

THE COMPANIES ACTS 1985 AND  
1989  
PUBLIC COMPANY LIMITED BY  
SHARES

NEW ARTICLES OF  
ASSOCIATION

of

RAMCO ENERGY PLC

Registered number ~~628580~~ *62845*

(Adopted by Special Resolution passed on *14<sup>th</sup>* June 2000)



SCT S8EFORQY 1130  
COMPANIES HOUSE 28/06/00

*RAM*

Burness

RAMCO ENERGY PLC  
ARTICLES OF ASSOCIATION

INDEX

Page No.

INTRODUCTORY	1
1. Table A not to apply	1
INTERPRETATION	1
2. Interpretation	1
BUSINESS	3
3. Business to be undertaken	3
4. Office	3
SHARES	4
5. Share Capital	4
INCREASE OF CAPITAL	4
6. Company may increase its capital	4
7. Rights attached to new shares	4
8. New shares considered as original capital	4
ALTERATION OF CAPITAL	4
9. Power to consolidate sub-divide and cancel shares	4
10. Powers to purchase own shares and to reduce capital and capital redemption reserve fund and share premium account	5
11. Procedure	6
CONVERSION OF SHARES INTO STOCK	6
12. Power to convert into stock	6
13. Transfer of stock	6
14. Rights of stockholders	6
15. Interpretation	6
VARIATION OF RIGHTS	7
16. Variation of rights	7
ISSUE OF UNISSUED SHARES	7
17. Unissued shares may be offered to members	7
18. Shares at the disposal of the Directors	8
19. Authority to allot relevant securities under Section 80 of the Companies Act 1985	8
20. Dis-application of pre-emption rights under Section 95 of the Companies Act 1985	9
21. Allotments etc. of shares	9
22. Power to pay commission and brokerage	10
23. Assets not to be applied for the purpose of the acquisition of own shares etc.	10
24. Joint holders	10
25. Exclusion of equities	10

CERTIFICATES	11
26. Issue of certificates	11
27. Replacement of certificates	11
28. Uncertificated Securities	12
CALLS ON SHARES	12
29. Directors may make calls	12
30. Time when made	12
31. Liability of joint holder	12
32. Interest on calls	13
33. Sums due on allotment etc. to be treated as calls	13
34. Power to differentiate	13
35. Payment of calls in advance	13
36. Rights suspended if payment in arrear	13
LIEN ON SHARES	14
37. <i>Company to have lien on partly paid shares</i>	14
38. Sale of shares subject to lien	14
39. Purchaser protected	14
FORFEITURE OF SHARES	15
40. Notice of unpaid calls	15
41. Notice to state time and place for payment	15
42. <i>Forfeiture on non-compliance with notice</i>	15
43. Notice of forfeiture to be given	15
44. Power to annul forfeiture or surrender	16
45. Sale of forfeited or surrendered shares	16
46. Rights and liabilities of members whose shares have been forfeited or surrendered	16
47. Title to forfeited or surrendered shares	16
TRANSFER OF SHARES	17
48. Form of transfer	17
49. Execution	17
50. Retention of instruments	17
51. Directors' power to refuse to register transfer	18
52. Notice of refusal to register	19
53. No fee payable	19
54. Power to suspend registration of transfers	19
55. Renunciations	19
TRANSMISSION OF SHARES	19
56. Transmission on death	19
57. Registration of personal representative, Trustee in Bankruptcy, etc.	20
58. Notice of election to be registered	20
59. Registration of nominee	20
60. Rights of unregistered personal representative, Trustee in Bankruptcy, etc.	20
GENERAL MEETINGS	21
61. Annual General Meetings	21
62. Extraordinary General Meetings	21
63. Convening of Extraordinary General Meetings	21

NOTICE OF GENERAL MEETINGS	21
64. Notice of Meetings	21
65. What notice is to specify	22
PROCEEDINGS AT GENERAL MEETINGS	22
66. Special business and business of Annual General Meeting	22
67. Quorum	23
68. Adjournment if quorum not present	23
69. Chairman	23
70. Adjournment	23
71. Voting and demand for poll	24
72. How poll to be taken	24
73. Continuance of business after demand for poll	25
74. Chairman's casting vote	25
VOTES OF MEMBERS	25
75. Voting rights	25
76. Disclosure of interests in shares	25
77. How votes may be given and who can act as proxy	28
78. Representation of corporations which are members of the Company at meetings	28
79. Voting rights of joint holders	28
80. Voting rights of members incapable of managing their affairs	28
81. Objections to admissibility of votes	28
82. Execution of Proxies	29
83. Proxy may demand a poll	29
84. Form of proxy	29
85. Deposit of proxies	29
86. Intervening death of principal etc. not to revoke proxy	30
DIRECTORS	30
87. Number of Directors	30
88. Directors need not be members	30
89. Remuneration of Directors and expenses	30
90. Special remuneration	31
APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS	31
91. Power of company to appoint directors	31
92. Power of board to appoint directors	31
93. Retirement of directors	31
94. Filling vacancies	32
95. Power of removal by special resolution	32
96. Persons eligible as directors	32
97. Vacation of office by directors	33
98. Age of directors	34
ALTERNATE DIRECTORS	34
99. Power to appoint alternate Directors	34

POWERS OF DIRECTORS	35
100.General Powers of Directors to manage Company's business	35
101.Power to act notwithstanding vacancy	35
102.Pensions, etc	35
BORROWING POWERS	36
103.Power to borrow money	36
DIRECTORS' INTERESTS, ETC.	38
104.Power of Directors to hold offices of profit and to contract with Company	38
PROCEEDINGS OF DIRECTORS	41
105.Board meetings, quorum and voting	41
106.Notice of meetings	41
107.Directors abroad	41
108.Chairman or Deputy-Chairman to preside	41
109.Competence of board meetings	41
110.Power to appoint Committees	41
111.Chairman of Committee	42
112.Procedure at Committee meetings	42
113.Resolutions in writing	42
114.Validity of acts of Directors in spite of formal defect	42
115.Minutes	42
CHAIRMAN, DEPUTY-CHAIRMAN, MANAGING DIRECTORS, ETC.	43
116.Appointment	43
117.Remuneration of Director so appointed	43
118.Tenure of office of Chairman and Managing Director	43
119.Tenure of other offices	44
120.Powers and duties of Directors so appointed	44
LOCAL MANAGEMENT	44
121.Power to appoint local managers	44
122.Delegation of powers to Local Boards	45
123.Power to appoint attorney	45
124.Power to sub-delegate	45
SECRETARY	45
125.Appointment of Secretary	45
126.Dual capacity	46
127.Assistant Secretary	46
SEAL	46
128.Seal	46
BRANCH REGISTER	47
129.Branch Register	47
DIVIDENDS	47
130.Application of profits in payment of dividends	47
131.Declaration of dividends	47
132.Dividend to be payable only out of profits	47
133.No larger dividend than recommended by Directors	48
134.Fixed and interim dividends	48

135.Unclaimed dividends	48
136.No interest payable on dividends etc	48
137.Power to satisfy dividend in specie, fractional certificates and cash adjustments	48
138.Deduction of debts due to Company	49
139.Moneys payable by cheque	49
RESERVES	49
140.Power to provide for depreciation and carry profits to reserve	49
141.Reserves	50
CAPITALISATION OF RESERVES, ETC.	50
142.Capitalisation of reserves	50
ACCOUNTS	51
143.Directors to keep proper accounting records	51
144.Where accounting records to be kept	51
145.Inspection of records	51
146.Balance sheet and profit and loss accounts	52
AUDIT	52
147.Provisions of Statutes regarding Auditors	52
NOTICES	52
148.Notices to be in writing	52
149.Service of notices	52
150.Members abroad not entitled to notices unless they give addresses within the U.K.	53
151.Notice to joint holders	53
152.Service on Company	53
153.Proof of postage to be sufficient proof of service	53
154.Members present at meeting deemed to have received due notice	54
155.Successors in title to be bound by notices to predecessors	54
156.Service of notice to be sufficient notwithstanding death of member served	54
157.Signature on notices	54
WINDING-UP	54
158.Rule for division of assets in liquidation	54
159.Powers to distribute in specie	55
160.Members abroad to give address for service	55
UNTRACED SHAREHOLDERS	55
161.Untraced shareholders	55
INDEMNITY	57
162.Indemnity of Directors and officers	57
163.Directors' and Officers' liability insurance	57

## INTRODUCTORY

### 1. Table A not to apply

None of the regulations in Table A in the First Schedule to the Companies Act 1985 or in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall apply to the Company, except so far as the same are repeated or contained in these Articles

## INTERPRETATION

### 2. Interpretation

In these Articles the words standing in the first column of the following table shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:-

## WORDS

The Statutes

These Articles

The Office

The Directors

Appointment

The Seal

Year

Accounting Reference period of the Company

Month

Paid up

In writing

The Register

The Regulations

The United Kingdom

## MEANINGS

The Companies Act 1985 and every other Act for the time being in force concerning companies and affecting the Company.

These Articles of Association, as originally adopted, or as from time to time altered in accordance with the Statutes.

The registered office for the time being of the Company.

The directors for the time being of the Company.

Includes election (and appoint includes elect).

The common seal of the Company.

Year from 1st January to 31st December, inclusive.

The period for which the accounts laid before the Company in General Meeting are made up.

Calendar month.

Includes credited as paid up.

Written, printed, typewritten or telexed, or visibly expressed in any other mode of representing or reproducing words, or partly one and partly another.

The register of members of the Company.

The Uncertificated Securities Regulations 1995.

Great Britain and Northern Ireland.

Stock Exchange Nominee

A person for the time being designated as a nominee pursuant to Section 185(4) of the Companies Act 1985.

Subject as aforesaid, any words defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Unless inconsistent with the subject or context, words importing the singular number shall include the plural number and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include corporations and bodies of persons.

The expression the "Secretary" shall (subject to the provisions of the Statutes) include an assistant or deputy Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

The headings are inserted for convenience only and shall not affect the construction of these Articles.

References in these Articles to any provision of a statute or statutory instrument shall be construed as including references to:-

- (i) any modification or re-enactment thereof by statute or statutory instrument;
- (ii) all statutory instruments or orders made pursuant thereto; and
- (iii) any provisions of any statute or statutory instrument of which such provision is a re-enactment or modification.

## BUSINESS

### 3. Business to be undertaken

Any branch or kind of business which is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time or times as they shall think fit, and further may be permitted by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business

### 4. Office

The Office shall be at such place in Scotland as the Directors shall from time to time appoint.

## SHARES

### 5. Share Capital

The authorised share capital of the Company as at the date of the adoption of these Articles of Association is £4,000,000 divided into 40,000,000 ordinary shares of 10p each ("Ordinary Shares").

## INCREASE OF CAPITAL

### 6. Company may increase its capital

The Company may from time to time, by Ordinary Resolution, whether or not all the shares for the time being authorised shall have been issued, or all the shares for the time being issued shall have been fully paid up, increase its capital by the creation of new shares of such amount as may be deemed expedient.

### 7. Rights attached to new shares

The Ordinary Resolution of the Company creating any new shares in the capital of the Company may, subject to the rights and privileges attached to any then existing shares in the capital, specify rights and privileges to be attached to such new shares and restrictions to which they shall be subject and (without limiting the foregoing but subject to the Statutes) may provide that the same are to be issued on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder and may set out the terms on and the manner in which redemption of the same may be effected.

### 8. New shares considered as original capital

Subject to any direction or determination that may be given or made in accordance with the powers contained in these Articles, all shares created on any increase of capital shall be subject to the provisions contained herein with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if they had been part of the original capital.

## ALTERATION OF CAPITAL

### 9. Power to consolidate sub-divide and cancel shares

The Company may, from time to time, by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

- (b) 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;
- (c) by sub-division of its existing shares or any of them, divide its share capital or any part thereof into shares of smaller amount than is fixed by its Memorandum of Association, so however that in the sub-division the proportion between the amount paid up and the amount (if any) not paid up on each such share of smaller amount shall be the same as it was in the case of the share from which it was derived. Any Resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have such preferred or other special rights, or may have such qualified or deferred rights or be subject to such restrictions, as compared with the other or others, as the Company has power to attach to new shares.

Whenever as a result of any consolidation of shares any members would become entitled to fractions of a share, the Directors may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably obtainable and distribute the proceeds of sale in due proportion among the members who would have been entitled to the fractions of shares, but so that the Directors may determine that any proceeds of sale may be retained for the benefit of the Company. For the purpose of any such sale the Directors may authorise some person to transfer the shares representing the fractions to the purchaser thereof, whose name shall thereupon be entered in the Register as the holder of the shares, and who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**10. Powers to purchase own shares and to reduce capital and capital redemption reserve fund and share premium account**

The Company may, from time to time:

- (i) purchase its own shares (including any redeemable shares); and
- (ii) by Special Resolution reduce its share capital and any capital redemption reserve fund or share premium account;

provided that neither such purchase nor such reduction reduces its share capital below the authorised minimum for a public company from time to time provided by or pursuant to the Statutes.

**11. Procedure**

Anything done in pursuance of either of the last two preceding Articles shall be done in any manner provided, and subject to any conditions imposed, by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the Resolution authorising the same, and, so far as such Resolution shall not be applicable, in such manner as the Directors deem most expedient.

## **CONVERSION OF SHARES INTO STOCK**

**12. Power to convert into stock**

The Company may from time to time by Ordinary Resolution convert all or any of its paid-up shares into stock, and may from time to time in like manner re-convert such stock into paid-up shares of any denomination.

**13. Transfer of stock**

When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulations and restrictions as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances will permit. The Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

**14. Rights of stockholders**

A holder of stock shall, according to the amount of stock held by him, have the same rights, privileges and advantages in all respects as if he held the shares from which the stock arose but so that no such right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which, if existing in shares, would not have conferred such right, privilege or advantage. No such conversion shall affect or prejudice any preferential or special right or restriction.

**15. Interpretation**

Subject as aforesaid, all the provisions of these Articles applicable to paid-up shares shall apply to stock, and in all such provisions the words "shares" and "shareholder" shall respectively include "stock" and "stockholder".

## VARIATION OF RIGHTS

### 16. Variation of rights

- (A) Whenever the capital of the Company is divided into different classes of shares, all or any of the special rights or privileges attached to any class may be varied or abrogated, either with the consent in writing of holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a Separate General Meeting of the holders of the shares of that class (but not otherwise), and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such Separate General Meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that:-
- (i) the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal amount of the issued shares of the class;
  - (ii) at an adjourned meeting the necessary quorum shall be one person holding shares of the class or his proxy;
  - (iii) the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively; and
  - (iv) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.

For the purposes of this provision any particular issue of shares not carrying the same rights (whether as to rate of dividend, redemption or otherwise) as any other shares for the time being in issue, shall be deemed to constitute a separate class of share.

- (B) Unless otherwise expressly provided by the terms of issue thereof, the special rights or privileges attached to any class of shares shall not be deemed to be varied or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

## ISSUE OF UNISSUED SHARES

### 17. Unissued shares may be offered to members

The Company may by Ordinary Resolution (or by Special Resolution where so required by Section 95 of the Companies Act 1985) resolve that the unissued shares in the capital of the Company, or any of them, shall be offered, in the first instance,

and either at par or at a premium, to all the holders of any class of shares in the capital of the Company, in proportion (as nearly as circumstances may permit) to the number of shares of such class held by them respectively, or make any other provisions as to the issue and allotment of the unissued shares or any of them.

**18. Shares at the disposal of the Directors**

All unissued shares shall (if and to the extent authorised or permitted by the Statutes, these Articles and any resolution of the Company) be at the disposal of the Directors, who may (subject to the provisions of the Statutes, these Articles and any such resolution):-

- (a) allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of the same to such persons, at such times and generally on such terms as they think proper; and
- (b) issue the same with such rights and privileges attached thereto and subject to such restrictions as they may determine and, in particular, such shares may be issued with a preferential, qualified or deferred right to dividends and/or in the distribution of assets of the Company and with or without any right of voting (whether special or not) and any share may be issued on terms that it is to be redeemed or liable to be redeemed at the option of the Company or the shareholder and the terms on and the manner in which redemption of the same may be effected may be determined by the Directors.

**19. Authority to allot relevant securities under Section 80 of the Companies Act 1985**

The Company may at any time and from time to time pass an Ordinary Resolution referring to this Article and authorising the Directors to allot relevant securities (as defined for the purposes of Section 80 of the Companies Act 1985) and, upon the passing of such Ordinary Resolution:-

- (a) the Directors shall thereupon and without further formality be generally and unconditionally authorised to allot relevant securities provided that the nominal amount of such securities, where they are shares, and, where such securities are not shares, the nominal amount of the shares in respect of which such securities confer the right to subscribe or convert, shall not exceed in aggregate the sum specified in such Ordinary Resolution; and
- (b) any such authority shall expire on the day five years after the passing of such Ordinary Resolution (or on such earlier day as may be specified in such Ordinary Resolution) save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in

pursuance of such offer or agreement as if the authority conferred hereby had not expired

and all previous authorities under Section 80 of the Companies Act 1985 shall thenceforth cease to have effect.

**20. Dis-application of pre-emption rights under Section 95 of the Companies Act 1985**

The Company may at any time and from time to time resolve by a Special Resolution referring to this Article that the Directors be empowered to allot equity securities (as defined for the purposes of Section 95 of the Companies Act 1985) for cash and upon such Special Resolution being passed the Directors shall (subject to their being authorised to allot relevant securities in accordance with Section 80 of the Companies Act 1985) thereupon without any further formality be empowered to allot (pursuant to any such authority) equity securities for cash as if Section 89(1) of the said Act did not apply to any such allotment provided that such power shall be limited:

- (a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be) to the respective value of Ordinary Shares held by them; and
- (b) to the allotment of equity securities pursuant to the terms of any share scheme for employees approved by the members in General Meeting; and
- (c) to the allotment (otherwise than pursuant to sub-paragraph (a) or (b) above) of equity securities having, in the case of relevant shares (as so defined), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount not exceeding in aggregate the sum specified in such Special Resolution

and such power shall expire on the date of the Annual General Meeting of the Company next following the passing of such Special Resolution save that the Company shall be entitled before such expiry to make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

**21. Allotments etc. of shares**

The Company shall duly comply with any provisions of the Statutes regarding the allotment, issue and paying up of share capital.

**22. Power to pay commission and brokerage**

(A) The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the capital of the Company, but such commission shall not exceed the limit permitted by Section 97 of the Companies Act 1985. Any such commission may be paid in whole or in part in cash. The Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company, confer on any such person an option to call within a specified time for a specified number or amount of shares in the Company at a specified price not being less than par. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company and subject to the provisions of the Statutes.

(B) The Company may also pay such brokerage as may be lawful.

**23. Assets not to be applied for the purpose of the acquisition of own shares etc.**

The Company shall not give financial assistance directly or indirectly for the purpose of the acquisition or proposed acquisition by any person of shares in the Company or in any holding company of the Company or for the purpose of reducing or discharging any liability incurred by any person for the purpose of any such acquisition of shares but nothing in this Article shall prohibit transactions permitted by the Statutes.

**24. Joint holders**

The Company shall not be bound to register more than four persons as joint holders of any share (except in the case of executors or administrators of a deceased member), and any one of such registered joint holders may give effectual receipts for any dividend or other moneys payable in respect of such share.

**25. Exclusion of equities**

Except as otherwise required by law or these Articles and notwithstanding any information received by the Company pursuant to Part VI of the Companies Act 1985 or otherwise, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

## CERTIFICATES

### 26. Issue of certificates

Subject to Article 28, every member shall be entitled, without payment, to receive within one month after allotment or lodgment of transfer, duly stamped, (or within such other period as the conditions of issue may provide) a certificate for all his shares in any particular class, provided that:-

- (a) in the event of a member transferring part of the shares represented by a certificate in his name, a new certificate in respect of the balance thereof shall be issued in his name without payment;
- (b) in the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of several joint holders thereof shall be sufficient delivery to all;
- (c) no certificate shall be issued to any member who is a Stock Exchange nominee unless such member shall specifically request the Company to issue the same; and
- (d) the provisions of Article 128 concerning the sealing of certificates shall be complied with whenever share certificates are issued.

### 27. Replacement of certificates

- (A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- (B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request subject to the payment of such fee (if any) as they may determine.
- (C) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new share certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) subject to compliance with such conditions as to evidence and indemnity as the Directors may think fit and (in either case) to the payment of any exceptional expenses of the Company incidental to its investigation of the evidence of such alleged loss, theft or destruction.

**28. Uncertificated Securities**

Unless the members of the Company by ordinary resolution resolve otherwise, at any time when permission has been given for Ordinary Shares to be transferred by means of a relevant system (as defined in The Regulations), including without prejudice to the foregoing generality the relevant system of which CREST Co. Limited is the Operator (as defined in The Regulations):-

- (a) Ordinary Shares may be held in uncertificated form;
- (b) title to Ordinary Shares may be evidenced otherwise than by a certificate; and
- (c) Ordinary Shares may be transferred otherwise than by written instrument;

in each case in accordance with the relevant system in question and with The Regulations and in those circumstances any other Article which is inconsistent with this Article or The Regulations shall apply with such modifications as are required to render it consistent with this Article and The Regulations.

**CALLS ON SHARES**

**29. Directors may make calls**

The Directors may, subject to any conditions of allotment, from time to time make such calls upon the members in respect of all moneys unpaid on their shares as they think fit, provided that, except as otherwise fixed by the conditions of application or allotment, seven days' notice at least is given of each call, and each member shall be liable to pay the amount of every call so made upon him to the persons and at the times and places appointed by the Directors. Any call may be made payable in one sum or by instalments and may be revoked or postponed as the Directors may determine.

**30. Time when made**

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

**31. Liability of joint holder**

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

**32. Interest on calls**

If a call or instalment payable in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the amount is due shall pay interest on the amount of the call or instalment, from the day appointed for payment to the day of actual payment, at such rate as the Directors shall from time to time determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses, wholly or in part.

**33. Sums due on allotment etc. to be treated as calls**

Any sum which by the conditions of allotment of a share is made payable on allotment, or at any fixed time, or by instalments at any 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, the provisions of these Articles as to payment of interest and expenses, forfeiture and the like and all other relevant provisions of the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.

**34. Power to differentiate**

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

**35. Payment of calls in advance**

The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys payable upon his shares beyond the sum actually called up thereon and, upon all or any of the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow interest at such rate as may be agreed upon between the Directors and the member paying such sum in advance, in addition to the dividend payable upon such part of the shares in respect of which such advance has been made as is actually called up. The Directors may also at any time repay the amount so advanced upon giving to such member one month's notice.

**36. Rights suspended if payment in arrear**

No member shall be entitled to receive any dividend, or (save as proxy for another member) to be present or vote at any General Meeting, either personally or by proxy, or to exercise any privilege as a member, or be reckoned in a quorum in respect of any share held by him (whether alone or jointly with any other person)

if and so long as he shall have defaulted in payment of any call or other sum for the time being due and payable on such share or any interest or expenses (if any) payable in connection therewith.

## LIEN ON SHARES

### 37. Company to have lien on partly paid shares

- (A) The Company shall have a first and paramount lien and charge on all the shares not fully paid up, registered in the name of a member (whether solely or jointly with others), for any amount payable in respect of such shares. Such lien shall extend to all dividends and other moneys from time to time declared or payable in respect of such shares.
- (B) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) on such shares.
- (C) The Directors may resolve that any share or shares shall for some specified period be exempt from the provisions of this Article.

### 38. Sale of shares subject to lien

- (A) For the purpose of enforcing such lien, the Directors may sell all or any of the shares subject thereto in such manner as they may think fit, but no sale shall be made until:-
  - (i) the date for payment of the amount referred to in paragraph (A) of the preceding Article shall have arrived, and
  - (ii) a notice demanding payment of the said amount and giving notice of intention to sell in default shall have been served in accordance with these Articles on such member or the person (if any) entitled by transmission to the shares, and
  - (iii) default in such payment shall have been made by him for seven days after such notice.
- (B) The net proceeds of any such sale shall be applied in or towards satisfaction of the said amount, and the residue (if any) shall be paid to the member or the person (if any) entitled by transmission to the shares.

### 39. Purchaser protected

Upon any such sale as aforesaid the Directors may authorise some person to transfer the shares to the purchaser and may enter the purchaser's name in the

Register as holder of the shares, and the purchaser shall not be bound to see to the regularity or validity of or be affected by any irregularity or invalidity in the proceedings or be bound to see to the application of the purchase money and the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

## FORFEITURE OF SHARES

### 40. Notice of unpaid calls

If any member fails to pay the whole or any part of any call or instalment on or before the day appointed for the payment thereof, the Directors may, at any time thereafter during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him, requiring him to pay such call or instalment, or such part thereof as remains unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.

### 41. Notice to state time and place for payment

The notice shall name a further day, being not less than fourteen days from the date of such notice, on or before which such call or instalment, or part thereof as aforesaid, and all such interest and costs, charges and expenses as aforesaid are to be paid. It shall also name the place where payment is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the share in respect of which such call was made or instalment is payable will be liable to be forfeited.

### 42. Forfeiture on non-compliance with notice

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest, costs, charges and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Every forfeiture shall include all dividends declared in respect of the forfeited share, and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

### 43. Notice of forfeiture to be given

When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture, with the date thereof, shall forthwith be made in the Register opposite to the entry of the share; but no forfeiture shall be in any

manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

**44. Power to annul forfeiture or surrender**

Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited or surrendered share has been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon payment of all calls and interest due upon and costs, charges and expenses incurred in respect of the share, and upon such further conditions (if any) as they may think fit.

**45. Sale of forfeited or surrendered shares**

Every share which shall be forfeited or surrendered shall thereupon become the property of the Company, and (subject to the provisions of the Statutes) may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the Directors shall think fit and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any person to whom the same has been sold, re-allotted or disposed of.

**46. Rights and liabilities of members whose shares have been forfeited or surrendered**

A person any of whose shares has been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered share but shall, notwithstanding, be liable to pay to the Company all calls, instalments, interest, costs, charges and expenses owing upon or in respect of such share at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until payment at such rate as the Directors shall think fit, in the same manner as if the share had not been forfeited or surrendered, and to satisfy all the claims and demands (if any) which the Company might have enforced in respect of the share at the time of forfeiture or surrender, without any deduction or allowance for the value of the share at the time of forfeiture or surrender.

**47. Title to forfeited or surrendered shares**

A statutory declaration in writing that the declarant is a Director or Secretary of the Company, and that a share has been duly forfeited or surrendered in pursuance of these Articles, and stating the day when it was forfeited or surrendered, shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts therein stated, and such declaration, together with, in the case of a share other than an Ordinary Share held in uncertificated form, a certificate in respect of such share, delivered to a purchaser or allottee thereof shall (subject to the signing, or in the case of Ordinary Shares held in uncertificated form, the making, of any necessary transfer) constitute a good title to the share, and the new holder thereof

shall be discharged from all calls made prior to such purchase or allotment and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any omission, irregularity or invalidity in or relating to or connected with the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## TRANSFER OF SHARES

### 48. Form of transfer

Subject to the restrictions of these Articles, any member may transfer all or any of his shares, but, subject to Article 28, every transfer must be:-

- (a) in writing and in the usual common form, or in any other form which the Directors may approve; and
- (b) left at the Office, or at such other place as the Directors may determine, for registration; and
- (c) accompanied by the certificate of the shares to be transferred (except where the shares are registered in the name of a Stock Exchange Nominee and no certificate shall have been issued therefor) and such other evidence (if any) as the Directors may require to prove the title of the intending transferor or his right to transfer the shares.

### 49. Execution

Subject to Article 28, an instrument of transfer of a share 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, and 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 thereof, provided that the Directors may dispense with the signing of the instrument of transfer by the transferee in any case in which in their discretion they think fit so to do. Shares of different classes shall not be comprised in the same instrument of transfer.

### 50. Retention of instruments

- (A) All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person presenting the same.

(B) Subject as hereinafter provided the Company, if so authorised by a resolution of the Directors, shall be entitled to destroy:-

- (i) at any time after the expiration of six years from the date of registration thereof, all instruments of transfer of shares in the Company and all other documents transferring or purporting to transfer shares in the Company or representing or purporting to represent the right to be registered as the holder of shares in the Company on the faith of which entries have been made in the Register; and
- (ii) at any time after the expiration of one year from the date of cancellation thereof, all registered share certificates which have been cancelled; and
- (iii) at any time after the expiration of two years from the date of recording thereof, all dividend mandates and notifications of change of address; and
- (iv) at any time after the expiration of one year from the date of actual payment thereof, all paid dividend warrants and cheques.

(C) It shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid certificate duly and properly cancelled, that every other document mentioned above so destroyed was a valid and effective document in accordance with the particulars thereof recorded in the books and records of the Company and that every paid dividend warrant and cheque so destroyed was duly paid; provided always that:

- (i) the provisions aforesaid shall apply only to the destruction of documents in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances in which liability would not attach to the Company in the absence of this Article;
- (iii) references herein to the destruction of any documents include references to the disposal thereof in any manner.

#### 51. Directors' power to refuse to register transfer

The Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of shares not fully paid up or on which the

Company has a lien provided that (a) where any such shares are listed on any recognised stock exchange in the United Kingdom, such discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis and (b) such discretion may not be exercised in a manner that would conflict with The Regulations.

**52. Notice of refusal to register**

If the Directors refuse to register any transfer of shares, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

**53. No fee payable**

No fee shall be charged for registration of a transfer or in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the Register affecting the title to any share.

**54. Power to suspend registration of transfers**

The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods as the Directors may from time to time determine provided always that such registration shall not be suspended for more than thirty days in any year and the Directors shall comply with the provisions of the Statutes as to advertisement and (if Article 28 applies) with Regulation 22 of The Regulations as to the consent of the Operator (as defined in The Regulations) being required for such suspension.

**55. Renunciations**

Nothing contained 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.

## **TRANSMISSION OF SHARES**

**56. Transmission on death**

In the case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder, whether sole or joint, from any liability in respect of any share solely or jointly held by him.

**57. Registration of personal representative, Trustee in Bankruptcy, etc.**

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or in consequence of a member becoming a patient within the meaning of Part VII of the Mental Health Act 1983 may, upon producing such evidence of his title as the Directors shall require, and subject as hereinafter provided, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof.

**58. Notice of election to be registered**

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice signed by him, stating that he so elects. For all purposes of these Articles relating to the registration of transfers of shares, such notice shall be deemed to be a transfer, and the Directors shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred and the notice were a transfer by the person from whom the title by transmission is derived.

**59. Registration of nominee**

If the person so becoming entitled shall elect to have his nominee registered, he shall testify his election by signing, or in the case of an Ordinary Share held in uncertificated form, making a transfer of such share to his nominee. The Directors shall have in respect of a transfer so executed or made the same power of refusing registration as if the event upon which the transmission took place had not occurred and the transfer were a transfer signed or made by the person from whom the title by transmission is derived.

**60. Rights of unregistered personal representative, Trustee in Bankruptcy, etc.**

A person so becoming entitled shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right (save as mentioned in Article 80) to receive notice of or to attend or vote at meetings of the Company or to any of the rights (other than the right to receive and give discharges for dividends or other moneys as aforesaid) or privileges of a member in respect of the share, unless and until he shall be registered as the holder thereof. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if within ninety days the notice is not complied with, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

## GENERAL MEETINGS

### 61. Annual General Meetings

The Company shall comply with the requirements of the Statutes regarding the holding of Annual General Meetings. Subject to such requirements, the Directors shall determine the date, time and place at which each Annual General Meeting shall be held.

### 62. Extraordinary General Meetings

All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

### 63. Convening of Extraordinary General Meetings

- (A) The Directors may convene an Extraordinary General Meeting whenever they think fit.
- (B) Extraordinary General Meetings may also be convened in accordance with Article 101 hereof.
- (C) Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by the Statutes.
- (D) The Directors shall comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of members of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any General Meeting of the Company.

## NOTICE OF GENERAL MEETINGS

### 64. Notice of Meetings

Twenty-one clear days' notice of every Annual General Meeting and of every Extraordinary General Meeting at which it is proposed to pass a Special Resolution, and fourteen clear days' notice of every other Extraordinary General Meeting (in each case exclusive of the day on which the notice is served or deemed to be served and of the day for which it is given) shall be given in manner hereinafter mentioned to all members (other than those who, under the provisions of these Articles or otherwise, are not entitled to receive such notices from the Company and provided that while Article 28 applies the operation of this Article shall be subject to regulation 34 of The Regulations), to the Directors and to the Auditors, but the accidental omission to give such notice to, or the non-receipt of such notice by, any

member or Director or the Auditors shall not invalidate any Resolution passed or proceeding had at any such meeting.

**65. What notice is to specify**

- (A) Every notice of meeting shall specify the place, the day and the time of the meeting and, in the case of special business, the general nature of such business. In the case of a meeting convened for passing a Special or Extraordinary Resolution the notice shall also specify the intention to propose the Resolution as a Special or Extraordinary Resolution, as the case may be.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) Every notice of meeting shall also state with reasonable prominence that a member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote thereat instead of him and that a proxy need not also be a member.
- (D) Every notice of meeting shall also state the place where instruments of proxy are to be deposited if the Directors shall have determined such place to be other than at the Office.
- (E) In respect of a meeting convened for a time when Article 28 applies, the notice may specify a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

**66. Special business and business of Annual General Meeting**

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all business that is transacted at an Annual General Meeting shall also be deemed special with the exception of:

- (a) declaring dividends;
- (b) the consideration of the documents required by the Statutes to be comprised in the accounts to be laid before such Meeting;
- (c) the re-appointment of the retiring Auditors provided that they were last appointed to such office by the Company in General Meeting;
- (d) the fixing of remuneration of the Auditors;

- (e) the voting of remuneration to the Directors; and
- (f) the appointment of Directors (other than Directors in respect of whose appointment special notice is required by the Statutes) in the place of those retiring by rotation or otherwise.

**67. Quorum**

No business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business. Save as otherwise provided in Article 68 three members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

**68. Adjournment if quorum not present**

If within fifteen minutes from the time appointed for the holding of a General Meeting a quorum be not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day be a holiday, to the next working day thereafter), at the same time and place as the original meeting, or to such other day, and at such other time and place as the Directors may determine and the provisions of Article 70 as to notices and as to business to be transacted shall apply. If at such adjourned meeting a quorum is not present within fifteen minutes from the time fixed for holding the meeting, any two members who are present in person or by proxy and entitled to vote shall be a quorum and may transact the business for which the meeting was called.

**69. Chairman**

The Chairman or, if absent or unwilling, the Deputy-Chairman (if any) of the Board of Directors or (if more than one Deputy-Chairman be present and willing) the Deputy-Chairman who has been longest in such office or, failing him, one of the Directors appointed for that purpose by the Directors or, failing such appointment, by the members present, shall preside at every General Meeting, but if no Director shall be present within fifteen minutes after the time fixed for holding the same or, if none of the Directors present is willing to preside the members present and entitled to vote shall choose one of their number to preside at the meeting.

**70. Adjournment**

With the consent of any meeting at which a quorum is present the chairman thereof may (and shall if so directed by the meeting) adjourn the same from time to time and from place to place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, no person shall be entitled to any notice of an

adjournment or of the business to be transacted at an adjourned meeting. 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.

**71. Voting and demand for poll**

- (A) At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or upon the declaration of the result of the show of hands) a poll be demanded by:-
- (i) the chairman of the meeting; or
  - (ii) at least five members present in person or by proxy having the right to vote on such resolution; or
  - (iii) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote on such resolution in respect of which the poll is demanded; or
  - (iv) a member or members present in person or by proxy holding shares conferring the right to vote on such resolution 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.
- (B) No poll shall be demanded on the appointment of a chairman of the meeting and a poll demanded on a question of adjournment shall be taken at the meeting without adjournment.
- (C) A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and the demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- (D) Unless a poll be so demanded (and the demand is not withdrawn), a declaration by the chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the books of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

**72. How poll to be taken**

If a poll be demanded in manner aforesaid (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 fourteen days after the said meeting) and place and in such manner as the

chairman of the meeting shall direct, and the result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

**73. Continuance of business after demand for poll**

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.

**74. 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 the vote or votes to which he may be entitled as a member.

## **VOTES OF MEMBERS**

**75. Voting rights**

Subject to any special rights or restrictions as to voting for the time being attached to any shares, to the provisions of these Articles and, while Article 28 applies, to regulation 34 of The Regulations and any determination made or notice given pursuant to it, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative or proxy not being himself a member, shall have one vote and, on a poll, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy, shall have one vote for every share of which he is the holder.

Provided that no member shall be entitled (save as proxy for another member) to be present or vote at any General Meeting, either personally or by proxy, or to exercise any privilege in relation to General Meetings conferred by membership, or be reckoned in a quorum if and to the extent so disqualified by Article 36.

**76. Disclosure of interests in shares**

- (A) This article applies where the company gives to the holder of a share or to any person appearing to be interested in a share a notice requiring any of the information mentioned in section 212 of the Act (a "section 212 notice"). A section 212 notice may be given in writing or in a similar way.
- (B) If a section 212 notice is given by the company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non-receipt of the copy by the holder shall not prejudice the operation of the following provisions of this article.

(C) If the holder of, or any person appearing to be interested in, any share has been given a section 212 notice and, in respect of that share ("a default share"), has been in default for a period of 14 days after the section 212 notice has been given in supplying to the company the information required by the section 212 notice, the restrictions referred to below shall apply. Those restrictions shall continue for the period specified by the board, being not more than seven days after the earlier of..

- (a) the company being notified that the default shares have been sold pursuant to a market transfer; or
- (b) due compliance, to the satisfaction of the board, with the section 212 notice.

The board may waive these restrictions, in whole or in part, at any time.

(D) The restrictions referred to above are as follows:

- (a) if the default shares in which any one person is interested or appears to the company to be interested represent less than 0.25 per cent. of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting of the company; or
- (b) if the default shares in which any one person is interested or appears to the company to be interested represent at least 0.25 per cent. of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares:
  - (i) to attend or to vote, either personally or by proxy, at any general meeting of the company; or
  - (ii) to receive any dividend or other distribution; or
  - (iii) to transfer or agree to transfer any of those shares or any rights in them.

The restrictions in subparagraphs (a) and (b) above shall not prejudice the right of either the member holding the default shares or, if different, any person having a power of sale over those shares to sell or agree to sell those shares under a market transfer.

(E) If any dividend or other distribution is withheld under paragraph (D)(b) above, the member shall be entitled to receive it as soon as practicable after the restriction ceases to apply.

- (F) If, while any of the restrictions referred to above apply to a share, another share is allotted in right of it (or in right of any share to which this paragraph applies), the same restrictions shall apply to that other share as if it were a default share. For this purpose, shares which the company allots, or procures to be offered, *pro rata* (disregarding fractional entitlements and shares not offered to certain members, by reason of legal or practical problems associated with issuing or offering shares outside the United Kingdom) to holders of shares of the same class as the default share shall be treated as shares allotted in right of existing shares from the date on which the allotment is unconditional or, in the case of shares so offered, the date of the acceptance of the offer.
- (G) For the purposes of this article:
- (a) a "market transfer" in relation to any share is a transfer pursuant to:
    - (i) a sale of the share on a recognised investment exchange (as defined in the Financial Services Act 1986) or on any stock exchange outside the United Kingdom on which shares of that class are listed or normally traded; or
    - (ii) a sale of the whole beneficial interest in the share to a person whom the board is satisfied is unconnected with the existing holder or with any other person appearing to be interested in the share; or
    - (iii) a takeover offer (as defined for the purposes of Part XIII A of the Companies Act 1985) which relates to the share;
  - (b) the percentage of the issued shares of a class represented by a particular holding shall be calculated by reference to the shares in issue at the time when the section 212 notice is given; and
  - (c) a person shall be treated as appearing to be interested in any share if the company has given to the member holding such share a section 212 notice and either (i) the member has named the person as being interested in the share or (ii) (after taking into account any response to any section 212 notice and any other relevant information) the company knows or has reasonable cause to believe that the person in question is or may be interested in the share.
- (H) The provisions of this article are without prejudice to the provisions of section 216 of the Act and, in particular, the company may apply to the court under section 216(1) whether or not these provisions apply or have been applied.

**77. How votes may be given and who can act as proxy**

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. A proxy need not be a member of the Company and a member may appoint more than one proxy to attend on the same occasion.

**78. Representation of corporations which are members of the Company at meetings**

Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of the Company or of any class of members of the Company; and such 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.

**79. Voting rights of joint holders**

Where there are joint registered holders of any shares, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, but so that, if more than one of such joint holders shall tender a vote on the same resolution, whether personally or by proxy, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of such share.

**80. Voting rights of members incapable of managing their affairs**

A member who is a patient within the meaning of Part VII of the Mental Health Act 1983 or in respect of whom an order has been made by any Court having jurisdiction for the protection of persons incapable of managing their affairs, may vote, whether on a show of hands or on a poll, by his receiver, curator bonis, or other person in the nature of a receiver or curator bonis appointed by such Court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote as aforesaid shall have been produced at the Office or at such other place as the Directors may determine at least forty-eight hours before the time fixed for holding the meeting or adjourned meeting (as the case may be) at which such person proposes to vote as aforesaid.

**81. Objections to admissibility of votes**

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting or poll at which the vote objected to is or may be given or

tendered, and every vote not disallowed at such meeting or poll shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

**82. Execution of Proxies**

The instrument appointing a proxy shall be in writing signed by the appointor, or his agent duly authorised in writing, or, if such appointor be a corporation, shall either be executed under its common seal or be signed by some agent or officer duly authorised in that behalf. The Directors may, but shall not be bound to, require evidence of the authority of any such agent or officer. The signature on such instrument need not be witnessed.

**83. Proxy may demand a poll**

The instrument appointing a proxy shall be deemed also to confer authority to demand or concur in demanding a poll.

**84. Form of proxy**

An instrument appointing a proxy shall be in any usual or common form or any other form which the Directors shall from time to time approve or accept.

**85. Deposit of proxies**

- (A) The instrument appointing a proxy shall be deposited at the Office (or at such other place as the Directors may determine) at least forty-eight hours before the time fixed for holding the meeting or, as the case may be, adjourned meeting (or, in the case of a poll, before the time appointed for the taking of the poll) at which the person named in such instrument proposes to vote.
- (B) In the case of an instrument signed by an agent of a member who is not a corporation, there shall also be deposited, in manner set out in paragraph (A) above, the authority under which such instrument is signed or an office copy thereof or a copy thereof certified in accordance with Section 3 of the Powers of Attorney Act 1971.
- (C) In the case of an instrument signed by an officer or agent of a corporation, there shall also be deposited, in manner set out in paragraph (A) above, only such authorities or other documents as shall be specified in the notice of the relevant meeting or on the notes to any instruments of proxy issued by the Company in connection with the relevant meeting.
- (D) In the event of the documents required by the foregoing paragraphs not being so deposited, the person named in the instrument of proxy shall not be entitled to vote in respect thereof.

- (E) No instrument of proxy shall be valid except for the meeting mentioned therein and any adjournment thereof.

**86. Intervening death of principal etc. not to revoke proxy**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or the authority under which the same was executed or (until entered in the Register) the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office six hours at least before the time fixed for holding the meeting or adjourned meeting (or, in the case of a poll, before the time appointed for the taking of the poll) at which the vote is given.

## **DIRECTORS**

**87. Number of Directors**

The Directors shall not, unless otherwise determined by an Ordinary Resolution of the Company, be less than four nor more than ten in number.

**88. Directors need not be members**

A Director need not be a member of the Company but shall be entitled to receive notice of and to attend and speak at all General Meetings of the Company and of any class of members of the Company.

**89. Remuneration of Directors and expenses**

- (A) The Directors (other than any Director who shall for the time being hold an executive office or employment under the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sum not exceeding £100,000 per annum as the Directors may from time to time determine or such larger sum as the Company in General Meeting shall from time to time determine and such remuneration shall be divided among them in such proportion and manner as they may agree or, failing agreement, equally.
- (B) The Directors shall also be paid out of the funds of the Company all their travelling, hotel and other expenses properly incurred by them in and about the discharge of their duties, including their expenses of travelling to and from meetings of the Directors, or committee meetings, or General Meetings.

**90. Special remuneration**

The Directors may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration (if any) as a Director, and may, without prejudice to the provisions of Article 102, be made payable by a lump sum or by way of salary, or commission on the dividends or profits of the Company or of any other company in which the Company is interested or other participation in any such profits or otherwise, or by any or all or partly by one and partly by another or other of those modes.

**APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

**91. Power of company to appoint directors**

Subject to the provisions of 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 addition to the existing board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these articles.

**92. Power of board to appoint directors**

Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of these articles to appoint any person to be a Director, the board may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these articles.

**93. Retirement of directors**

(1) At each annual general meeting any Director then in office who:

- (a) has been appointed by the board since the previous annual general meeting; or
- (b) at the date of the notice convening the annual general meeting had held office for more than 30 months since he was appointed or last re-appointed by the Company in general meeting.

shall retire from office but shall be eligible for re-appointment.

(2) A retiring Director shall (unless he is removed from office or his office is vacated in accordance with these articles) retain office until the close of the

meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.

**94. Filling vacancies**

Subject to the provisions of these articles, the Company at the meeting at which a Director retires in accordance with these articles may fill the vacated office and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill the vacated office or unless a resolution for the re-appointment of that Director has been put to the meeting and lost.

**95. Power of removal by special resolution**

In addition to any power of removal conferred by the Companies Acts, the Company may by special resolution remove any Director before the expiration of his period of office and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place. Any person so appointed shall be treated, for the purpose of determining the time at which he or any other Director is to retire in accordance with these articles, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director. Any removal under this article shall be without prejudice to any claim which the Director may have for damages for breach of any service contract.

**96. Persons eligible as directors**

No person other than a Director retiring in accordance with these articles (or, if appointed by the board, vacating office) at the meeting shall be appointed or re-appointed a Director at any general meeting unless:

- (a) he is recommended by the board; or
- (b) not less than seven nor more than forty two clear days before the day appointed for the meeting, notice executed by a member entitled to be present and vote at the meeting (not being the person to be proposed) has been given to the secretary of the intention to propose that person for appointment or re-appointment and stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's Register of Directors together with notice executed by that person of his willingness to be appointed or re-appointed.

97. Vacation of office by directors

Without prejudice to the provisions for retirement contained in these articles, the office of a Director shall be vacated if:-

- (a) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board; or
- (b) he is, or may be, suffering from mental disorder and either:-
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonus or other person to exercise powers with respect to his property or affairs; or
- (c) he is absent without the permission of the board from meetings of the board (whether or not an alternate director appointed by him attends) for six consecutive months and the board resolves that his office is vacated; or
- (d) he is sequestrated, becomes bankrupt makes or proposes any arrangement or composition with his creditors generally or becomes apparently insolvent; or
- (e) he is prohibited by law from being a Director; or
- (f) he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these articles; or
- (g) he receives written notice signed by three quarters or more of the other Directors removing him from office which notice shall be without prejudice to any claim which he may have for damages for breach of any contract for service between him and the company; or
- (h) in the case of a Director who holds any executive office, he ceases to hold such office (whether because his appointment is terminated or expires) and the majority of other directors resolve that his office is vacated.

98. Age of directors

No person shall be disqualified from being appointed or re-appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary by reason of his age to give special notice in connection with the appointment or re-appointment of such person and no director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age and section 293 Companies Act 1985 shall not apply to the company. Where the board convenes any general meeting of the company at which (to the knowledge of the board) a Director will be proposed for appointment or re-appointment who at the date for which the meeting is convened will have attained the age of seventy years or more, the board shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any appointment or re-appointment of that director, at that meeting.

ALTERNATE DIRECTORS

99. Power to appoint alternate Directors

- (A) Each Director shall have the power to appoint any other Director or, with the approval of a majority of the other Directors, any other person to act as alternate Director, in his place, at any meeting of the Directors at which he is unable to be present, and at his discretion to remove such alternate Director.
- (B) On such appointment being made the alternate Director shall (except as regards the power to appoint an alternate) be subject in all respects to the provisions, terms and conditions of these Articles existing with reference to the other Directors of the Company, and each alternate Director, whilst acting in the place of an absent Director, shall be entitled to exercise and discharge all the powers and duties of the Director he represents, but shall look to such Director solely for his remuneration as alternate Director.
- (C) Any Director of the Company who is appointed an alternate Director shall be entitled to vote at a meeting of the Directors on behalf of the Director so appointing him as distinct from the vote to which he is entitled in his own capacity as a Director, and shall also be considered as two Directors for the purpose of making a quorum of Directors when such quorum shall exceed two.
- (D) Any person appointed as an alternate Director shall vacate his office as such alternate Director if and when the Director by whom he has been appointed vacates his office as Director (otherwise than by retirement at a General Meeting of the Company at which he is re-elected) or removes him by notice to the Company or

upon the happening of any event which, if he were a Director, would cause him to vacate such office.

- (E) Every instrument appointing or removing an alternate Director shall be in writing signed by the appointor and shall be effective upon delivery at the Office or at a meeting of the Directors.

## **POWERS OF DIRECTORS**

### **100. General Powers of Directors to manage Company's business**

- (A) The business of the Company shall be managed by the Directors who may exercise all the powers of the Company to the extent that the same are not required by the Statutes, these Articles or any Special Resolution of the Company, to be exercised by the Company in General Meeting. Any exercise of such powers by the Directors shall be in accordance with the provisions of the Statutes, these Articles and any Special Resolution of the Company. No Special Resolution or alteration of these Articles shall invalidate any prior act of the Directors which would have been valid if the same had not been passed or made.
- (B) The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article or by any resolution of the Company in General Meeting.

### **101. Power to act notwithstanding vacancy**

The continuing Directors or the sole continuing Director at any time may act notwithstanding any vacancy in their body; Provided always that if the Directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these Articles, it shall be lawful for him or them to act as Director(s) for the purpose of filling up vacancies in their body or calling a General Meeting of the Company, but not for any other purpose. If there shall be no Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

### **102. Pensions, etc**

- (A) 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 or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time Directors 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 any such subsidiary

or associated company or the wives, widows, families, relatives or dependants of any such persons.

- (B) The Directors may also procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid, or its members, and may make or procure payments for or towards the insurance of any such persons as aforesaid and subscriptions or guarantees for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (C) Without prejudice to the generality of the foregoing paragraphs of this Article, the Directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of any such persons as aforesaid 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 subsidiaries notwithstanding that the exercise of any of such powers may not be in the best interests of the Company.
- (D) The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any other company.

## BORROWING POWERS

### 103. Power to borrow money

- (A) Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (B) The Directors shall, in relation to the borrowings of the Company and its subsidiaries for the time being (in this Article called "the Group"), restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate nominal or principal amount (together with any fixed or minimum premium payable on final repayment) for the time being owing by the Group in respect of moneys borrowed (exclusive of moneys borrowed by the Company for the time being owing to any of its subsidiaries or by any such subsidiary for the time being owing to the Company or another such subsidiary) shall not without the previous sanction of an Ordinary Resolution exceed an amount equal to twice the aggregate of:-
  - (i) the amount paid up on the allotted share capital of the Company; and

- (ii) the amounts standing to the credit of the capital and revenue reserves of the Group including share premium account, capital redemption reserve fund and profit and loss account;

all as shown by a consolidation of the then latest audited balance sheets of the Group but after:-

- (a) deducting any amount attributable to goodwill (other than goodwill arising on consolidation) and other intangible assets and the amount of any debit balance on profit and loss account;
- (b) excluding amounts attributable to share capital of any subsidiary not owned by the Company or another subsidiary and any sum set aside for taxation;
- (c) deducting any amount distributed or resolved or recommended to be distributed to persons other than the Company or any of its subsidiaries out of profits accrued prior to the date of and not provided for in the latest audited balance sheets; and
- (d) making such adjustments as may be appropriate to reflect:-
  - (i) any variation in the amount of such share capital and reserves since the date of the relevant balance sheet or which would result from any transaction for the purpose of which this calculation is being made or any transaction to be carried out contemporaneously therewith and so that for this purpose if any proposed allotment of shares for cash has been underwritten then, at any time when the underwriting of such shares shall be unconditional, such shares shall be deemed to have been allotted and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than four months after the date of allotment) shall be deemed to have been paid up to the extent that the underwriters are liable therefor; and
  - (ii) any variation of the amounts attributable to the interest of the Company in the share capital of any subsidiary.

(C) For the purpose of this Article the expression "moneys borrowed" includes the following except in so far as otherwise taken into account:-

- (i) the nominal or principal amount of any share capital, debentures or borrowed moneys (together in each case with any fixed or minimum premium payable on final repayment) of any body whether corporate or unincorporate the beneficial interest whereof is not for the time being owed

directly or indirectly by the Company or any subsidiary and the repayment whereof is guaranteed by the Company or any subsidiary;

- (ii) the principal amount (together with any fixed or minimum premium payable on final repayment) of any debenture (whether secured or unsecured) of the Company or any subsidiary, being a debenture owned otherwise than by the Company or any subsidiary;
- (iii) the principal amount raised by acceptances under any acceptance credit opened on behalf of and in favour of the Company or any subsidiary by any bank or accepting house;

but moneys borrowed by the Company or any subsidiary for the purpose of repaying the whole or part of moneys borrowed by the Company or any subsidiary for the time being outstanding (including any fixed or minimum premium payable on final repayment) and so to be applied within four months after being so borrowed shall pending their application for such purpose within such period be deemed not to be moneys borrowed.

- (D) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provision be concerned to see or enquire whether this limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the limit hereby imposed had been or would thereby be exceeded.

#### **DIRECTORS' INTERESTS, ETC.**

##### **104. Power of Directors to hold offices of profit and to contract with Company**

- (A) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the provisions of the Statutes applicable thereto.
- (B) No Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company or as vendor, purchaser or otherwise, nor (subject to the interest of the Director being duly declared) shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

- (C) Save as herein provided, a Director shall not, as a Director, vote in respect of any contract, arrangement or other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company) and if he does so his vote shall not be counted. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (D) A Director shall (in the absence of a material interest other than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-
- (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a holder of securities or as a participant in the underwriting or sub-underwriting thereof;
  - (iv) any contract, arrangement or proposal concerning any other company in which the Director, and/or any persons connected with him, is or are interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that the Director and any persons connected with him are not to his knowledge the holder or holders of any interest or interests in shares (as that term is used in Sections 198 to 211 of the Companies Act 1985 ) representing in aggregate 1% or more of the issued shares of any class of the equity share capital, or the voting rights, in such company;
  - (v) any proposal concerning the adoption, modification or operation of a share option scheme, share incentive scheme or profit sharing scheme, a superannuation fund or retirement, death or disability benefit scheme which relates both to directors and employees and does not accord to any director as such any privilege or advantage not generally accorded to the employees to which such scheme relates;

- (vi) concerning insurance which the company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including directors.
- (E) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (D)(iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (F) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.
- (G) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditor of the Company.
- (H) Any Director may continue to be or become a member or director of, or hold any other office or place of profit under, any other company in which the Company may be interested, and no such Director shall be accountable for any dividend, remuneration, superannuation payment or other benefits received by him as a member or director of, or holder of any other office or place of profit under, any such other company. The Directors may exercise the voting powers conferred by the shares in any company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or officers of such company, or voting or providing for the payment of remuneration, superannuation payments or other benefits to the directors or officers of such company). Any Director of the Company may, subject to paragraphs (A) and (D) of this Article, be counted in the quorum and may vote in favour of the exercise of such voting rights in manner aforesaid (other than in respect of a resolution appointing himself director of such company, or voting or providing for the payment to himself of remuneration, superannuation payments or other benefits), notwithstanding that he may be, or be about to be, appointed a director of or holder of any other office or place of profit under such other company and as such is, or may become, interested in the exercise of such voting rights in manner aforesaid.

## PROCEEDINGS OF DIRECTORS

### 105. Board meetings, quorum and voting

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined by the Directors, two Directors shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman of a meeting shall have a second or casting vote.

### 106. Notice of meetings

The Chairman or the Deputy-Chairman (if any) may at any time, and, on the request of any Director, the Secretary shall, call a meeting of the Directors, by notice served upon the several Directors.

### 107. Directors abroad

No Director for the time being out of the United Kingdom shall be entitled to notices of meetings of the Directors, unless he shall have given an address within the United Kingdom to which notice of such meetings should be sent. Whether or not such address shall have been given by such Director, the alternate Director (if any) in the United Kingdom acting in his place shall be entitled to notices of such meetings.

### 108. Chairman or Deputy-Chairman to preside

The Chairman, or failing him any Deputy-Chairman (the senior in office taking precedence, if more than one be present), shall, if present and willing, preside at all meetings of the Directors, but if no such Chairman or Deputy-Chairman be appointed or if he be not present within five minutes after the time fixed for holding the meeting or is unwilling to act as chairman of such meeting, the Directors present shall choose one of their number to act as chairman of such meeting, and the Director so chosen shall preside at such meeting accordingly.

### 109. Competence of board meetings

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

### 110. Power to appoint Committees

The Directors may from time to time appoint Committees consisting of such member or members of their body as they think fit, and may delegate any of their

powers to any such Committee, and from time to time revoke any such delegation and discharge any such Committee wholly or in part. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors.

**111. Chairman of Committee**

A Committee may appoint a chairman of its meetings. If no such chairman be appointed, or if at any meeting he be not present within five minutes after the time fixed for holding the meeting or is unwilling to act as chairman at such meeting, the members present shall choose one of their number to be chairman of such meeting.

**112. Procedure at Committee meetings**

Subject to Article 110, Committees may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and, in the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

**113. Resolutions in writing**

A resolution in writing signed or approved by letter or telex by all the Directors entitled to notice of a meeting of the Directors or by all the members of a Committee shall be as valid and effectual as if it had been passed at a meeting of the Directors or, as the case may be, such Committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the said Directors or the said members of the Committee concerned. For the purpose of this Article the signature or approval of an alternate Director (if any) shall suffice in place of the signature of the Director appointing him.

**114. Validity of acts of Directors in spite of formal defect**

All acts bona fide done by any meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and qualified to be a Director and had continued to be a Director and had been entitled to vote.

**115. Minutes**

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

- (a) of all appointments of officers made by the Directors;

- (b) of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors; and
- (c) of all resolutions and proceedings of all meetings of the Company and of any class of members, and of the Directors and of any Committee of Directors;

and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such appointments were made or such Directors were present or such resolutions were passed or proceedings had (as the case may be), or by the chairman of the next succeeding meeting of the Company or Directors or Committee (as the case may be), shall be sufficient evidence without any further proof of the facts therein stated.

#### **CHAIRMAN, DEPUTY-CHAIRMAN, MANAGING DIRECTORS, ETC.**

##### **116. Appointment**

The Directors may from time to time appoint one or more of their number to any office or employment under the Company (including, but without limitation, that of Chairman, Deputy-Chairman, Managing Director or Joint Managing Director) for such period and on such terms as they think fit, and may also permit any person appointed to be a Director to continue in any office or employment held by him before he was so appointed. The Directors may also from time to time (without prejudice to any claim for damages for breach of any agreement between him or them and the Company) remove him or them from office and appoint another or others in his place or their places.

##### **117. Remuneration of Director so appointed**

The remuneration and other terms and conditions of appointment of a Director appointed to any office or employment under the Company pursuant to the last preceding Article shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Directors, and may (without prejudice to the provisions of Article 102) be by way of fixed salary, or commission on the dividends or profits or turnover of the Company, or of any other company in which the Company is interested, or other participation in any such profits or otherwise or by any or all or partly by one and partly by another or others of those modes.

##### **118. Tenure of office of Chairman and Managing Director**

- (A) A Director appointed pursuant to Article 116 to the office of Chairman, Deputy-Chairman, Managing Director or Joint Managing Director of the Company shall (without prejudice to any claim for damages for breach of any agreement between

him and the Company) be subject to the same provisions as to resignation and removal as the other Directors of the Company.

- (B) A Director appointed pursuant to Article 116 to the office of Chairman, Deputy-Chairman, Managing Director or Joint Managing Director shall ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director from any cause, but he shall not (unless any agreement between him and the Company shall otherwise provide) cease to hold his office as a Director by reason only of his ceasing to be Chairman, Deputy-Chairman, Managing Director or Joint Managing Director of the Company, as the case may be.

**119. Tenure of other offices**

A Director appointed to any office mentioned in Article 116 (save the office of Chairman, Deputy-Chairman, Managing Director or Joint Managing Director of the Company) shall not (unless any agreement between him and the Company shall otherwise provide) cease to hold such office by reason only of his ceasing to be a Director, nor (subject to the provisions of any agreement as aforesaid) shall any such Director be liable to vacate his office as a Director by reason only of his ceasing to hold any other office as aforesaid, the intent being that the tenure by any person of the office of Director and his tenure of any other office as aforesaid shall (subject to the provisions of any agreement as aforesaid) be distinct.

**120. Powers and duties of Directors so appointed**

The Directors may, from time to time, entrust to and confer upon a Director appointed to any office or employment pursuant to Article 116 such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they may consider expedient, and may confer such powers collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **LOCAL MANAGEMENT**

**121. Power to appoint local managers**

The Directors may, from time to time, provide for the management and transaction of the affairs of the Company in or from any specified locality, whether in the United Kingdom or elsewhere, in such manner as they think fit, and the provisions contained in the three next following Articles shall be without prejudice to the general powers conferred by this Article.

**122. Delegation of powers to Local Boards**

The Directors may, from time to time and at any time, establish any Local Board or agency for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such Local Board or agency or to be managers or agents, and may fix their remuneration, and the Directors may from time to time, and at any time, delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Directors (other than their power to make calls, forfeit shares, borrow money or issue shares or other securities), and may authorise the members for the time being of any such Local Board or agency or any of them to fill up any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

**123. Power to appoint attorney**

The Directors may, at any time, and from time to time, by power of attorney under the Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as the Directors may from time to time think fit, and such appointment may (if the Directors think fit) be made in favour of the members or any of the members of any Local Board or agency established as aforesaid or in favour of any body corporate, or of the members, directors, nominees or managers of any body corporate or unincorporate, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit.

**124. Power to sub-delegate**

Any such delegate or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities or discretions for the time being vested in him.

**SECRETARY**

**125. Appointment of Secretary**

The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so

appointed may (without prejudice to any claim for damages for breach of any contract between him and the Company) be removed by them.

**126. Dual capacity**

A provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

**127. Assistant Secretary**

The Directors may, at any time and from time to time, appoint any person to be Assistant Secretary and anything required or authorised to be done by or to the Secretary may be done by or to any Assistant Secretary so appointed; and any Assistant Secretary may (without prejudice to any claim for damages for breach of any contract between him and the Company) be removed by the Directors.

**SEAL**

**128. Seal**

- (A) The Directors shall provide for the safe custody of the Seal and the Company may exercise the powers conferred by the Statutes with regard to having an official seal for use in any territory outside the United Kingdom, and such powers shall be vested in the Directors. Whenever in these Articles reference is made to the Seal the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.
- (B) The Seal shall not be affixed to any instrument, except by the general or special authority of a resolution of the Directors, or of a Committee of the Directors authorised in that behalf. The Directors may from time to time make such regulations as they think fit (subject to the provisions of these Articles) determining the persons and the number of such persons who shall sign every instrument to which the Seal is affixed. Until otherwise so determined, every such instrument shall be signed by a Director and countersigned by the Secretary or another Director, and, in favour of any purchaser or person bona fide dealing with the Company, the signatures of such persons shall be conclusive evidence of the fact that the Seal has been properly affixed.
- (C) Every certificate of shares, debentures, debenture stock or representing any other form of security of the Company (other than letters of allotment, receipts for securities or certificates of deposit) shall be issued under the Seal or under any official seal kept by the Company pursuant to Section 40 of the Companies Act 1985 as amended from time to time.

- (D) Each certificate to which the Seal shall be affixed shall bear the autographic signatures of at least one Director and the Secretary or other person acting in the place of the Secretary, provided that the Directors may by resolution determine (either generally or in any particular case or cases) that such signatures shall be dispensed with, or shall be affixed by means of some method or system of mechanical signature.
- (E) Each certificate to which such official seal as is referred to in paragraph (C) of this Article shall be affixed need not bear any signatures.

### **BRANCH REGISTER**

#### **129. Branch Register**

The Company may also exercise the powers conferred by the Statutes with reference to the keeping of a branch register and the Directors may, from time to time and at any time, make such provisions and regulations regarding the same as they may think fit.

### **DIVIDENDS**

#### **130. Application of profits in payment of dividends**

Subject to the provisions of these Articles and to any rights, privileges or restrictions for the time being attached to any shares in the capital of the Company having preferential or special rights in regard to dividend, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls: Provided that if any share be issued upon terms providing that it shall rank for dividend as from or after a particular date, or be entitled to dividends declared or paid after a particular date, such share shall rank for or be entitled to dividend accordingly.

#### **131. Declaration of dividends**

The Company may, from time to time, by Ordinary Resolution, declare a dividend to be paid to the members, according to their rights and interests in the profits, and may fix the time for payment of such dividend.

#### **132. Dividend to be payable only out of profits**

- (A) No dividend shall be payable except out of the profits of the Company available for distribution in accordance with the provisions of the Statutes.

- (B) Subject to the provisions of the Statutes (and without limiting the powers conferred by or pursuant to Sections 130 to 134 of the Companies Act 1985), if any interest in the share capital of a company or any business or other property or asset is acquired by the Company as from a past date or with the benefit of any dividends paid or to be paid in respect of a past period (whether such date be before or after the incorporation of the Company) the profits or losses of the assets so acquired as from such date or during such period may at the discretion of the Directors be treated in whole or in part for all purposes as profits or losses of the Company.

**133. No larger dividend than recommended by Directors**

No larger dividend shall be declared than is recommended by the Directors, but the Company may by Ordinary Resolution declare a smaller dividend.

**134. Fixed and interim dividends**

- (A) If and to the extent that the Directors think fit and the position of the Company in their opinion justifies such payment, the Directors may declare and pay dividends on shares carrying an entitlement to fixed dividends in accordance with the rights attached thereto and may also from time to time declare and pay interim dividends.
- (B) Provided that the Directors act bona fide, they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of a dividend on any shares not ranking *pari passu* or in priority thereto in respect of dividends.

**135. Unclaimed dividends**

All unclaimed dividends may be invested or otherwise made use of by the Directors as they shall think fit, until the same be claimed and so that the Company shall not thereby be constituted as a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date for payment of such dividend shall be forfeited and shall revert to the Company.

**136. No interest payable on dividends etc**

No dividend or other moneys payable on or in respect of a share in the capital of the Company shall bear interest against the Company.

**137. Power to satisfy dividend in specie, fractional certificates and cash adjustments**

With the sanction of an Ordinary Resolution of the Company and upon the recommendation of the Directors any dividend may be paid and satisfied, either wholly or in part, by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, or partly in one way and partly in another or others, and where any difficulty arises in regard to the distribution, the

Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors.

**138. Deduction of debts due to Company**

The Directors may deduct from any dividend or other moneys payable in respect of any shares held by a member, either alone or jointly with any other member, all such sums of money (if any) as may be presently due and payable by him, either alone or jointly with any other person, to the Company in relation to shares of the Company.

**139. Moneys payable by cheque**

Any dividend or any other monies payable on or in respect of shares may be paid by cheque, warrant or similar financial instrument, or by other means sent direct to the registered address of the member or person entitled thereto or, in the case of joint holders, to the registered address of the holder who is first named in the Register or sent to such person and to such address as the holder or joint holders may in writing direct. Such payment may be sent through the post or equivalent means of delivery or by such other means, including electronic media, offered by the company as the holder or joint holders may in writing agree. Every such cheque, warrant, financial instrument or other form of payment shall be made payable to the order of the person to whom it is sent or to such other person as the holders, or joint holders, may in writing direct and payment of the cheque, warrant, instrument or other form of payment shall be a good discharge to the company. Every such payment shall be sent at the risk of the person entitled to the money represented thereby.

## **RESERVES**

**140. Power to provide for depreciation and carry profits to reserve**

The Directors may, before recommending any dividend, write off such sums as they think proper for depreciation, and carry forward in the revenue accounts any profits as they think should not be divided, and may also set aside out of profits of the Company such sum or sums as they think proper as a reserve or reserves, which shall at the discretion of the Directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, or for repairing, maintaining or adding to the property of the Company, or for such other purposes as the Directors shall, in their absolute discretion, think fit, and pending any such application may, at the discretion of the Directors, either be employed in the

business of the Company, or be invested in such investments (other than shares in the Company) as the Directors may from time to time think fit.

**141. Reserves**

The Directors may establish such reserve accounts and may divide the Company's reserves into such special funds as they may think fit. The Directors may also carry forward any profits which they may think prudent not to divide without placing the same to reserves.

**CAPITALISATION OF RESERVES, ETC.**

**142. Capitalisation of reserves**

(A) The Company may at any time and from time to time, upon the recommendation of the Directors, by Ordinary Resolution resolve that any sum not required for the payment or provision of any fixed preferential dividend and standing at the time the Ordinary Resolution is passed or, if such Resolution is conditional at the time it becomes unconditional, to the credit of any reserve accounts of the Company (including Share Premium Account and Capital Redemption Reserve Fund) or to the credit of profit and loss account (whether or not the same be available for distribution) be capitalised, and that such sum be appropriated as capital to and amongst the Ordinary Shareholders in proportion to the nominal amount of the Ordinary Share capital held by them respectively at the time the Ordinary Resolution is passed or, if such Resolution is conditional, at the time it becomes unconditional or at such other time as may be stipulated in such Resolution, and that the Directors shall in accordance with such Resolution apply such sum in paying up in full or in part any unissued shares or debentures of the Company on behalf of such Ordinary Shareholders, and appropriate such shares or debentures to and distribute the same credited as fully or partly paid-up amongst such Ordinary Shareholders in the proportions aforesaid in satisfaction of their shares and interests in the said capitalised sum, or shall apply such sum or any part thereof on behalf of such Ordinary Shareholders in paying up the whole or part of any amounts which shall for the time being be unpaid in respect of any issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by such Resolution Provided that:-

- (i) Share Premium Account and Capital Redemption Reserve Fund may only be applied in paying up unissued shares to be allotted as fully paid-up; and
- (ii) any sum not available for distribution in accordance with the Statutes may only be applied in paying up in full or in part unissued shares to be allotted as fully or partly paid-up.

- (B) Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may make such provisions as they think proper for the case of shares or debentures becoming distributable in fractions (including, but without limitation, provisions for the issue of fractional certificates, for the sale and distribution of the proceeds of sale of shares or debentures representing such fractions, and provisions whereby the benefit of fractional entitlements accrues to the Company rather than the members concerned) and further the Directors may fix the value for distribution of any fully paid-up shares or debentures, make cash payment to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the distribution as may seem just and expedient to the Directors. When deemed requisite, a proper contract for the allotment and acceptance of any shares or debentures to be distributed as aforesaid shall be executed and (if necessary) filed with the Registrar of Companies, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the distribution, and such appointment shall be effective, and the contract may provide for the acceptance by such persons of the shares or debentures to be allotted to them respectively in satisfaction of their claims in respect of the sum so distributed, and any such contract shall be effective and binding on all such persons.

## ACCOUNTS

### 143. Directors to keep proper accounting records

The Directors shall cause proper accounting records of the Company to be kept and the provisions of the Statutes in this regard shall be complied with.

### 144. Where accounting records to be kept

The accounting records shall be kept at the Office, or at such other place in Great Britain as the Directors shall think fit, and shall always be open to the inspection of the Directors.

### 145. Inspection of records

The Directors shall, from time to time, determine whether in any particular case, or class of cases, or generally, and at what times, and places, and under what conditions or regulations, the accounting records of the Company, or any of them, shall be open to the inspection of the members, and no member, not being a Director, shall have any right of inspecting any account, book or document of the Company, except as conferred by law or authorised by the Directors or by any Ordinary Resolution of the Company, nor shall any such member be entitled to require or receive any information concerning the business, trading or customers of the Company, or any trade secret of or secret process used by the Company.

**146. Balance sheet and profit and loss accounts**

- (A) The Directors shall, from time to time, in accordance with the Statutes, cause to be prepared and to be laid before the Annual General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any), reports of the Directors and of the Auditors and other documents (if any) as are required by the Statutes. Each balance sheet shall be signed on behalf of the Directors by two of their number.
- (B) A copy of the said balance sheet, accounts, reports and other documents (if any) shall, twenty-one days at least before the meeting, be delivered or sent by post to the registered address of every member and debenture holder of the Company, or in the case of a joint holding to that member or debenture holder (as the case may be) whose name stands first in the appropriate Register in respect of the joint holding, and whenever any of the shares, debentures or other securities of the Company are listed on any recognised stock exchange in the United Kingdom there shall be forwarded to the appropriate officer of such stock exchange such number of copies of each of the said documents as may for the time being be required under its regulations. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.

**AUDIT**

**147. Provisions of Statutes regarding Auditors**

The provisions of the Statutes as to the appointment, powers, rights, remuneration and duties of the Auditors shall be complied with.

**NOTICES**

**148. Notices to be in writing**

Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.

**149. Service of notices**

A notice or other document may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his address as appearing in the Register.

**150. Members abroad not entitled to notices unless they give addresses within the U.K.**

Any member described in the Register by an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but, save as aforesaid, no member, other than a member described in the Register by an address within the United Kingdom, shall be entitled to receive any notice from the Company.

**151. Notice to joint holders**

All notices directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register in respect of such share, and notice so given shall be sufficient notice to all the holders of such share.

**152. Service on Company**

Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid letter, envelope, or wrapper, addressed to the Company or to such officer at the Office.

**153. Proof of postage to be sufficient proof of service**

(A) Any notice or other document, if served by first class post, shall be deemed to have been served on the day following that on which the letter, envelope or wrapper containing the same is put into the post, or, if served by second class post, shall be deemed to have been served on the third day following that on which the letter, envelope or wrapper containing the same was put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as first class or (as the case may be) second class prepaid mail.

(B) 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 on the same date in at least two leading national daily newspapers (one of which shall be in general circulation in London) and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

**154. Members present at meeting deemed to have received due notice**

Any member present, either personally or by proxy, at any meeting of the Company or class of members of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

**155. Successors in title to be bound by notices to predecessors**

Every person who, by operation of law, transfer or any other means whatsoever, shall become entitled to any shares shall be bound by every notice (other than a notice in accordance with Article 76(B)) in respect of such shares which previously to his name and address being entered in the Register shall be duly given to the person from whom he derives his title to such shares.

**156. Service of notice to be sufficient notwithstanding death of member served**

Any notice or document served upon or sent to, or left at the registered address of, any member in pursuance of these Articles, shall, notwithstanding that such member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share held by such member, whether held solely or jointly with other persons, until some other person be registered instead of him as the holder or joint holder of such share, and such service shall, for all purposes of these Articles, be deemed a sufficient service of such notice or document on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such share.

**157. Signature on notices**

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

**WINDING-UP**

**158. Rule for division of assets in liquidation**

If the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which at the commencement of the winding-up is paid up, or ought to have been paid up, on the shares held by them respectively and, if such surplus assets shall be insufficient to repay the whole of the paid-up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding-up on the shares held by them respectively. But this Article is to be subject to the rights attached to any shares which may be issued on special terms or conditions.

**159. Powers to distribute in specie**

If the Company shall be wound up the Liquidator (whether voluntary or official) may, with the sanction of an Extraordinary Resolution, divide among the members in specie any part of the assets of the Company, or vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members or any of them as the Resolution shall provide. Any such Resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights, but each member shall in that event have a right of dissent and other ancillary rights in the same manner as if such Resolution were a Special Resolution passed pursuant to Section 582 of the Companies Act 1985.

**160. Members abroad to give address for service**

In the event of a winding-up of the Company every member of the Company who is not for the time being in the United Kingdom shall be bound, within fourteen days after the passing of an effective Resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding-up of the Company, to serve notice on the Company appointing some person resident in London upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the Liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the Liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in The Times or any other leading London daily newspaper, or by a letter sent by registered or recorded delivery post and addressed to such member at his address as appearing in the Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

**UNTRACED SHAREHOLDERS**

**161. Untraced shareholders**

- (A) The Company may sell any shares in the Company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a member of the London Stock Exchange to sell them at the best price reasonably obtainable if:-
  - (i) the shares have been in issue throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period;

- (ii) no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relative cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares at any time during the relevant period;
- (iii) so far as any Director of the company at the end of the relevant period is then aware, the company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares;
- (iv) the company has caused two advertisements to be published, one in a newspaper with a national circulation and the other in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the shares shown in the register, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates; and
- (v) the company has given notice to the quotations department of the London Stock Exchange of its intention to make the sale and shall have obtained the approval of quotations department to the proposed form of the advertisements.

For the purpose of this article:

"qualifying period" means the period of twelve years immediately preceding the date of publication of the advertisements referred to in sub-paragraph (iv) above or of the first of the two advertisements to be published if they are published on different dates; and

"relevant period" means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of sub-paragraphs (i) to (v) above have been satisfied.

- (B) If, after the publication of either or both of the advertisements referred to in paragraph (A)(iv) of this article above but before the company has become entitled to sell the shares pursuant to this paragraph of this article, the requirements of sub-paragraph (A)(ii) or (A)(iii) of this article above cease to be satisfied the company may nevertheless sell those shares after the requirements of sub-paragraphs (A)(i) to (A)(v) of this article above have been satisfied afresh in relation to them.
- (C) If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that

relevant period and all the requirements of sub-paragraphs (A)(ii) to (A)(v) of this article above have been satisfied in regard to the further shares, the company may also sell the further shares.

- (D) To give effect to any sale of shares pursuant to this paragraph of this article the board may authorise some person to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the company and, upon their receipt, the Company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and the Company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the company or as it thinks fit.

## INDEMNITY

### 162. Indemnity of Directors and officers

Subject to the provisions of the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.

### 163. Directors' and Officers' liability insurance

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

04/05/2000

JCR/FMH/amg

R00001185

e:\rer\clients\ramco\documents\articles-000317.doc

FAS 8810

NEW ARTICLES OF ASSOCIATION

of

RAMCO ENERGY PLC

---

2000