directors present at the meeting (excluding the chairman) and the resolution shall be final and conclusive.

34.7 Connected Persons

For the purposes of the provisions of these Articles concerning a Director's interests in relation to the Company, the interest of a person who is for the purposes of the CA 2006 connected (within the meaning of Sections 252 – 255 (CA 2006)) with a Director shall be treated as the interest of the Director only where the Director actually knew the connected person held such interest and such interest shall not be implied where the Director ought to have known but did not know. In relation to an alternate Director, the interest of his appointor shall be treated as the interest of the alternate Director in addition to any interest which the alternate Director otherwise has. This Article applies to an alternate Director as if he were a Director.

34.8 Suspension of Relaxation of Provisions Concerning Directors' Interests

Subject to the CA 2006 and to the Regulatory Requirements, the Company may by ordinary resolution suspend, vary or relax any provision in these Articles concerning the Directors' interests in relation to the Company, either generally or in respect of any particular matter, or ratify any contract, arrangement or other proposal not authorised by reason of a contravention of any such provision.

35. SECRETARY

35.1 Subject to the provisions of the Statutes, the Directors may appoint the Secretary for such term, at such remuneration and on such conditions as they may think fit. Any Secretary so appointed may be removed by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

35.2 The Directors may appoint two or more persons as joint Secretaries and the Directors may also appoint one or more assistant or deputy secretaries from time to time on such terms as they think fit.

35.3 Where the Statutes or these Articles require or authorise something to be done by or to a Director and the Secretary, it must not be done by or to one person acting both as Director and as, or in place of, the Secretary.

36. SEAL

36.1 Safe Custody

The Directors shall provide for the safe custody of every seal of the Company.

36.2 Application of Seals

A seal shall be used only by the authority of a resolution of the Directors or a duly authorised committee of the Directors. The Directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such

signatures shall be dispensed with or affixed by mechanical, electronic or other means. Unless otherwise determined by the Directors:

- 36.2.1 certificates for shares, debentures or other securities of the Company issued under seal need not be signed;
- 36.2.2 every other instrument to which a seal is applied shall be signed by at least one Director and the Secretary or by at least two Directors; and
- 36.2.3 where the Statutes so permit, any instrument signed by one Director and the Secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal.

36.3 Resolution to Dispense with Seal

The Directors may resolve (if such is lawful) that the Company shall not have a Seal.

37. AUTHENTICATION OF DOCUMENTS

37.1 Power to Authenticate

Any Director, the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate and to certify as true, copies of and extracts from:

- 37.1.1 any document comprising or affecting the constitution of the Company;
- 37.1.2 any resolution passed by the Company or the Directors or any committee; and
- 37.1.3 any books, records, documents and accounts relating to the business of the Company.

37.2 Documents not Kept at the Registered Office

Where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having their custody shall be deemed to be a person appointed by the Directors for the purposes of Article 37.1.

37.3 Certification Conclusive

A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company, the Directors or any committee which is certified pursuant to Article 37.1 shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

37.4 Statutory Books

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

37.5 Requirements concerning registers

The Directors shall ensure that the Company complies with the provisions of the Statutes with regard to:

- 37.5.1 the registration of charges;
- 37.5.2 the keeping of a register of members, a register of Directors and Secretaries and a register of charges;
- 37.5.3 the production and furnishing of copies of or extracts from the registers referred to in Article 37.5.2; and
- 37.5.4 keeping and making available for inspection copies and memoranda of Directors' service contracts.

38. DIVIDENDS

38.1 Declaration of Dividends by the Company

Subject to the Statutes, the Company may, by ordinary resolution, declare dividends to be paid to the Members according to their respective rights and interests in the profits of the Company. No dividend shall exceed the amount recommended by the Directors.

38.2 Fixed and Interim Dividends

Subject to the Statutes, the Directors may pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Directors to be justified by the financial position of the Company. If the share capital of the Company is divided into different classes, the Directors may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. If the Directors act in good faith, none of the Directors shall incur any liability to the holders of shares conferring preferential rights for any loss such holders may suffer in consequence of the payment of an interim dividend on any shares ranking after those with preferential rights.

38.3 Apportionment of Dividends

Except insofar as the rights attaching to, or the terms of issue of, any shares otherwise provide:

38.3.1 all dividends shall be declared and paid according to the amounts paid up (other than amounts paid up in advance of calls) on the shares in respect of which the dividend is paid; and

38.3.2 all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

38.4 Currency

The Directors may agree with any Member that at the Member's sole cost, dividends which may be declared or become due on his shares in one currency shall be paid or satisfied in another. The basis for the conversion shall be the commercial spot rate as at the date of declaration of the dividend as published by the Company's bank in the United Kingdom, unless the Directors, in their sole discretion, agree an alternative basis of conversion.

38.5 Method of Payment

38.5.1 The Company may pay any dividend or other sum payable in respect of a share:

- (a) in cash;
- (b) by cheque or dividend warrant payable to the holder or person entitled to payment;
- (c) by direct debit, bank or other funds transfer system or by such other electronic means to such account as the holder or person entitled to payment may notify to the Company for the purpose; or
- (d) by any other method as may be agreed between the Company and the holder or person entitled to payment.

38.6 Joint Entitlement

If two or more persons are registered as joint holders of a share, or are jointly entitled by transmission or otherwise to a share, the Company may:

38.6.1 pay any dividend or other moneys payable in respect of the share to any one of them and any one of them may give an effective receipt for that payment; and

38.6.2 for the purposes of this Article 38, rely in relation to the share on the written direction, designation or agreement of, or notice to the Company by, any one of them.

38.7 Payment by Post

Any cheque or dividend warrant may be sent by post to the registered address of the holder (or, in the case of joint holders, to the registered address of that person whose name stands first in the Register in respect of the relevant share) or to such other address as the holder or person entitled to payment may notify to the Company for the purpose.

38.8 Discharge to Company and Risk

Every cheque or warrant is sent, and payment in any other way is made, at the risk of the person or persons entitled to it and the Company shall not be responsible for any sum lost or delayed when it has sent or transmitted the sum in accordance with these Articles. Clearance of a cheque or warrant or transmission of funds through a bank or other funds transfer system or by such other electronic means as is permitted by these Articles shall be a good discharge to the Company.

38.9 Dividends not to Bear Interest

Unless otherwise provided by the rights attached to the share, no dividend or other moneys payable by the Company on or in respect of any share shall bear interest as against the Company.

38.10 Calls or Debts may be Deducted from Dividends

The Directors may deduct from any dividend or other moneys payable to any person on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company.

38.11 Retention of Dividends where Company has a Lien

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

38.12 Unclaimed Dividends etc

38.12.1 All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect of such dividends, interest or other sums.

38.12.2 All dividends unclaimed for a period of twelve years after having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

38.13 Waiver of Dividends

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

38.14 Uncashed Dividends

If a payment for a dividend or other sum payable in respect of a share sent by the Company to the person entitled to it in accordance with these Articles is left uncashed or is returned to the Company:

38.14.1 on two or more consecutive occasions; or

38.14.2 on one occasion and reasonable enquiries have failed to establish any new address or, with respect to a payment to be made by a funds transfer system, a new account, for that person

the Company shall not be obliged to send any dividends or other sums payable in respect of that share to that person until he notifies the Company of an address or, where the payment is to be made by a funds transfer system, details of the account, to be used for the purpose.

38.15 Dividends in Specie

The Directors may direct that payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and, in particular, of paid up shares or debentures of any other company. Where any difficulty arises with the distribution, the Directors may settle the difficulty as they think fit and, in particular, may:

- 38.15.1 issue fractional certificates (or ignore fractions);
- 38.15.2 fix the value for distribution of the specific assets or any part of them;
- 38.15.3 determine that cash payments be made to any Members on the basis of the value so fixed in order to secure equality of distribution; and
- 38.15.4 vest any of the specific assets in trustees on such trusts for the persons entitled to the dividend as the Directors may think fit.

38.16 Scrip Dividends

- 38.16.1 The Directors may, with the authority of an ordinary resolution of the Company and in accordance with the following provisions of this Article 38.16, offer any holders of Ordinary Shares the right to elect to receive further new shares credited as fully paid instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution ("**Scrip Dividend**").
- 38.16.2 The ordinary resolution may specify a particular dividend (whether or not already declared or recommended) or may specify all or any dividends declared within a specified period, but such period may not end later than five years after the date of the meeting at which the ordinary resolution is passed.
- 38.16.3 The entitlement of each holder of Ordinary Shares to new shares shall be such that the value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount which would otherwise have been paid (disregarding the amount of any associated tax credit).
- 38.16.4 For the purposes of Article 38.16.3 above the value of the new shares shall be calculated in such manner as may be determined by or in accordance with the ordinary resolution and a certificate or report by the Auditors as to the value of a new share in respect of any Scrip Dividend shall be conclusive.
- 38.16.5 The Directors shall give notice to the holders of Ordinary Shares of their rights of election in respect of the Scrip Dividend and shall specify the procedure to be followed in order to make an election.
- 38.16.6 The Directors shall not proceed with a Scrip Dividend unless the Company has sufficient unissued shares and undistributed profits or reserves to give effect to elections which could be made to receive that Scrip Dividend.
- 38.16.7 The Directors may decide that the right to elect for any Scrip Dividend shall not be made available to Members holding depositary receipts or resident in any territory where, in the opinion of the Directors, compliance with local laws or regulations would be impossible or unduly onerous.
- 38.16.8 The Directors may from time to time establish or vary a procedure for election mandates, under which a holder of shares may, in respect of any future dividends for which a right of election pursuant to this Article 38.16 is offered, elect to receive shares in lieu of such dividend on the terms of such mandate.
- 38.16.9 The dividend, or that part of it in respect of which an election for the Scrip Dividend is made, shall not be payable in cash and instead new shares shall be allotted in accordance with elections duly made. The Directors shall capitalise a sum out of such sums available for the purpose equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares. Article 39 shall apply to any capitalisation made pursuant to this Article 38.

- 38.16.10 The new shares so allotted shall rank *pari passu* in all respects with the fully paid Ordinary Shares then in issue except as regards participation in the relevant dividend.
- 38.16.11 No fractions of a share shall be allotted. The Directors may make such provisions as they think fit for fractional entitlements including, without limitation:
- (a) payment in cash to holders in respect of their fractional entitlements;
 - (b) provision for the accrual, retention or accumulation of all or part of the benefit of fractional entitlements to or by the Company or by or on behalf of any holder; and
 - (c) the application of any accrual, retention or accumulation to the allotment of fully paid shares to any holder.
- 38.16.12 In relation to any particular proposed dividend the Directors may in their absolute discretion amend, suspend or withdraw the offer previously made to holders of Ordinary Shares to elect to receive additional Ordinary Shares instead of the cash dividend (or any part of it) at any time prior to the allotment of the additional Ordinary Shares.
- 38.16.13 The Directors may do all acts and things they consider necessary or expedient to give effect to the provisions of a Scrip Dividend election and the issue of any shares in accordance with the provisions of this Article 38.16.

39. RESERVES AND CAPITALISATION

39.1 Reserves

The Directors may, before recommending any dividend (whether preferential or otherwise), carry to reserve out of the profits of the Company such sum as they think fit. All sums standing to reserve may be applied from time to time, at the discretion of the Directors, for any purpose to which the profits of the Company may properly be applied, and pending such application may either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund the whole or any part of such special funds. The Directors may also, without placing them to reserve, carry forward any profits which they may think prudent not to distribute.

39.2 Capitalisation of Reserves and Profits

The Directors may, with the authority of an ordinary resolution of the Company, resolve to capitalise any sum standing to the credit of any reserve or other fund of the Company (including, without limitation, share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account not required for the payment of any preferential dividend (whether or not it is available for distribution) and may:

- 39.2.1 appropriate that sum as capital to the holders of Ordinary Shares in proportion to the nominal amount of the share capital held by them respectively and apply that sum on their behalf:
- (a) in paying up the whole or part of any amounts which are unpaid in respect of any issued shares in the Company held by them respectively; or
 - (b) in paying up in full any unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those Members, or as they may direct, in those proportions; or
 - (c) otherwise as directed by the resolution,
- provided that the share premium account and the capital redemption reserve and any sum not available for distribution in accordance with the Statutes may only be applied in paying up unissued shares to be allotted credited as fully paid up;
- 39.2.2 resolve that any shares so allotted to any Member in respect of a holding by him of any partly paid shares shall, so long as the shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;

39.2.3 where shares or debentures become distributable in fractions under this Article 39.2, make such provision as they think fit in relation to fractional entitlements including, without limitation:

- (a) the issue of fractional certificates;
- (b) ignoring fractions; or
- (c) accruing the benefit of fractions to the Company rather than to the Members concerned;

39.2.4 authorise any person to enter into an agreement with the Company on behalf of all the Members concerned providing for either:

- (a) the allotment to the Members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled on the capitalisation; or
- (b) the payment by the Company on behalf of the Members of the amounts, or any part of the amounts, remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under that authority shall be binding on all such Members; and

39.2.5 generally do all acts and things required to give effect to the resolution.

40. RECORD DATES

40.1 Notwithstanding any other of these Articles, but without prejudice to any rights attached to any shares and subject to the CA 2006, the Company or the Directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made. In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

40.2 All dividends and interest shall belong and be paid (subject to any lien of the Company) to those Members whose names shall be on the Register at the record date fixed in accordance with Article 40.1 despite any subsequent transfer or transmission of shares.

40.3 The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares contained in these Articles entitled to become a Member, or which any person is under those provisions entitled to transfer, until that person shall become a Member in respect of those shares or shall transfer them.

41. ACCOUNTS

41.1 Accounting Records

The Directors shall cause accounting records to be kept in accordance with the Statutes.

41.2 Inspection of Records

41.2.1 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office or (subject to the provisions of the Statutes) at such other place in Great Britain as the Directors think fit, and shall always be open to inspection by the officers of the Company.

41.2.2 No Member shall (in their capacity as Member) have any right to inspect any accounting records or other books or documents of the Company unless he is authorised to do so by statute, by order of the court, by the Directors or by ordinary resolution of the Company.

42. AUDITORS

42.1 Appointment

Auditors of the Company shall be appointed and their duties regulated in accordance with the Statutes. The Auditors' report to the Members made pursuant to the Statutes shall be open to inspection by any member.

42.2 Validity of Acts of Auditors

Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid even though there may have been some defect in his appointment or he was at the time of this appointment not qualified for appointment.

42.3 Auditors' Entitlement Concerning General Meetings

The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any Member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors and the provisions of these Articles relating to the sending of notices in electronic form or by means of a website apply to notices of meeting sent under this Article 39.3.

43. NOTICES

43.1 Form of Notices

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

43.2 Methods of Service

Any notice or document may be sent by the Company to any Member by any of the following methods:

- 43.2.1 personally;
- 43.2.2 by sending it through the post in a prepaid letter addressed to the Member at his registered address;
- 43.2.3 by leaving it at his registered address;
- 43.2.4 by sending it by Electronic Communications to an address for the time being notified to the Company by the Member for that purpose or where the Member is a company, to an address deemed by the CA 2006 to have been notified; or
- 43.2.5 by any other means permitted by the CA 2006.

43.3 Website

Any document, information or notice is validly sent or supplied by the Company to a person by being made available on a website, if:

- 43.3.1 the person has agreed (generally or specifically) that the document, information or notice may be sent or supplied to him in that manner, or he is taken to have so agreed under Schedule 5 CA 2006, and in either case he has not revoked that agreement;
- 43.3.2 the Company has notified the intended recipient of:
 - (a) the presence of the document, information or notice on the website;
 - (b) the address of the website;
 - (c) the place on the website where it may be accessed;
 - (d) how to access the document, information or notice; and

- (e) any other information prescribed by the Statutes including, when the document, information or notice is a notice of meeting, that fact, the place, date and time of the meeting; and

43.3.3 the notice is available on the website throughout the period beginning with the date of the notification and ending with the conclusion of the meeting.

43.4 **Any Other Means**

Any document, information or notice that is sent or supplied otherwise than in hard copy or electronic form or by means of a website is validly sent or supplied if it is sent or supplied in a form or manner that has been agreed by the intended recipient.

43.5 **Notice to Joint Holders**

In the case of joint holders of a share, all notices or other documents shall be sent to the joint holder whose name stands first in the Register in respect of the joint holding, and any notice or document so sent shall be deemed sufficient service to all the joint holders.

43.6 **Registered Address Outside UK**

Any Member with a registered address outside the United Kingdom who gives to the Company an address within the United Kingdom at which notices or other documents may be sent to him, or an address to which notices or other documents may be sent using Electronic Communications, shall be entitled (subject to the agreement of the Company in the case of Electronic Communications) to have notices or other documents sent to him at that address, but otherwise shall not be entitled to receive any notice or other document from the Company.

43.7 **Deemed Receipt of Notice of Meeting**

Any Member present, either in person or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where required, of the purposes for which such meeting was convened.

43.8 **Deemed Service**

43.8.1 A notice or other document required to be sent by the Company to any Member, if served by post to an address in the United Kingdom, shall be deemed to have been served one day after (or, where second class mail is used, two days after) the letter containing the notice or other document is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped, and duly posted.

43.8.2 A notice or other document contained in an Electronic Communication shall be deemed to be served one day after the time it was sent. Proof that a notice contained in an Electronic Communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or document was served. Where a document, information or notice to be given or sent by electronic means has failed to be transmitted after three attempts, then that notice or other document shall nevertheless be deemed to have been sent for the purposes of this Article 43.8.2 and, without prejudice to Article 43.13, that failure shall not invalidate any meeting or other proceeding to which the notice or document relates.

43.8.3 A notice given by advertisement shall be deemed to have been given or served on the day on which the advertisement appears.

43.8.4 Where a document, information or notice is sent or supplied by means of a website, it is deemed to have been received by the recipient when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

43.9 **Notice Binding on Transferees**

Every person who by operation of law, transfer or other means becomes entitled to any share shall be bound by any notice in respect of that share (other than a notice issued by authority

of Article 6 or Section 793 (CA 2006)) which, before his name and address are entered in the Register, has been duly sent to the person from whom he derives his title.

43.10 Disruption of Postal Services

If at any time, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper published in the United Kingdom. The notice shall be deemed to have been duly served on all Members entitled to notice at noon on the day on which the advertisement appears. In any such case, the Company shall send confirmatory copies of the notice by post to those Member to whom notice cannot be given by Electronic Communications if, at least 6 Clear Days before the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

43.11 Notice to Persons Entitled by Transmission

Any notice or other document may be sent by the Company to a person entitled by transmission to a share by sending it in any manner authorised by these Articles for the sending of a notice or other document to a Member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any similar description, at the address (if any) in the United Kingdom supplied for that purpose by or on behalf of the person claiming to be so entitled. Until such an address has been supplied, a notice or other document may be sent in any manner in which it might have been sent if the death, bankruptcy or other event giving rise to the transmission had not occurred.

43.12 Notice etc Given by Advertisement in Certain Circumstances

Unless the Statutes require a notice, document or information to be sent or supplied in a different way, any notice, information or document shall be sufficiently sent or supplied if published by advertisement inserted once in at least one national newspaper published in the United Kingdom.

43.13 Omission to Send Notice

The accidental omission to send a notice of meeting or a form of proxy or any other document relating to a meeting to, or the non-receipt of the notice, form of proxy or other document by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

44. DESTRUCTION OF DOCUMENTS

44.1 Destruction of Documents

The Company may destroy:

- 44.1.1 any instrument of transfer and any other document on the basis of which an entry is made in the Register, at any time after six years from the date on which it is registered;
- 44.1.2 any dividend mandate or any variation or cancellation of a dividend mandate or any notification of change of name or address, at any time after two years from the date on which it is recorded; and
- 44.1.3 any share certificate which has been cancelled or has ceased to have effect at any time after one year from the date on which it is cancelled.

Any document referred to in this Article 44.1 may be destroyed at a date earlier than that authorised by this Article 44.1 provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Directors shall take adequate precautions for guarding against falsification and for facilitating its production.

44.2 Presumptions

Subject to the document being destroyed in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant, it shall conclusively be presumed in favour of the Company that:

- 44.2.1 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;
- 44.2.2 every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
- 44.2.3 every share certificate so destroyed was a valid certificate duly and properly cancelled;
- 44.2.4 every paid dividend warrant and cheque so destroyed was duly paid; and
- 44.2.5 every other document mentioned in Article 44.1 so destroyed was a valid and effective document in accordance with the particulars of it recorded in the books and records of the Company.

44.3 Liability

Nothing in this Article 44 shall be construed as imposing on the Company or the Directors any liability in respect of the destruction of any document earlier than as stated in Article 44.1 or in any other circumstances in which liability would not attach to the Company or the Directors in the absence of this Article 44.

44.4 Meaning of Destruction

References in this Article 44 to the destruction of any document include references to its disposal in any manner.

45. UNTRACED MEMBERS

45.1 Sale of Shares of Untraced Members

The Company may sell, in such manner as the Directors may decide and at the best price they consider to be reasonably obtainable at that time, any share of a Member, or any share to which a person is entitled by transmission if:

- 45.1.1 during a period of twelve years, at least three cash dividends have become payable in respect of the share to be sold and have been sent by the Company in accordance with these Articles;
- 45.1.2 during that period of twelve years no cash dividend payable in respect of the share has been claimed, no cheque, warrant, order or other payment of a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the Company from the Member or the person entitled by transmission to the share;
- 45.1.3 on or after the expiry of that period of twelve years, the Company has published advertisements both in a national newspaper and in a newspaper circulating in the area of the last known address of the Member or person entitled by transmission to the share or the address at which notices may be given in accordance with these Articles, in each case giving notice of its intention to sell the share; and
- 45.1.4 during the period of three months following the publication of the later of those advertisements and after that period until the exercise of the power to sell the share, the Company has not received any communication from the Member or the person entitled by transmission to the share.

45.2 Further Shares

The Company's power of sale shall extend to any further share which, on or before the date of publication of the first advertisement pursuant to Article 45.1.3, is issued by right in respect of a share to which Article 43.1 applies (or by right in respect of any share to which this Article

45.2 applies) if the conditions set out in Articles 45.1.1 to 45.1.4 are satisfied in relation to the further share (but as if the references to a period of twelve years were references to a period beginning on the date of allotment of the further share and ending on the date of publication of the first of the advertisements referred to above).

45.3 Transfer on Sale

To give effect to a sale under this Article 45, the Directors may authorise any person to execute an instrument of transfer in respect of the share to, or in accordance with the directions of, the buyer.

The buyer shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

45.4 Application of Proceeds of Sale

45.4.1 The Company shall account to the person entitled to the share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.

45.4.2 Pending payment of the net proceeds of sale to such person, the proceeds may either be employed in the business of the Company or invested in such investments as the Directors may from time to time decide.

45.4.3 No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds.

45.5 Power to Stop Sending Documents etc to Untraced Shareholders

If three separate documents, notices or information have been sent on consecutive occasions through the post to any Member at any address specified in Article 43, whether the documents notices or information are duplicates of ones originally sent using electronic means that failed to be transmitted electronically or ones that were originally sent by post, and have been returned undelivered, such Member shall not after that be entitled to receive documents, notices or other information from the Company until he shall have communicated with the Company and supplied in writing to the Office a new address as specified in Article 43 or, in so far as the Company intends to send or supply any document, notice or other information using electronic means and the Member has agreed (generally or specifically) to the sending or supply of that document, notice or information by electronic means, an address for that purpose. For the avoidance of doubt the provisions of this article apply to service of a Drag Along Notice under article 15.

46. WINDING UP

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company and any other authority required by the Statutes:

46.1 divide among the Members in specie the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members; or

46.2 vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator shall think fit, but no Member shall be compelled to accept any assets upon which there is any liability.

47. INDEMNITY AND INSURANCE

47.1 Indemnity

Subject to the Statutes but without prejudice to any indemnity to which he may otherwise be entitled, every Director or other officer (excluding an auditor) of the Company shall be indemnified out of the assets of the Company against all liabilities incurred by him in relation to or in connection with his duties, powers or office including (without limitation) any liability incurred in defending any proceedings (whether civil or criminal) in relation to the affairs of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Statutes in which relief is granted to him by any court of competent jurisdiction and any such liability incurred by him in connection with the Company's

activities as trustee of an occupational pension scheme as defined in section 235(6) CA 2006 provided that such indemnity shall not apply in respect of any liability incurred by such Director:

- 47.1.1 in relation to a qualifying third party indemnity as defined in Section 234 (CA 2006) to any member of the Group/the Company or an associated company; or
- 47.1.2 to pay a fine imposed in criminal proceedings; or
- 47.1.3 to pay a sum payable to a regulatory authority by way of a penalty in respect of non compliance with any requirement of a regulatory nature (howsoever arising); or
- 47.1.4 in defending any criminal proceedings in which he is convicted; or
- 47.1.5 in relation to a qualifying third party indemnity as defined in Section 234 (CA 2006) in defending any civil proceedings brought by any member of the Group/the Company or any associated company in which judgment is given against him; or
- 47.1.6 in connection with any application under any of the following provisions in which the court refuses to grant him relief, namely:
 - (a) section 144(3) or (4) (CA 2006) (acquisition of shares by an innocent nominee); or
 - (b) section 727 (CA 2006) (general power to grant relief in case of honest and reasonable conduct).

47.2 Insurance

Subject to the Statutes and without prejudice to Article 47.1, the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time:

- 47.2.1 a director or other officer or employee of the Company (other than auditor) or any body which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect); or
- 47.2.2 a trustee of any pension fund in which employees of the Company or any other body referred to in Article 47.2.1 above is or has been interested,

including, without limitation, insurance against any liability incurred by such person in respect of any act or omission in the actual or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

48. EXPERT

48.1 Where these Articles provide for any matter or dispute to be determined by the Expert, such matter or dispute shall be referred, at the request of any Member or Director, to the Auditors provided that in the circumstances referred to in article 48.2 such matter or dispute shall be referred to an independent chartered accountant nominated in writing for this purpose by the Directors.

48.2 The circumstances referred to in article 48.1 are:

- 48.2.1 where the Auditors are unable or unwilling to act in connection with the relevant reference; or
- 48.2.2 where, within 10 Business Days of a Member or Director requesting that a matter or dispute be referred for determination under this article 48, the Directors direct in writing that instead of being referred to the Auditors the relevant matter or dispute shall be referred to the independent chartered accountant nominated by the Directors in their direction for this purpose.

48.3 The Expert shall be engaged on terms agreed between the relevant Expert and the Directors. For the purposes of agreeing the terms of the Expert's engagement pursuant to this article 48.3, the Directors shall act as agent for the Company and each relevant Member.

48.4 The Company and any relevant Members shall supply the Expert with any information which he may reasonably request in connection with his determination. The Company and any

relevant Members shall be entitled to make written submissions to the Expert provided that a copy of any such written submissions is also simultaneously delivered to the other relevant parties. The Expert shall give due weight to any such written submission which is received by the Expert within such time limit as he may determine and have notified to the relevant parties.

48.5 The decision of the Expert (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Members.

48.6 The cost of any reference to the Expert shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Expert (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Expert, equally by the parties concerned.