

Rotork p.l.c.

At the Annual General Meeting of Rotork p.l.c. held at Rotork House, Brassmill Lane, Bath BA1 3JQ on 21 May 2004 the following resolutions numbered 9 to 13 were passed:

Ordinary Resolution

- 9.1 That the Directors be and they are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the Act) (in substitution for all subsisting authorities to the extent unused, other than in respect of any allotments made pursuant to offers or agreements made prior to the passing of this resolution) to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to a maximum of 23,156,634 ordinary shares of 5p each, such authority to expire at the conclusion of the next Annual General Meeting of the Company.
- 9.2 That the Company is authorised to make, prior to the expiry of the authority to allot shares, any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said authority and the Directors may allot relevant securities pursuant to any such offer or agreement notwithstanding the expiry of the authority given by this resolution.

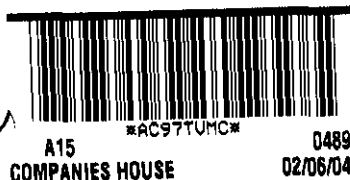
Special Resolutions

- 10.1 That the Directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 (the Act) to allot equity securities (as defined in section 94 of the Act) of the Company for cash pursuant to the authority conferred by Resolution 9 above as if section 89(1) of the Act did not apply to such allotment provided that this power shall be limited:

10.1.1 to the allotment of equity securities in connection with any invitation made to the holders of ordinary shares to subscribe by way of rights where the equity securities attributable to the interests of all the holders of ordinary shares are proportionate (as nearly as maybe) to the respective numbers of ordinary shares held by them but subject to any exceptions, exclusions or other arrangements which in the opinion of the Directors are necessary or expedient for the purpose of dealing with fractional entitlements otherwise arising or legal or practical problems under the laws of any territory or the requirements of any recognised stock exchange or any regulatory body in any territory; and

10.1.2 to the allotment (otherwise than pursuant to 10.1.1 above) of equity securities up to an aggregate number of 4,291,624 ordinary shares of 5p each

and shall expire at the conclusion of the next Annual General Meeting of the Company, save that the Company may, prior to the expiry of such power, make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any offer or agreement notwithstanding the expiry of the power conferred by this resolution.



11. That, subject to the consent of the holders of 9½ % cumulative preference shares of £1 each not being withdrawn in accordance with the resolution passed by the holders thereof on 3 August 1995, the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985 (as amended)) of ordinary shares of 5p each of the Company provided that:
- 11.1 the maximum number of ordinary shares hereby authorised to be acquired is 8,500,000;
- 11.2 the minimum price which may be paid for any such share is 5 pence (exclusive of expenses);
- 11.3 the maximum price (exclusive of expenses) which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
- 11.4 the authority hereby conferred shall expire fifteen months from the date of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2005, save that the Company may, prior to the expiry of such authority, make any offer or agreement which would or might require ordinary shares to be purchased by the Company after such expiry and the Company may purchase ordinary shares pursuant to any such offer or agreement notwithstanding such expiry.
12. That subject to the consent of the holders of 9½ % cumulative preference shares of £1 each (preference shares) not being withdrawn in accordance with the resolution passed by the holders thereof on 22 May 1998, the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985 (as amended)) of preference shares of the Company provided that:
- 12.1 the maximum number of preference shares hereby authorised to be acquired is 50,237 (being all the preference shares remaining in issue at the date of this notice);
- 12.2 the minimum price which may be paid for any such share is £1.00 (exclusive of expenses);
- 12.3 the maximum price (exclusive of expenses) which may be paid for any such share is an amount equal to whichever is the higher of (i) 105% of the average of the middle market quotations for a preference share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the preference share is contracted to be purchased or (ii) £1.50; and
- 12.4 the authority hereby conferred shall expire fifteen months from the date of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2005, save that the Company may, prior to the expiry of such authority, make any offer or agreement which would or might require preference shares to be purchased by the Company after such expiry and the Company may

purchase preference shares pursuant to any such offer or agreement notwithstanding such expiry.

13. That the draft regulations produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be and they are hereby adopted by the Company in substitution for its existing Articles of Association.


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Company Secretary

Contents

A.	Preliminary	1
1.	Table A not to apply	1
2.	Interpretation	1
3.	Registered office	5
B.	Share capital	5
4.	Company share capital	5
5.	Rights attaching to Preference Shares	5
6.	Allotment	8
7.	Power to attach rights and issue redeemable shares	8
8.	Commission and brokerage	8
9.	Trusts not to be recognised	8
10.	Renunciation of shares	9
11.	Increase, consolidation, cancellation and sub division	9
12.	Fractions	9
13.	Reduction of capital	10
14.	Purchase of own shares	10
C.	Variation of class rights	11
15.	Sanction to variation	11
16.	Class meetings	11
17.	Deemed variation	12
D.	Share certificates	12
18.	Right to certificates	12
19.	Replacement certificates	13
20.	Uncertificated shares	13
E.	Lien on shares	15
21.	Lien on shares not fully paid	15
22.	Enforcement of lien by sale	15
23.	Application of proceeds of sale	16
F.	Calls on shares	16
24.	Calls	16
25.	Interest on calls	16
26.	Rights of member when call unpaid	17
27.	Sums due on allotment treated as calls	17
28.	Power to differentiate	17
29.	Payment in advance of calls	17
G.	Forfeiture of shares	17
30.	Notice if call not paid	17
31.	Forfeiture for non-compliance	18
32.	Notice after forfeiture	18
33.	Forfeiture may be annulled	18
34.	Surrender	18
35.	Disposal of forfeited shares	18
36.	Effect of forfeiture	19
37.	Extinction of claims	19
38.	Evidence of forfeiture	19
H.	Transfer of shares	19
39.	Form of transfer	20
40.	Right to refuse registration	20
41.	Notice of refusal	21
42.	Closing of register	21

43.	No fees on registration	21
44.	Recognition of renunciation of allotment of shares	21
I.	Transmission of shares	21
45.	On death	21
46.	Election of person entitled by transmission	22
47.	Rights on transmission	22
J.	General meetings	22
48.	Annual general meetings.....	22
49.	Extraordinary general meetings.....	22
50.	Convening of extraordinary general meeting.....	23
51.	Notice of general meetings.....	23
52.	Omission to send notice	24
53.	Special business.....	24
K.	Proceedings at general meetings	24
54.	Quorum.....	24
55.	If quorum not present	24
56.	Security and meeting place arrangements	25
57.	Chairman	25
58.	Director may attend and speak	25
59.	Power to adjourn	26
60.	Notice of adjourned meeting	26
61.	Business of adjourned meeting.....	26
L.	Voting	26
62.	Method of voting.....	26
63.	Chairman's declaration conclusive on show of hands.....	27
64.	Objection to error in voting	27
65.	Amendment to resolutions	27
66.	Procedure on a poll.....	27
67.	Votes of members.....	28
68.	Casting vote.....	29
69.	Restriction on voting rights for unpaid calls etc.....	29
70.	Voting by proxy	29
71.	Form of proxy.....	29
72.	Deposit of proxy	30
73.	More than one proxy may be appointed.....	30
74.	Board may supply proxy cards.....	31
75.	Revocation of proxy	31
76.	Corporate representative.....	31
77.	Failure to disclose interests in shares	32
M.	Untraced members	34
78.	Power of sale	34
79.	Application of proceeds of sale.....	35
N.	Appointment, retirement and removal of directors	36
80.	Number of Directors.....	36
81.	Power of Company to appoint Directors.....	36
82.	Power of Board to appoint Directors.....	36
83.	Eligibility of new Directors.....	36
84.	Share qualification.....	36
85.	Resolution for appointment.....	37
86.	No retirement on account of age	37
87.	Retirement by rotation.....	37
88.	Removal by ordinary resolution	38

89.	Vacation of office by Director.....	38
90.	Resolution as to vacancy conclusive.....	39
O.	Alternate Directors.....	39
91.	Appointments.....	39
92.	Participation in Board meetings.....	39
93.	Alternate Director responsible for own acts.....	40
94.	Interests of alternate Director.....	40
95.	Revocation of appointment.....	40
P.	Directors' remuneration, expenses and pensions.....	41
96.	Directors' fees.....	41
97.	Expenses.....	41
98.	Additional remuneration.....	41
99.	Remuneration of executive Directors.....	41
100.	Pensions and other benefits.....	41
Q.	Powers and duties of the Board.....	42
101.	Powers of the Board.....	42
102.	Powers of Directors being less than minimum number.....	42
103.	Powers of executive Directors.....	42
104.	Delegation to committees.....	43
105.	Local management.....	43
106.	Power of attorney.....	44
107.	Associate Directors.....	44
108.	Exercise of voting power.....	44
109.	Provision for employees.....	44
110.	Overseas registers.....	44
111.	Borrowing powers.....	45
R.	Proceedings of Directors and Committees.....	47
112.	Board meetings.....	47
113.	Notice of Board meetings.....	48
114.	Quorum.....	48
115.	Chairman of Board and other offices.....	48
116.	Voting.....	49
117.	Participation by telephone and electronic mail.....	49
118.	Resolution in writing.....	50
119.	Minutes of proceedings.....	50
120.	Validity of proceedings.....	50
S.	Directors' interests.....	51
121.	Director may have interests.....	51
122.	Disclosure of interests to Board.....	51
123.	Interested Director not to vote or count for quorum.....	52
124.	Director's interest in own appointment.....	53
125.	Chairman's ruling conclusive on Director's interest.....	53
126.	Directors' resolution conclusive on Chairman's interest.....	53
127.	Exercise by Company of voting powers.....	54
T.	The Seal.....	54
128.	Application of Seal.....	54
129.	Official seal for use abroad.....	54
U.	Secretary.....	55
130.	The Secretary.....	55
V.	Dividends and other payments.....	55
131.	Declaration of dividends.....	55
132.	Interim dividends.....	55

133.	Entitlement to dividends.....	56
134.	Calls or debts may be deducted from dividends.....	56
135.	Distribution in specie	56
136.	Dividends not to bear interest.....	57
137.	Method of payment	57
138.	Uncashed dividends.....	58
139.	Unclaimed dividends.....	58
140.	Waiver of dividends	58
141.	Reserves.....	59
142.	Capitalisation of reserves	59
143.	Record dates	60
W.	Accounts	60
144.	Accounting records.....	61
145.	Inspection of records	61
146.	Accounts to be sent to members.....	61
147.	Summary financial statements.....	61
X.	Destruction and authentication of documents	61
148.	Destruction of documents.....	61
149.	Authentication of documents.....	62
Y.	Notices	63
150.	Notice to be in writing.....	63
151.	Service of notice on members	63
152.	Notice in case of death, bankruptcy or mental disorder	64
153.	Evidence of service	64
154.	Notice binding on transferees.....	65
155.	Notice by advertisement.....	65
156.	Suspension of postal services	65
Z.	Winding up	65
157.	Division of assets	65
158.	Transfer or sale under section 111 of the Insolvency Act 1986	66
AA.	Indemnity	66
159.	Right to indemnity.....	66
160.	Power to insure.....	67

Company number 578327

The Companies Acts 1985

Public company limited by shares

Articles of Association

of

ROTORK plc

(as adopted by a special resolution passed on 21 May 2004)

A. Preliminary

1. Table A not to apply

No regulations for management of a company set out in any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company. The following shall be the Articles of Association of the Company.

2. Interpretation

2.1 Definitions

In these Articles, unless the context otherwise requires, the following definitions shall apply:

"**Act**" means subject to paragraph 2.3 of this Article (Statutory provisions) the Companies Act 1985 and, where the context requires, every other statute from time to time in force concerning companies and affecting the Company.

"**approved transfer**" in relation to any shares held by a member:

- (a) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (as defined for the purposes of Part XIIA of the Act); or
- (b) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with any member and with any other person appearing to be interested in the shares including any such sale made through the London Stock Exchange. For the purpose of this sub-paragraph a connected person shall have the meaning ascribed by section 346 of the Act.

"**Articles**" means these Articles of Association as altered or varied from time to time (and "**Article**" means any provision of these Articles).

"**Auditors**" means the auditors for the time being of the Company or, in the case of joint auditors, any of them.

"Board" means the board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present.

"certificated" means in relation to a share, a share which is recorded in the Register as being held in certificated form.

"Chairman" means the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company.

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

"Communication" means includes a communication comprising sounds or images or both and a communication effecting a payment.

"Company" means Rotork plc.

"default shares" means as defined in Article 77.1 (Disenfranchisement notice).

"Director" means a director for the time being of the Company.

"disenfranchisement notice" means as defined in Article 77.1 (Disenfranchisement notice).

"dividend" means a distribution or a bonus.

"Deputy Chairman" means the deputy chairman (if any) of the Board or, where the context requires, the deputy chairman of a general meeting of the Company.

"Electronic Communication" means a communication transmitted (whether from one person to another, from one device to another or from a person to a device and vice-versa):

- (a) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or
- (b) by any other means in an electronic form.

"execution" means any mode of execution (and **"executed"** shall be construed accordingly).

"Group" means the Company and its subsidiaries and subsidiary undertakings from time to time, and **"Group Company"** means any company in the Group.

"holder" means (in relation to any share) the member whose name is entered in the Register as the holder or, where the context permits, the members whose names are entered in the Register as the joint holders of that share.

"London Stock Exchange" means London Stock Exchange Plc or such other principal stock exchange in the United Kingdom for the time being.

"member" means a member of the Company or, where the context requires, a member of the Board or of any committee.

"Office" means the registered office for the time being of the Company.

"Official List" means the official list of the UK Listing Authority.

"Operator" means the operator as defined in the Uncertificated Regulations of the relevant Uncertificated System.

"Ordinary Shares" means ordinary shares of five pence each in the capital of the Company.

"paid up" means paid up or credited as paid up.

"Participating Security" means a share or class of shares or a renounceable right of allotment of a share, title to which is permitted to be transferred by means of an Uncertificated System in accordance with the Uncertificated Regulations.

"person entitled by transmission" means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the Register.

"Preference Shares" means as defined in Article 5 (Rights attaching to Preference Shares).

"prescribed period" means in a case where the default shares represent at least 0.25 per cent in nominal value of their class, 14 days and in any other case, 28 days.

"recognised investment exchange" means as defined in section 285 of the Financial Services and Markets Act 2000.

"recognised person" means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 185(4), of the Act.

"record date" means as defined in Article 143 (Record dates).

"Register" means the register of members of the Company to be kept pursuant to section 352 of the Act or, as the case may be, any overseas branch register kept pursuant to Article 111 (Overseas registers).

"Seal" means the common seal of the Company.

"Section 212 notice" means a notice issued pursuant to section 212 of the Act.

"Secretary" means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary of the Company including (subject to the provisions of the Act) a joint, temporary, assistant or deputy secretary.

"share" means a share in the capital of the Company.

"uncertificated" means in relation to a share, a share to which title may be transferred by means of an Uncertificated System in accordance with the Uncertificated Regulations.

"Uncertificated System" means a relevant system as defined in the Uncertificated Regulations.

"Uncertificated Regulations" means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755).

"United Kingdom" means Great Britain and Northern Ireland.

"UK Listing Authority" means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 and in the exercise of its functions in respect of admission to the Official List.

"withdrawal notice" means as defined in Article 77.2 (Withdrawal notice). and

"writing or written" means printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non-transitory form.

2.2 *General interpretation*

- (a) Unless the context otherwise requires:
- (b) words in the singular include the plural and vice versa;
- (c) words importing the masculine gender include the feminine gender;
- (d) a reference to a person includes a body corporate and an unincorporated body of persons;

a reference to an Uncertificated System is a reference to the Uncertificated System in respect of which the particular share or class of shares or renounceable right of allotment of a share is a Participating Security.

2.3 *Statutory provisions*

A reference to any statute or provision of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any statutory modification or re-enactment of it for the time being in force.

2.4 *The Act*

Save as aforesaid, and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act.

2.5 ***Resolutions***

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

2.6 ***Headings***

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

3. **Registered office**

The Office shall be at such place in England and Wales as the Board shall from time to time appoint.

B. **Share capital**

4. **Company share capital**

The authorised share capital of the Company at the date of the adoption of these Articles is £5,499,733 divided into 108,989,920 Ordinary Shares and 50,237 £1 Preference Shares.

5. **Rights attaching to Preference Shares**

5.1 ***Rights as to Profits, Assets and Voting***

The rights, as regards participation in the profits and assets of the Company and as regards voting, attaching to the non-equity 9.5 percent cumulative preference shares of £1 each (in this Article called "**the Preference Shares**") are as follows:

(a) As regards income

The Preference Shares shall entitle the holders thereof, *pari passu* with any further preference created to rank *pari passu* therewith as regards priority in respect of income and in priority to any dividend or return of capital on any other class of shares, to a fixed cumulative preferential dividend on the capital for the time being paid up thereon at the rate of 9.5 percent per annum, such dividend to be payable by equal half-yearly instalments on 30th June and 31st December in each year in respect of the half-yearly periods ending on those respective dates.

(b) As regards capital

The Preference Shares shall entitle the holders thereof on a winding-up or on a reduction of capital involving a return of capital, *pari passu* with any further preference shares created to rank *pari passu* therewith as regards priority in respect of capital, and in priority to any return of capital on any other class of shares, to repayment of the capital paid up or credited as paid up thereon together with a premium, if any, at the rate hereinafter mentioned and together also with a sum equal to any arrears or accruals of the fixed cumulative preferential dividend thereon calculated down to the date of repayment, whether or not such dividend shall have been declared or earned. The rate of

premium payable on each such Preference Share shall be a sum per share equal to the excess (if any) over par of the average (adjusted as hereinafter provided) of the respective means of the daily market quotations at which such shares shall have been listed on the London Stock Exchange during the period of six months immediately preceding the relevant date (or that part of the said period during which the said shares shall have been so listed) after first deducting from the mean on each day a sum equal to any arrears or accruals of a fixed dividend (whether earned or declared or not) on such shares up to that day. Provided that:

- (i) in the case of a reduction of capital involving the return of part only of the capital paid up or credited as paid up on such shares the premium payable on the reduction capital shall be such proportion of the premium hereinbefore provided as the amount of the capital to be returned on each such share bears to the total of capital paid up or created as paid up on the share;
- (ii) if the premium payable as aforesaid shall not be a multiple of 1p it shall be adjusted upwards to the nearest multiple of 1p.

Any such premium shall be certified as soon as possible after the relevant date by the Auditors for the time being of the Company and such certificate shall be final and binding on all persons interested and such Auditors shall so certify on such basis and in such manner as they shall in their absolute discretion determine but having regard so far as practicable to any official list published under the authority of the London Stock Exchange. In this Article 5.1 the expression "the relevant date" shall mean (in the case of a return of assets in a winding up by the Court or otherwise then subsequently to a resolution of the Company in general meeting for winding up) the date of the presentation of the petition for winding up and (in any other case) the date 30 days before the despatch of the notice convening the general meeting at which the winding-up or other resolution approving the return of capital was proposed.

(c) As regards voting

The Preference Shares shall not entitle the holders to receive notices of or to attend or vote at any general meeting of the Company unless (i) at the date of the notice convening the meeting the dividend on the Preference Shares is six months in arrear and for this purpose such dividend shall be deemed to be payable on 30th June and 31st December in each year or (ii) the business of the meeting includes the consideration of a resolution for winding up the Company or for a reduction in the capital of the Company or any resolution directly and adversely modifying or abrogating any of the special rights or privileges attached to the Preference Shares in which case the holders will only be entitled to vote at the meeting on any such resolutions. When so entitled to vote the holders of the Preference Shares shall, on poll, be entitled to one vote for each Preference Share held by them and, on a show of hands, every holder present in person shall have one vote.

(d) Other rights

The preference shares shall not confer on the holders thereof any further rights to participate in the profits or assets of the Company or to vote.

5.2 Further issues of preference shares

Subject as provided in this paragraph (b), the Company may, without any consent or sanction of the Preference Shareholders, create and issue further preference shares either ranking pari passu and identically in all respects and so as to form one class with the existing Preference Shares or ranking pari passu therewith as regards priority in respect of income and/or capital but carrying a different rate of dividend or premium (if any) or otherwise differing from the Preference Shares. Provided that:

- (a) no further Preference Shares or other preference shares ranking pari passu therewith shall be issued unless at the time of issue the Auditors for the time being of the Company shall have certified in writing to the Company that the aggregate of the nominal amount of the Preference Shares and any further preference shares ranking pari passu therewith (including the preference shares proposed to be issued) which would be outstanding immediately after such issue and the amount of the fixed or minimum premium payable on all such preference shares will not exceed an amount equal to the aggregate of the nominal amount of the issued and paid up share capital of the Company ranking as to dividend and capital after all such preference shares; and
- (b) no such shares shall be issued as redeemable or preference shares.

5.3 Further issues generally

No further shares ranking as to dividend or repayment of capital in priority to or (except as provided in Article 5.2 above) pari passu with the Preference Shares shall be created or issued without the consent or sanction of the Preference Shareholders. In this Article 5.3 the expression "the Preference Shareholders" means the holders of the Preference Shares and any further Preference Shares ranking pari passu and identically in all respects and so as to form one class therewith.

5.4 Separate class rights

If the Company shall have issued and there shall be outstanding any further preference shares ranking pari passu, but not identically in all respects and so as to form one class with the Preference Shares, then such further preference shares shall be deemed to constitute a separate class of shares.

5.5 Application of surplus assets on a winding-up

In the winding-up of the Company the surplus assets shall be applied to the following purposes and in the following order of priority:

- (a) to the repayment of the capital paid up or credited as paid up, and the payment of the premium (if any) on the Preference Shares (and on any further preference shares ranking pari passu therewith as regards priority in respect of capital) together also with any arrears or accruals of fixed dividend in accordance with the rights of such shares;
- (b) to the repayment of the capital paid up or credited as paid up on the Ordinary Shares and any surplus assets shall be divided amongst the holders of the Ordinary Shares in proportion to the number of Ordinary Shares held by them respectively.

6. **Allotment**

Subject to the provisions of the Act and to any relevant authority of the Company in general meeting required by the Act, unissued shares at the date of adoption of these Articles and any shares hereafter created shall be at the disposal of the Board which may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them, or rights to subscribe for or convert any security into shares, to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

7. **Power to attach rights and issue redeemable shares**

7.1 ***Rights attaching to shares***

Subject to the provisions of the Act and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions whether in regard to dividends, voting, transfer, return of capital or otherwise as the Company may from time to time by ordinary resolution determine or if no such resolution has been passed or so far as the resolution does not make specific provision as the Board may determine.

7.2 ***Power to issue redeemable shares***

Subject to the provisions of the Act and to any special rights for the time being attached to any existing shares, any share may be issued which is or at the option of the Company or of the holder of such share liable to be redeemed.

7.3 ***Redemption dates***

The date on which or by which, or dates between which, any redeemable shares are to be or may be redeemed may be fixed by the Directors and in such a case must be fixed by the Directors before the shares are issued. Unless otherwise specified in these Articles, the amount payable on redemption of any redeemable shares shall be the nominal value of such shares.

8. **Commission and brokerage**

The Company may exercise the powers conferred by the Act to pay commissions or brokerage to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company to the full extent permitted by the Act. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of an option to call for an allotment of shares or any combination of such methods.

9. **Trusts not to be recognised**

Except as otherwise expressly provided by these Articles, as required by law or as ordered by a court of competent jurisdiction, the Company shall not recognise any person as holding any share on any trust and (except as aforesaid) the Company shall

not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share or any interest in any fractional part of a share except an absolute right of the holder to the whole of the share.

10. Renunciation of shares

Subject to the provisions of the Act and of these Articles, the Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation of it by the allottee in favour of some other person and may accord to any allottee of a share the right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

11. Increase, consolidation, cancellation and sub division

The Company in general meeting may from time to time by ordinary resolution:

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (b) consolidate and/or divide, re-designate or convert all or any of its share capital into shares of larger or smaller nominal amount, or into different classes of shares than its existing shares;
- (c) 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; and
- (d) subject to the provisions of the Act, sub-divide its shares or any of them into shares of smaller nominal value than is fixed by the memorandum of association and may by such resolution determine that as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

12. Fractions

12.1 *Power to deal with fractional entitlements*

Whenever as the result of any consolidation, division or sub-division of shares any member would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular (but without prejudice to the generality of the foregoing):

- (a) the Board may determine which of the shares of such holder are to be treated as giving rise to such fractional entitlement and may decide that any of those shares shall be consolidated with any of the shares of any other holder or holders which are similarly determined by it to be treated as giving rise to a fractional entitlement for such other holder or holders into a single consolidated share and the Board may on behalf of all such holders, sell such

consolidated share for the best price reasonably obtained to any person (including the Company) and distribute the net proceeds of sale after deduction of the expenses of sale in due proportion among those holders (except that any amount otherwise due to a holder, being less than £3 or such other sum as the Board may from time to time determine may be retained for the benefit of the Company); or

- (b) provided that the necessary unissued shares are available, the Board may issue to such holder, credited as fully paid, by way of capitalisation the minimum number of shares required to round up his holding to an exact multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been effected prior to consolidation), and the amount required to pay up such shares shall be appropriated at the Board's discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up the share.

12.2 *Sale of fractions*

For the purposes of any sale of consolidated shares pursuant to Article 12.1 (Power to deal with fractional entitlements), the Board may in the case of certificated shares authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser or in the case of uncertificated shares exercise any power conferred on it by Article 20.5 (Forfeiture and sale), and the transferee shall not be bound to see to the application of the purchase money in respect of any such sale, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale or transfer and any instrument or exercise shall be effective as if it had been executed or exercised by the holder of the shares to which it relates.

13. *Reduction of capital*

Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any undistributable reserve in any manner.

14. *Purchase of own shares*

14.1 *Power to enter into share buy back agreements*

Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may enter into any contract for the purchase of any of its own shares of any class (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares. Any shares to be so purchased may be selected in any manner whatsoever provided that if at the relevant date proposed for approval of the proposed purchase there shall be in issue any shares of a class entitling the holders to convert into equity share capital of the Company then no such purchase shall take place unless it has been sanctioned by a special resolution passed at a separate general meeting (or meetings if there is more than one class) of the holders of such class of convertible shares.

14.2 *Class rights*

Notwithstanding anything to the contrary contained in these Articles, the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company or the Directors pursuant to Article 14.1 above.

14.3 *Treasury Shares*

Any shares which are purchased by the Company in accordance with the Act shall either be cancelled or held in treasury at the Company's discretion (in accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, as amended).

C. **Variation of class rights**

15. **Sanction to variation**

Subject to the provisions of the Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles (but not otherwise). The foregoing provisions of this Article shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied. Subject to the terms of issue or the rights attached to any shares the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the Board resolving that a class of shares is to become or to cease to be a Participating Security.

16. **Class meetings**

All the provisions in these Articles as to general meetings shall mutatis mutandis apply to every meeting of the holders of any class of shares save that:

- (a) the quorum at every such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class;
- (b) every holder of shares of the class present in person or by proxy may demand a poll;
- (c) each such holder shall on a poll be entitled to one vote for every share of the class held by him; and
- (d) if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum.

17. Deemed variation

Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority for the payment of a dividend or in respect of capital or howsoever or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and these Articles.

D. Share certificates

18. Right to certificates

18.1 *Issue of certificates*

On becoming the holder of any certificated share every person (except a recognised person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled without charge to have issued within 2 months after allotment or lodgement of a transfer (unless the terms of issue of the shares provide otherwise) one certificate for all the certificated shares of any one class registered in his name and to a separate certificate for each class of certificated shares so registered. Such certificate shall specify the number, class and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount or respective amounts paid up on them and shall be issued either under the Seal (which may be affixed to it or printed on it) or in such other manner having the same effect as if issued under a seal and, having regard to the provisions of the Act and the rules and regulations applicable to the recognised investment exchange(s) to which the Company's shares are admitted, as the Board may approve.

18.2 *Distinguishing numbers*

If and so long as all the issued shares of the Company or all the issued shares of a particular class are fully paid up and rank *pari passu* for all purposes then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.

18.3 *Joint holders*

The Company shall not be bound to issue more than one certificate in respect of certificated shares held jointly by two or more persons. Delivery of a certificate to the person first named on the register shall be sufficient delivery to all joint holders.

18.4 *Balancing certificates*

Where a member (other than a recognised person) has transferred part only of the shares comprised in a certificate he shall be entitled without charge to a certificate for the balance of such certificated shares.

18.5 ***Restrictions on certificates***

No certificate shall be issued representing certificated shares of more than one class.

19. **Replacement certificates**

19.1 ***Consolidation of certificates***

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, subject to the payment of such reasonable fee, if any, as the Board may determine, on surrender of the original certificates for cancellation.

19.2 ***Splitting share certificates***

If any member shall surrender for cancellation a share certificate representing certificated shares held by him and request the Company to issue in lieu two or more share certificates representing such certificated shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request subject to the payment of such fee (if any) as it may determine.

19.3 ***Renewal or replacement***

Share certificates may be renewed or replaced on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out of pocket expenses (including those incurred by the Company in investigating such evidence and preparing such indemnity and security) as the Board may decide, and on surrender of the original certificate (where it is defaced or worn out) but without any further charge.

19.4 ***Joint holders***

In the case of shares held jointly by several persons, any such request as is mentioned in this Article 19 (Replacement certificates) may be made by any one of the joint holders.

20. **Uncertificated shares**

20.1 ***Participating security***

The Board may resolve that a class of shares is to become, or is to cease to be, a Participating Security. Shares of a class shall not be treated as forming a separate class from other shares of the same class as a consequence only of such shares being held in uncertificated form. Any share of a class which is a Participating Security may be changed from an uncertificated share to a certificated share and from a certificated share to an uncertificated share in accordance with the Uncertificated Regulations. For any purpose under these Articles, the Company may treat a member's holding of uncertificated shares and of certificated shares of the same class as if they were separate holdings, unless the Board otherwise decides.

20.2 ***Application of Articles***

These Articles apply to uncertificated shares of a class which is a Participating Security only to the extent that these Articles are consistent with the holding of such

shares in uncertificated form, with the transfer of title to such shares by means of the Uncertificated System and with the Uncertificated Regulations.

20.3 *Board regulations*

The Board may lay down regulations not included in these Articles which:

- (a) apply to the issue, holding or transfer of uncertificated shares (in addition to or in substitution for any provisions in these Articles);
- (b) set out (where appropriate) the procedures for conversion and/or redemption of uncertificated shares; and/or
- (c) the Board considers necessary or appropriate to ensure that these Articles are consistent with the Uncertificated Regulations and/or the Operator's rules and practices

such regulations will apply instead of any relevant provisions in these Articles which relate to certificates and the transfer, conversion and redemption of shares or which are not consistent with the Uncertificated Regulations, in all cases to the extent (if any) stated in such regulations. If the Board makes any such regulations, Article 20.2 will (for the avoidance of doubt) continue to apply to these Articles, when read in conjunction with those regulations.

20.4 *Instructions via an uncertificated system*

Any instruction given by means of an Uncertificated System as referred to in these Articles shall be a dematerialised instruction given in accordance with the Uncertificated Regulations, the facilities and requirements of the Uncertificated System and the Operator's rules and practices.

20.5 *Forfeiture and sale*

Where the Company is entitled under the Act, the Operator's rules and practices, these Articles or otherwise to dispose of, forfeit, enforce a lien over or sell or otherwise procure the sale of any shares of a class which is a Participating Security which are held in uncertificated form, the Board may take such steps (subject to the Uncertificated Regulations and to such rules and practices) as may be required or appropriate, by instruction by means of an Uncertificated System or otherwise, to effect such disposal, forfeiture, enforcement or sale including by (without limitation):

- (a) requesting or requiring the deletion of any computer-based entries in the Uncertificated System relating to the holding of such shares in uncertificated form;
- (b) altering such computer-based entries so as to divest the holder of such shares of the power to transfer such shares other than to a person selected or approved by the Company for the purpose of such transfer;
- (c) requiring any holder of such shares, by notice in writing to him, to change his holding of such uncertificated shares into certificated form within any specified period;

- (d) requiring any holder of such shares to take such steps as may be necessary to sell or transfer such shares as directed by the Company;
- (e) otherwise rectify or change the Register in respect of any such shares in such manner as the Board considers appropriate (including, without limitation, by entering the name of a transferee into the Register as the next holder of such shares); and/or
- (f) appointing any person to take any steps in the name of any holder of such shares as may be required to change such shares from uncertificated form to certificated form and/or to effect the transfer of such shares (and such steps shall be effective as if they had been taken by such holder).

E. Lien on shares

21. Lien on shares not fully paid

The Company shall have a first and paramount lien on any of its shares which are not fully paid, but only to the extent and in the circumstances permitted by section 150 of the Act. The lien shall also extend to all distributions and other moneys from time to time declared or payable in respect of such share. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien (if any) on that share.

22. Enforcement of lien by sale

22.1 *Power of sale*

The Company may sell in any manner decided by the Board all or any of the shares subject to any lien at such time or times and in such manner as it may determine, save that no sale shall be made until such time as the moneys in respect of which such lien exists or some part of them are or is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due, or specifying the liability or engagement and demanding payment or fulfilment or discharge of them, and giving notice of intention to sell in default, shall have been served on the holder or the persons (if any) entitled by transmission to the shares and default in payment, fulfilment or discharge shall have been made by him or them for 14 clear days after service of such notice.

22.2 *Title*

A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share.

22.3 *Perfection of transfer*

For giving effect to any such sale, the Board may in the case of certificated shares authorise some person to execute an instrument of transfer of the shares sold in the

name and on behalf of the holder or the persons entitled by transmission in favour of the purchaser or as the purchaser may direct and in the case of uncertificated shares exercise any power conferred on it by Article 20.5 (Forfeiture and sale) to effect a transfer of the shares. The purchaser shall not be bound to see to the application of the purchase money in respect of any such sale and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale. Any instrument or exercise shall be effective as if it had been executed or exercised by the holder of, or the person entitled by transmission to the shares to which it relates.

23. Application of proceeds of sale

The net proceeds of any sale of shares subject to any lien after payment of the costs shall be applied in or towards satisfaction of so much of the amount due to the Company or of the liability or engagement (as the case may be) as is presently payable or is liable to be presently fulfilled or discharged. The balance (if any) shall (in the case of certificated shares) on surrender to the Company for cancellation of the certificate for the shares sold and in all cases subject to a like lien for any moneys not presently payable or any liability or engagement not liable to be presently fulfilled or discharged as existed on the shares before the sale be paid to the holder of (or the person (if any) entitled by transmission to) the shares immediately prior to sale.

F. Calls on shares

24. Calls

Subject to the terms of allotment of shares, the Board may from time to time make calls on the members in respect of any moneys unpaid on the shares or any class of shares held by them respectively (whether in respect of nominal value or premium) and not payable on a date fixed by or in accordance with the terms of issue provided that no call on any share shall be payable within one month from the date fixed for the payment of the last preceding call. Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made and whether or not by instalments) be liable to pay the amount of every call so made on him as required by the notice. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed or (as the case may require) any person to whom power has been delegated pursuant to these Articles serves notice of exercise of such power. A call may be required to be paid by instalments and may before receipt by the Company of any sum due under it be either revoked or postponed in whole or part as regards all or any such members as the Board may determine. A person on whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of them.

25. Interest on calls

If the whole of the sum payable in respect of any call is not paid on or before the day appointed for payment, the person from whom it is due and payable shall pay all reasonable costs, charges and expenses that the Company may have incurred by reason of such non-payment together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or, if no rate is so fixed, at such rate, not exceeding

15 per cent per annum, as the Board shall determine and specify in the notice of the call. The Board may waive payment of such costs, charges, expenses or interest in whole or in part.

26. Rights of member when call unpaid

No member shall be entitled to receive any dividend or to be present and vote at any general meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum or to exercise any other privilege as a member unless and until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

27. Sums due on allotment treated as calls

Any sum payable in respect of a share on allotment or at any fixed date whether in respect of the nominal value of the share or by way of premium or as an instalment of a call shall for all purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of allotment or in the notice of call, it becomes payable. If it is not paid, the provisions of these Articles shall apply as if such amount had become due and payable by virtue of a call duly made and notified.

28. Power to differentiate

The Board may make arrangements on the allotment or issue of shares for a difference as between the allottees or holders of such shares in the amount and time of payment of calls.

29. Payment in advance of calls

The Board may if it thinks fit receive from any member willing to advance it all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish pro tanto the liability on the shares on which it is made. The Company may pay interest on the money paid in advance or so much of it as exceeds the amount for the time being called up on the shares in respect of which such advance has been made at such rate not exceeding 15 per cent as the Board may decide until and to the extent that it would, but for the advance, become payable. The Board may at any time repay the amount so advanced on giving to such member not less than three months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. No sum paid in advance of calls shall entitle the holder of a share in respect of them to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

G. Forfeiture of shares

30. Notice if call not paid

If any member fails to pay the whole of any call or any instalment of any call on or before the day appointed for payment the Board may at any time serve a notice in writing on such member, or on any person entitled to the shares by transmission, requiring payment, on a date not less than 14 clear days from the date of the notice, of

the amount unpaid and any interest which may have accrued on it and any reasonable costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where the payment is to be made and state that, if the notice is not complied with, the shares in respect of which such call was made will be liable to be forfeited.

31. Forfeiture for non-compliance

If the notice referred to in Article 30 (Notice if call not paid) is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not paid before the forfeiture, and shall be deemed to occur at the time of the passing of the said resolution of the Board.

32. Notice after forfeiture

When any share has been forfeited notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share or the person entitled to such share by transmission (as the case may be). An entry of such notice having been given and of the forfeiture with the date of it shall forthwith be made in the Register in respect of such share together with a note that dealings are not permitted in the share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry as aforesaid.

33. Forfeiture may be annulled

The Board may at any time before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of annul the forfeiture, on the terms that payment shall be made of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

34. Surrender

The Board may accept a surrender of any share liable to be forfeited under these Articles upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited. In such case, references in these Articles to forfeiture shall include surrender.

35. Disposal of forfeited shares

Every share which shall be forfeited shall thereupon become the property of the Company. The Company shall not exercise any voting rights in respect of such a share. Subject to the provisions of the Act, any such share may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture its holder or entitled to it or to any other person on such terms and in such manner as the Board shall determine and, in the case of re-allotment, whether with or without all or any part of the amount previously paid up on the share being treated as so paid up. The Board may, for the purposes of the disposal in the case of certificated shares, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share in the Register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee in respect of certificated shares transferred to it. An instrument of transfer

executed by that person shall be as effective as if it had been executed by the holder of or the person entitled by transmission to the share. In the case of uncertificated shares the Board may exercise any power conferred on it by Article 20.5 (Forfeiture and sale) to effect a transfer of the shares. The Company may, if the Board considers it just and equitable to do so, receive the consideration (if any) given for the share on its disposal.

36. Effect of forfeiture

A shareholder whose shares have been forfeited shall cease to be a member in respect of the shares forfeited and shall in the case of a certificated share surrender to the Company for cancellation the certificate for such shares. He shall nevertheless be liable (unless payment is waived in whole or in part by the Directors) to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest on them from the date of the forfeiture to the date of payment at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at such rate not exceeding 15 per cent per annum as the Board may determine, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) claims, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on the disposal.

37. Extinction of claims

The forfeiture of a share shall include all dividends and other payments or distributions declared in respect of the forfeited shares and not paid or distributed before forfeiture.

38. Evidence of forfeiture

A statutory declaration by a Director or the Secretary that a share has been forfeited in pursuance of these Articles and stating the date on which it was forfeited shall as against all persons claiming to be entitled to the share adversely to its forfeiture, be conclusive evidence of the facts stated in it. The declaration, together with the receipt of the Company for the consideration (if any) given for the share on its sale or disposition and a certificate for the share under the Seal delivered to the person to whom it is sold or disposed of, shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. Subject to the execution of any necessary transfer in the case of a certificated share, such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any) nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or disposal of the share. Such person shall not (except by express agreement with the Company) become entitled to any dividend which might have accrued on the share before the completion of the sale or disposition thereof.

H. Transfer of shares

39. **Form of transfer**

Each member may transfer all or any of his shares in the case of certificated shares by instrument of transfer in writing in any usual form or in any form approved by the Board or in the case of uncertificated shares without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

40. **Right to refuse registration**

40.1 ***Registration of certificated share transfer***

The Board may in its absolute discretion and without giving any reason refuse to register any transfer of a certificated share unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of a share on which the Company has no lien;
- (c) it is in respect of only one class of shares;
- (d) it is in favour of a single transferee or not more than four joint transferees;
- (e) it is duly stamped (if so required); and
- (f) it is delivered for registration to the Office, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so

provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

40.2 ***Registration of an uncertificated share transfer***

The Board shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a Participating Security held in uncertificated form in accordance with the Uncertificated Regulations, except that the Board may refuse (subject to any relevant requirements applicable to the recognised investment exchange(s) to which the shares of the Company are admitted) to register any such transfer or renunciation which is in favour of more than 4 persons jointly or in any other circumstance permitted by the Uncertificated Regulations.

40.3 ***Transfers to minors, bankrupts or mentally disordered persons***

No transfer of any share shall be made:

- (a) to a minor; or
- (b) to a bankrupt; or
- (c) to any person who is, or may be, suffering from mental disorder and either:
 - (i) has been admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or any similar statute relating to mental health (whether in the United Kingdom or elsewhere); or
 - (ii) an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs

and the Directors shall refuse to register the purported transfer of a share to any such person.

41. Notice of refusal

If the Board refuses to register a transfer of a share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.

42. Closing of register

The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine (subject to the Uncertificated Regulations in the case of any shares of a class which is a Participating Security). Notice of closure of the Register shall be given in accordance with the requirements of the Act.

43. No fees on registration

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

44. Recognition of renunciation of allotment of shares

Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

I. Transmission of shares

45. On death

If a member dies the survivors or survivor where he was a joint holder and his executors or administrators where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares.

Nothing in these Articles shall release the estate of a deceased member from any liability in respect of any share which has been solely or jointly held by him.

46. Election of person entitled by transmission

Any person entitled to a share by transmission, may, on such evidence as to his title being produced as the Board may reasonably require, elect either to become registered as a member or to have some person nominated by him registered as a member. If he elects to become registered himself he shall give written notice signed by him to the Company to that effect. If he elects to have some other person registered he shall, in the case of a certificated share, execute an instrument of transfer of such shares to that person and, in the case of an uncertificated share, either procure that all appropriate instructions are given by means of the Uncertificated System to effect the transfer of such share to such person or change the uncertificated share to certificated form and then execute an instrument of transfer of such share to such person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice, instrument of transfer or instructions (as the case may be) as if it were an instrument of transfer executed or instructions given by the member and his death, bankruptcy or other event had not occurred and any notice or transfer were executed by such member. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall, within two months after proof, cause the entitlement of that person to be noted in the Register.

47. Rights on transmission

Where a person is entitled to a share by transmission, the rights of the holder in relation to such share shall cease. However, the person so entitled may give a good discharge for any dividends and other moneys payable in respect of it and shall have the same rights to which he would be entitled if he were the holder of the share except that he shall not before he is registered as the holder of the share be entitled in respect of it to give notice of or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.

J. General meetings

48. Annual general meetings

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine.

49. Extraordinary general meetings

All general meetings other than annual general meetings, shall be called extraordinary general meetings.

50. **Convening of extraordinary general meeting**

The Board may convene an extraordinary general meeting whenever it thinks fit. At any meeting convened on such requisition (or any meeting requisitioned pursuant to section 368 of the Act) no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the United Kingdom sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

51. **Notice of general meetings**

51.1 ***Length of notice***

An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a Director or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be convened by not less than 21 clear days' notice in writing. Other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing.

51.2 ***Short notice***

Subject to the provisions of the Act, and notwithstanding that it is convened by shorter notice than that specified in this Article 51, a general meeting shall be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting by all the members entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote at the meeting being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

51.3 ***Form of notice***

Every notice convening a general meeting shall specify:

- (a) whether the meeting is an annual general meeting or an extraordinary general meeting;
- (b) the place, the day and the time of the meeting;
- (c) in the case of special business, the general nature of that business;
- (d) if the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution as such; and
- (e) with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

51.4 ***Entitlement to receive notice***

The notice shall be given to the members (other than any who under the provisions of these Articles or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the Directors and to the Auditors and if more than one for the time being, to each of them.

52. **Omission to send notice**

The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

53. **Special business**

All business that is transacted at a general meeting shall be deemed special, except the following transactions at an annual general meeting:

- (a) the declaration of dividends;
- (b) the receipt and consideration of the annual accounts and the reports of the Directors and the Auditors and other documents required to be attached or annexed to the accounts;
- (c) the election or re-election of Directors;
- (d) the fixing of the Directors fees pursuant to Article 96 (Directors' fees); and
- (e) the re-appointment of the Auditors retiring (unless they were last appointed otherwise than by the Company in general meeting) and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed.

K. **Proceedings at general meetings**

54. **Quorum**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman which shall not be treated as part of the business of the Meeting. Subject to the provisions of Article 55 (If quorum not present), two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

55. **If quorum not present**

If within 15 minutes (or such longer interval not exceeding one hour as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place

as the Chairman (or, in default, the Board) may determine, being not less than 14 nor more than 28 days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least seven clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than 14 nor more than 28 days thereafter).

56. Security and meeting place arrangements

56.1 *Searches*

The Board may direct that members or proxies wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to such general meeting to any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

56.2 *Inadequate meeting place*

If it appears to the Chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the Chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.

57. Chairman

The Chairman of the Board shall preside as Chairman at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the meeting or shall be unwilling to act as Chairman, the deputy Chairman (if any) of the Board shall if present and willing to act preside as Chairman at such meeting. If no Chairman or deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If no Director is willing to act as Chairman of the meeting or, if no Director is present within 15 minutes of the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

58. Director may attend and speak

A Director shall notwithstanding that he is not a member be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman may invite any person to attend and speak at any general meeting of the Company whom the Chairman considers to be equipped by

knowledge or experience of the Company's business to assist in the deliberations of the meeting.

59. Power to adjourn

The Chairman of the general meeting may, with the consent of a meeting at which a quorum is present, and shall if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place as he shall determine. However, without prejudice to any other power which he may have under these Articles or at common law the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

60. Notice of adjourned meeting

Where a meeting is adjourned indefinitely the Board shall fix the time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

61. Business of adjourned meeting

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

L. Voting

62. Method of voting

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

- (a) the Chairman of the meeting; or
- (b) by at least 3 members present in person or by proxy having the right to vote at the meeting; or
- (c) a member or members present in person or by proxy representing not less than one tenth of the voting rights of all the members having the right to vote at the meeting; or
- (d) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been

paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right;

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

63. Chairman's declaration conclusive on show of hands

Unless a poll is duly demanded and the demand is not withdrawn a declaration by the *Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority* shall be conclusive, and an entry to that effect in the book containing the minutes 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.

64. Objection to error in voting

No objection shall be raised to the qualification of any voter or to the counting of or failure to count any vote at a general meeting except at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that it is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

65. Amendment to resolutions

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, any error in such ruling shall not invalidate the proceedings on the substantive resolution. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment to it (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on. In the case of a resolution duly proposed as an ordinary resolution, no amendment to it (other than a mere clerical amendment to correct a manifest error) may be considered or voted upon unless notice of such proposed amendment is given to the Office at least 48 hours prior to the time appointed for holding the relevant meeting or adjourned meeting or (in the absence of any such notice) the Chairman of the meeting in his absolute discretion rules that the amendment is fit for consideration at the meeting.

66. Procedure on a poll

66.1 *Timing of poll*

Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll as demanded, as the Chairman shall direct. The Chairman may, and if so directed by the meeting shall, appoint scrutineers who need not be members and may adjourn the meeting to some place and time fixed

by him for the purpose of declaring the result of the poll. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

66.2 *Continuance of the meeting*

The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn the meeting shall continue as if the demand had not been made.

66.3 *Withdrawal of demand for a poll*

The demand for a poll may before the poll is taken, be withdrawn, but only with the consent of the Chairman. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made. If a demand is withdrawn, the persons entitled in accordance with Article 62 (Method of voting) may demand a poll.

66.4 *Voting on a poll*

On a poll votes may be given in person or by proxy or (in the case of a corporate member) by a duly authorised representative. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

67. *Votes of members*

67.1 *Number of votes*

Subject to the provisions of the Act and to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to these Articles, at any general meeting every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall on a show of hands have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each share of which he is the holder.

67.2 *Joint holders*

If two or more persons are joint holders of a share, then in voting on any question the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.

67.3 *Receivers and other persons*

Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers

with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Board may in its absolute discretion on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or curator bonis or other person authorised by a court or official, to vote in person or, on a poll, by proxy on behalf of such member at any general meeting. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

68. Casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote that he may have.

69. Restriction on voting rights for unpaid calls etc.

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares either in person or by proxy in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share in the Company have been paid to the Company.

70. Voting by proxy

Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment of it.

71. Form of proxy

The appointment of a proxy shall:

- (a) be in any common form or in such other form as the Board may approve under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of some officer or attorney duly authorised in that behalf;
- (b) be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit, but shall not confer any further right to speak at the meeting except with the permission of the Chairman;
- (c) unless the contrary is stated in it be valid as well for any adjournment of the meeting as for the meeting to which it relates; and

- (d) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of any such meetings.

72. Deposit of proxy

The appointment of a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board shall:

- (a) in the case of an instrument in writing, be deposited by personal delivery, post or facsimile transmission at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time of the holding of the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of an appointment contained in an Electronic Communication, where an address has been specified for the purpose of receiving Electronic Communications:
 - (i) in the notice convening the meeting; or
 - (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or
 - (iii) in any invitation contained in an Electronic Communication to appoint a proxy issued by the Company in relation to the meeting

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

- (c) in the case of a poll taken more than 48 hours after it is demanded be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting;

and an appointment of a proxy not deposited, delivered or received in a manner so permitted shall be invalid. The Board may at its discretion treat a faxed or other machine made copy of a written instrument or Electronic Communication appointing a proxy as such an appointment for the purpose of this article. No appointment of a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

73. More than one proxy may be appointed

A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing appointments of proxy are delivered in respect of the

same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered, none of them shall be treated as valid in respect of that share.

74. Board may supply proxy cards

The Board shall at the expense of the Company send by post or otherwise forms of appointment of proxy (reply-paid or otherwise) with the notice convening any general meeting to members entitled to vote at the meeting. Such forms of appointment of proxy shall provide for voting both for and against all resolutions to be proposed at the meeting other than the resolutions relating to the procedure of the meeting. The accidental omission to send an appointment of proxy or the non receipt of it by any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

75. Revocation of proxy

A vote given or poll demanded in accordance with the terms of an appointment of a proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the appointment of the proxy, or of the authority under which the appointment of the proxy was executed or the transfer of the share in respect of which the appointment of the proxy is given unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as has been appointed for the deposit of written appointments of proxy or, where the appointment of the proxy is contained in an Electronic Communication, at the address at which such appointment was received at least 48 hours before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.

In this Article, "address" in relation to Electronic Communications includes any number, electronic mail address or other address used for the purposes of such communications.

76. Corporate representative

- (a) A corporation (whether or not a company within the meaning of the Act) which is a member may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative (or as the case may be, representatives) at any meeting of the Company or at any separate meeting of the holders of any class of shares. Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation (in respect of that part of the corporation's holdings to which the authority relates) as the corporation could exercise if it were an individual member. The corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it and all references to attendance and voting in person shall be construed accordingly. A certified copy of such a resolution shall be deposited at the office not less than 48 hours before the time appointed for holding the meeting or first meeting at which the person so authorised is to act, or, in the case of a poll taken subsequent to the meeting or first meeting, not less than 24 hours before the time appointed for the taking of the poll, and unless such certified copy of such resolution is so

deposited the authority granted by such resolution shall not be treated as valid. Where certified copies of two or more valid but differing resolutions authorising any person or persons to act as the representative of any corporation pursuant to this Article 76 at the same meeting in relation to the same share are deposited at the office, the resolution, a certified copy of which is deposited with the Company (in accordance with this Article 76) last in time (regardless of the date of such certified copy or of the date upon which the resolution set out there was passed), shall be treated as revoking and replacing all other such authorities as regards that share but if the Company is unable to determine which of any such two or more valid but differing resolutions was the one so deposited last in time, none of them shall be treated as valid in respect of that share. The authority granted by any such resolution shall, unless the contrary is stated in the certified copy thereof deposited with the Company pursuant to this Article, be treated as valid for any adjournment of any meeting at which such authority may be used as well as at such meeting.

- (b) A corporation which is a member of the Company who holds different classes of shares may so authorise one or more different persons for each class of share held.

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

77.1 *Disenfranchisement notice*

If a member, or any other person appearing to be interested in shares held by that member, has been issued with a section 212 notice and has failed in relation to any shares ("**the default shares**") which expression shall include any further shares which are issued in respect of such shares unless a separate notice is issued in respect of such further shares) to give the Company the information thereby required within the prescribed period from the date of service of the section 212 notice, or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may at least 14 days after service of the section 212 notice serve on the holder of such default shares a notice (in this Article called a "**disenfranchisement notice**") whereupon the following sanctions shall apply:

(a) *Voting*

the member shall not with effect from the service of the disenfranchisement notice be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(b) *Dividends and transfers*

where the default shares represent at least 0.25 per cent. in nominal value of their class:

- (i) any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to

Article 143 (Payment of scrip dividends) to receive shares instead of that dividend; and

- (ii) subject in the case of uncertificated shares to the Uncertificated Regulations no transfer, other than an approved transfer, of any shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

77.2 *Withdrawal notice*

The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the shares to which the same relates a notice in writing to that effect ("**a withdrawal notice**").

77.3 *Cessation of sanctions*

Where the sanctions under Article 77.1 (Disenfranchisement notice) apply in relation to any shares they shall cease to have effect:

- (a) if the shares are transferred by means of an approved transfer;
- (b) at the end of the period of one week (or such shorter period as the Board may determine) following receipt by the Company of the information required by the notice mentioned in Article 77.1 and the Board being fully satisfied that such information is full and complete; or
- (c) on the date on which a withdrawal notice is served by the Company.

77.4 *Service of disenfranchisement notice*

Where on the basis of information obtained from a member in respect of any share held by him the Company issues a section 212 notice to any other person it shall at the same time send a copy of the notice to the member but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of Article 77.1 (Disenfranchisement notice).

77.5 *Certificated form*

The Board may:

- (a) give notice in writing to any member holding default shares in uncertificated form requiring the member to change his holding of such shares from uncertificated form into certificated form within a specified period and then to hold such default shares in certificated form for so long as the default subsists; and
- (b) appoint any person to take any steps, by instruction by means of an Uncertificated System or otherwise, in the name of any holder of default shares as may be required to change such shares from uncertificated form into

certificated form (and such steps shall be effective as if they had been taken by such holder).

77.6 **Definitions**

For the purposes of this Article 77:

- (a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is or may be so interested or if the Company (after taking account of any information obtained from the member or, pursuant to a section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) "**interested**" shall be construed as it is for the purpose of section 212 of the Act;
- (c) reference to a person having failed to give the Company the information required by a notice or being in default as regards supplying such information includes reference:
 - (i) to his having failed or refused to give all or any part of it; and
 - (ii) to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

77.7 **Section 216 powers**

Nothing contained in this Article 77 shall be taken to limit the powers of the Company under section 216 of the Act.

M. **Untraced members**

78. **Power of sale**

78.1 **Untraceable members**

The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (b) (or if published on different dates, the earlier or earliest of them) no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share at his address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person provided that during such period of 12 years at least three cash dividends (whether interim or final) in

respect of the shares in question have become payable and no such dividend during that period has been claimed by the person entitled to it;

- (b) on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements in both a national daily newspaper published in the United Kingdom and in a newspaper circulating in the area in which the last known address of such member or person appeared;
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other;
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different dates the later or latest of them) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and
- (e) the Company has given notice in accordance with the regulations of the relevant regulatory authority of its intention to make such sale and shall, if appropriate, have obtained the approval of the relevant regulatory authority to the proposed form of the said advertisement, if shares of the class concerned are admitted to a securities list and/or a recognised investment exchange.

78.2 *Perfection of transfer*

To give effect to any sale of shares pursuant to this Article 78 the Board may in the case of certificated shares authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee and in the case of uncertificated shares exercise any power conferred on it by Article 20.5 (Forfeiture and sale) to effect a transfer of the shares. The purchaser shall not be bound to see to the application of the purchase moneys in respect of any such sale nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale or transfer. Any instrument or exercise shall be effective as if it had been executed or exercised by the holder of or the person entitled by transmission to the shares to which it relates.

78.3 *Additional shares*

If during the period of 12 years referred to in Article 78.1 (Untraceable members) or during any period ending on the date when all the requirements of paragraphs (a) to (d) of Article 78.1 have been satisfied, any additional shares have been issued in respect of those held at the beginning of such period or of any previously so issued during such period and all the requirements of paragraphs (b) to (d) of Article 78.1 have been satisfied in regard to such additional shares the Company shall also be entitled to sell the additional shares.

79. *Application of proceeds of sale*

The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all moneys in respect of it to a separate account. The Company shall be deemed to be a debtor to and not a trustee for such member or other person in respect of such moneys. Moneys carried to such separate

account may either be employed in the business of the Company or invested in such investments as the Board may from time to time think fit. No interest shall be payable to such member or other person in respect of such moneys and the Company shall not be required to account for any money earned on them.

N. Appointment, retirement and removal of directors

80. Number of Directors

Unless and until otherwise determined by the Company by ordinary resolution the number of Directors (other than any alternate Directors) shall be not less than two or more than 15.

81. Power of Company to appoint Directors

Subject to the provisions of these Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board, and may also determine the rotation in which any additional Directors are to retire, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

82. Power of Board to appoint Directors

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to these Articles the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

83. Eligibility of new Directors

No person other than a Director retiring at the meeting (whether by rotation or otherwise) 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 35 clear days before the date appointed for the meeting notice duly executed by a member (other than the person to be proposed) qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment 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 is lodged at the Office.

84. Share qualification

A Director shall not be required to hold any shares of the Company.

85. Resolution for appointment

A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved unless an ordinary resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void. For the purpose of this Article, a resolution for approving a person's appointment or for nominating a person for appointment as a Director shall be treated as a resolution for his appointment.

86. No retirement on account of age

No person shall be or become incapable of being appointed or re-appointed a Director by reason of his having attained the age of 70 or any other age, nor shall any special notice be required in connection with the appointment, re-appointment or the approval of the appointment of such person. No Director shall vacate his office at any time by reason of the fact that he has attained the age of 70 or any other age, and section 293 of the Act shall not apply to the Company. Where any general meeting of the Company is convened at which, to the knowledge of the Board, a Director will be proposed for appointment or re-appointment who will at the date of the meeting be 70 or more, the Board shall give notice of his age 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.

87. Retirement by rotation

87.1 *Number of directors*

At every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation provided that if there is only one Director who is subject to retirement by rotation, he shall retire.

87.2 *Identity of directors*

Subject to the provisions of the Act, the Directors to retire by rotation shall include (so far as is necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last appointment or re-appointment, but, as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A Director who retires (whether by rotation or otherwise) shall be eligible for re-election and may, if willing to act, be re-appointed. The Directors to retire on each occasion (both as to numbers and identity) shall be determined by the composition of the Directors at the date of the notice convening the annual general meeting and no Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.

87.3 *Re-appointment*

If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy created by his retirement, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is expressly resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost or if the retiring Director has given notice in writing to the Company that he is unwilling to be re-elected or where the default in filling the vacancy is due to the moving of a resolution in contravention of Article 85 (Resolution for Appointment) or where such Director has attained any retirement age applicable to him as a Director.

87.4 *Timing of retirement*

The retirement of any Director retiring at a general meeting in accordance with this Article shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost in which case the retirement shall take effect at the time of election of his replacement or the time of the losing of that resolution as the case may be. A retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

88. **Removal by ordinary resolution**

The Company may by ordinary resolution of which special notice has been given in accordance with section 379 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, 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 purposes of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by a casual vacancy.

89. **Vacation of office by Director**

Without prejudice to any provisions for retirement contained in these Articles the office of a Director shall be vacated if:

- (a) he resigns by notice in writing delivered to the Secretary at the Office or tendered at a Board meeting in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice or he offers in writing to resign from his office and the Directors resolve to accept such offer; or
- (b) he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to these Articles or becomes prohibited by law from being a Director; or

- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the Court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- (d) an order is made by any court of competent jurisdiction (whether in the United Kingdom or elsewhere) on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his property or affairs or he is admitted to hospital in pursuance of an application for admission for treatment under any statute for the time being in force in the United Kingdom relating to mental disorder or, in any other territory, in pursuance of an application for admission under analogous legislation or regulations and the Board resolves that his office be vacated; or
- (e) he shall be absent, without the permission of the Board, from Board meetings for 6 consecutive months (whether or not an alternate director appointed by him attends) and the Board resolves that his office be vacated.

90. Resolution as to vacancy conclusive

A resolution of the Board declaring a Director to have vacated office under the terms of Article 89 (Vacation of office by Director) shall be conclusive as to the fact and grounds of vacation stated in the resolution.

O. Alternate Directors

91. Appointments

91.1 *Identity of appointee*

Each Director (other than an alternate Director) may by notice in writing under his hand delivered to the Secretary at the Office or at a meeting of the Directors or in any other manner approved by the Board appoint any other Director or any person approved for that purpose by the Board and willing to act to be his alternate and may in like manner remove from office an alternate director so appointed by him.

91.2 *Method of appointment*

No appointment of an alternate Director shall be effective until his consent to act as a Director in the form prescribed by the Act has been received at the Office.

91.3 *Nature of alternate*

An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum number of Directors allowed by these Articles.

92. Participation in Board meetings

92.1 *Right to participate*

Every alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notice of all meetings of the Board and all committees of the Board of which his

appointor is a member and, in the absence from such meetings of his appointor, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor as a Director. A Director acting as alternate Director shall have a separate vote at Board meetings for each Director for whom he acts as alternate Director, in addition to his own vote (if any), but he shall count as only one person for the purpose of determining whether a quorum is present.

92.2 *Alternate's authority*

Execution by an alternate Director of any resolution in writing of the Directors or of a committee of the Directors shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member.

93. *Alternate Director responsible for own acts*

93.1 *Responsibility for defaults*

Every person acting as an alternate Director shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

93.2 *Status of alternate*

Save as otherwise provided in these Articles, an alternate Director shall be subject in all respects to the provisions of these Articles relating to Directors and shall be deemed for all purposes to be a Director.

94. *Interests of alternate Director*

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director. However, he shall not, unless the Company by ordinary resolution otherwise determines, be entitled to receive from the Company any fees for his services as alternate except only such part (if any) of the fee payable to his appointor as such appointor may by notice in writing to the Company direct. Subject to this Article, the Company shall pay to an alternate Director such expenses as might properly have been paid to him if he had been a Director.

95. *Revocation of appointment*

An alternate Director shall cease to be an alternate Director:

- (a) if his appointor revokes his appointment; or
- (b) if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-appointed or deemed to be re-appointed at the same meeting at which he retires, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or

- (c) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

P. Directors' remuneration, expenses and pensions

96. Directors' fees

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £500,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to this Article shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day.

97. Expenses

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

98. Additional remuneration

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

99. Remuneration of executive Directors

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of these Articles may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Articles.

100. Pensions and other benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for or to institute and maintain any institution, association, society, club, trust, other establishment or profit sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit any person who is or has at any

time been a Director of the Company or any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary or any predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with, any of the aforesaid matters or bodies. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not be obliged to account for it to the Company.

Q. Powers and duties of the Board

101. Powers of the Board

Subject to the provisions of the Act, the memorandum of association of the Company and these Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association, or of these Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article.

102. Powers of Directors being less than minimum number

If the number of Directors is less than the minimum for the time being prescribed by these Articles the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional Director so appointed shall hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

103. Powers of executive Directors

The Board may from time to time:

- (a) delegate or entrust to and confer on any Director holding executive office (including a Managing Director) such of its powers, authorities and discretions (with power to sub- delegate) for such time on such terms and subject to such conditions as it thinks fit; and
- (b) revoke, withdraw, alter or vary all or any of such powers.

104. Delegation to committees

104.1 *Constituting committees*

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons provided that:

- (a) a majority of the members of a committee shall be Directors; and
- (b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

Any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the Committee).

104.2 *Powers of committee*

The Board may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee. Subject to any terms and conditions expressly imposed by the Board, the proceedings of a committee with 2 or more members shall be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying.

105. Local management

The Board may establish any local group or divisional boards or agencies for managing any of the affairs of the Company in any specified locality either in the United Kingdom or elsewhere and may appoint any persons to be members of such local or divisional board or any managers or agents, may fix their remuneration and remove any person so appointed. The Board may delegate to any local group or divisional board manager or agent so appointed any of its powers, authorities and discretions other than the power to borrow and make calls (with power to sub-delegate) and may authorise the members for the time being of any such local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies, and any such appointment or delegation may be made for such time on such terms and subject to such conditions as the Board may think fit. The Board may confer such powers either collectively with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary all or any of such powers. Subject to any terms and conditions expressly imposed by the Board, the proceedings of any local group or divisional board or agency with two or more members shall be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying.

106. Power of attorney

The Board may by power of attorney or otherwise appoint any company, firm, person or persons (including registrars) to be the agent or attorney of the Company and may delegate to any such agent or attorney or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, any of its powers, authorities and discretions (with power to sub-delegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers. Any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Board may think fit and may also authorise any such agent or attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

107. Associate Directors

The Board may appoint any person (not being a Director) to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such designation or title and may define, limit, vary or restrict the powers, authorities and discretions of persons so appointed and may terminate any such appointment subject to any contract between him and the Company or the use of such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that such person is or is deemed to be or is empowered in any respect to act as a Director or a member of any committee of the Board of Directors for any of the purposes of the Act or these Articles.

108. Exercise of voting power

The Board may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised by the Company in such manner in all respects as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of any Director as a director or other officer or employee of such company or in favour of the payment of remuneration to the directors, officers or employees of such company).

109. Provision for employees

The Board may exercise any power conferred on the Company by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

110. Overseas registers

Subject to the provisions of the Act and the Uncertificated Regulations, the Board may exercise the powers conferred on the Company with regard to the keeping of an overseas branch register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

111. **Borrowing powers**

111.1 *Director's powers*

Subject as hereinafter provided and to the provisions of the Act, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as a collateral security for any debt, liability or obligation of the Company or of any third party.

111.2 The Directors shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group, and for the time being owing to persons outside the Group, shall not at any time, without the previous sanction of an Ordinary Resolution of the Company, exceed an amount equal to two and one half times the Adjusted Capital and Reserves.

111.3 In this Article the expression "Adjusted Capital and Reserves" means at any material time a sum equal to the aggregate of:

- (a) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and
- (b) the amount standing to the credit of the capital and revenue reserves of the Group (including without limitation any share premium account or capital redemption reserve fund) after adding thereto or deducting therefrom any balance outstanding to the credit or debit of the profit and loss account of the Group;

all based on a consolidation of the then latest audited balance sheet of the Group, but after excluding reserves and any balance on profit and loss account of companies other than members of the Group and after:

- (i) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such capital and revenue reserves subsequent to the relevant balance sheet; and so that for the purpose of making such adjustments, if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (ii) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary (as the case

may be) to the extent that such distribution is not provided for in such balance sheet;

- (iii) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the company;
- (iv) making such adjustments, if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, as would be appropriate if such transaction had been carried into effect;
- (v) excluding minority interests in subsidiaries;

The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned, and for the purposes of their computation, the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless, for the purposes of this Article, the Directors may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence, the limit hereinbefore contained is inadvertently exceeded, an amount of borrowed moneys equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Auditors or otherwise the Directors become aware that such a situation has or may have arisen.

Save as otherwise provided in this Article, the latest audited balance sheet adopted as the main or principal balance sheet of the Company or any of its subsidiaries whether prepared on an historical cost basis or a current cost accounting basis or on any other generally accepted accounting principles shall be definitive for the purpose of establishing the Adjusted Capital and Reserves.

111.4 For the purpose of the foregoing limit, the following provisions shall apply:

- (a) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):
 - (i) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
 - (ii) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
 - (iii) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;

- (iv) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which are borrowed moneys, the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or partly secured by any member of the Group;
 - (v) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;
 - (b) moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
 - (c) any amounts borrowed by any member of the Group for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed moneys;
 - (d) moneys borrowed by a partly owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion; and moneys borrowed and owing to a partly owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid, "minority proportion" shall mean the proportion of the issued equity share capital of such partly owned subsidiary which is not attributable to the Company;
 - (e) borrowed moneys of any member of the Group expressed in, or calculated by reference to, a currency other than sterling shall be translated into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group, or, if the relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve.
- 111.5 No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said 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 said limit has been or would thereby be exceeded.

R. Proceedings of Directors and Committees

112. Board meetings

Subject to the provisions of these Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

113. **Notice of Board meetings**

One Director may and the Secretary at the request of a Director shall summon a Board meeting at any time. Notice of a Board meeting shall be deemed to be properly given to a Director if is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director may waive the requirement that notice be given to him of any Board meeting either prospectively or retrospectively. It shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has requested the Board in writing that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom notified to the Company for this purpose or by telephone at any address outside the United Kingdom where he has notified the Company of the relevant telephone number for such purpose but he shall not in such event be entitled to a longer period of notice than if he had been present in the United Kingdom.

114. **Quorum**

The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be two persons, each being a Director or an alternate Director. A person who holds office only as an alternate Director shall only be counted in the quorum if his appointor is not present. A Director or other person who is present at a meeting of the Board in more than one capacity (that is to say as both Director and an alternate Director or as an alternate for more than one Director) shall not be counted as two or more for these purposes unless at least one other Director or alternate Director is also present. A duly convened meeting of the Board 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 Board. Any Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting of the Directors if no Director objects and if otherwise a quorum of Directors would not be present.

115. **Chairman of Board and other offices**

115.1 ***Appointment of Chairman***

The Board shall appoint any Chairman, joint Chairman or Deputy Chairman of the Board and shall determine the period for which he is or they are to hold office and may at any time remove him or them from office. If no such Chairman or Deputy Chairman is elected or if at any meeting neither a Chairman nor a Deputy Chairman is present within five minutes of the time appointed for holding it, the Directors present shall choose one of their number to be Chairman of such meeting. In the event of two or more Joint Chairmen or in the absence of a Chairman, two or more Deputy Chairmen being present, the Joint Chairman or Deputy Chairman to act as Chairman of the meeting shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive office under the Company.

115.2 ***Chief Executive***

Subject to the provisions of the Act, the Directors may appoint one or more of their number to any office or employment under the Company (including, but without limitation, that of Chief Executive, Managing Director or Joint Managing Director but

not including that of auditor), and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director 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. Any such appointment, agreement or arrangement may be made for such period and upon such terms as the Directors determine.

115.3 *Delegation of powers*

Without prejudice to the generality of the foregoing the Board may entrust to and confer upon any Director holding any such office or employment any of the powers exercisable by the Board with power to sub-delegate upon such terms and conditions and with such restrictions as the Board thinks fit and either collaterally with or to the exclusion of the Board's own powers, authorities and discretions, and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

115.4 *Removal from position*

The Directors may also (without prejudice to any claim for damages for breach of any agreement between the Director and the Company) remove a Director from any such office and appoint another in his place.

115.5 *Cessation of position on ceasing to be a director*

A Director appointed to the office of Chairman, Deputy Chairman, Managing Director, Chief Executive or any other executive office shall automatically and immediately cease to hold that office if he ceases 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, Chief Executive of the Company or to hold any other such executive office, as the case may be.

116. *Voting*

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall have a second or casting vote. A Director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote and an alternate director who is appointed by two or more Directors shall be entitled to a separate vote on behalf of each of his appointors, in their absence.

117. *Participation by telephone and electronic mail*

Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone, conference video, electronic mail or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting or are able to receive communications from each of the other Directors participating in the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no group which is larger than any

other group where the Chairman of the meeting then is. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that two or fewer than two Directors or alternate Directors are physically present at the same place.

118. Resolution in writing

A resolution in writing executed by all the Directors for the time being entitled to receive notice of a Board meeting and not being less than a quorum or by all the members of a committee of the Board for the time entitled to receive notice of such committee meeting and not being less than a quorum of that committee shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee as the case may be). Such a resolution:

- (a) may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including executions evidenced by means of facsimile transmission;
- (b) need not be signed by an alternate Director if it is signed by the Director who appointed him; and
- (c) if signed by an alternate Director need not also be signed by his appointor.

For such a resolution to be effective it shall not be necessary for it to be signed by a Director who is prohibited by these Articles from voting thereon or by his alternate.

119. Minutes of proceedings

119.1 Contents of minutes

The Board shall cause minutes to be made in books kept for the purpose of recording all orders, resolutions and proceedings of every meeting of the Board, of a committee of the Board, of the Company or of the holders of any class of shares or debentures of the Company including:

- (a) all appointments of officers and committees made by the Board and of any such officer's salary or remuneration; and
- (b) the names of Directors present at every such meeting.

119.2 Evidence of proceedings

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

120. Validity of proceedings

All acts done by a meeting of the Board or of any committee of the local board or agency or by any person acting as a Director, alternate Director or member of a committee, local board or agency shall, as regards all persons dealing in good faith with the Company notwithstanding that it is afterwards discovered that there was some

defect in the appointment of any person or persons acting as aforesaid or that they or any of them were or was disqualified from holding office or not entitled to vote or had in any way vacated their or his office or that the delegation to such committee, local board or agency had been annulled, varied or revoked, be as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a Director alternate Director or member and had been entitled to vote or as if the delegation had continued in full force and effect.

S. Directors' interests

121. Director may have interests

Subject to the provisions of the Act and provided that Article 122 (Disclosure of interests to Board) is complied with, a Director, notwithstanding his office:

- (a) may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;
- (b) may hold any other office or place of profit under the Company (except that of Auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by itself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the remuneration committee may arrange either in addition to or in lieu of any remuneration provided for by any other Article;
- (c) may be a member of or a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (d) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate; and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

122. Disclosure of interests to Board

122.1 Notification of interest

A Director who to his knowledge is in any way (directly or indirectly) interested in any contract arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

122.2 *Adequacy of notice*

For the purposes of this Article:

- (a) a general notice given to the Board by a Director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified firm, company, person or class of persons is interested shall be deemed to be a sufficient disclosure under this Article in relation to such contract, transaction, arrangement or proposal of the nature and extent thereof as so specified provided that no such notice shall be effective unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

123. **Interested Director not to vote or count for quorum**

Save as provided in this Article, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he has (directly or indirectly) an interest which is material (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through the Company) or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the matters set out in the following subparagraphs in which case he shall be entitled to vote and be counted in the quorum:

- (a) the giving to him of any guarantee, security or indemnity 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 subsidiary undertakings;
- (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (d) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the Act) representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company;
- (e) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

- (f) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

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

124. Director's interest in own appointment

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

125. Chairman's ruling conclusive on Director's interest

If any question arises at any meeting of the Board or any committee of the Board as to the materiality of a Director's interest (other than the Chairman's interest) or as to the entitlement of any Director (other than the Chairman) to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum such question (unless the Director concerned is the Chairman in which case Article 126 (Director's resolution conclusive on Chairman's interest) shall apply) shall before the conclusion of the meeting be referred to the Chairman of the meeting. The Chairman's ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of such interests in the accounts of the company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned).

126. Directors' resolution conclusive on Chairman's interest

If any question arises at any meeting of the Board or any committee of the Board as to the materiality of the Chairman's interest or as to the entitlement of the Chairman to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall before the conclusion of the meeting be decided by resolution of the Directors or committee members present at the meeting (excluding the Chairman) whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the Director has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of such interests in the accounts of the

company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned).

127. Exercise by Company of voting powers

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

T. The Seal

128. Application of Seal

128.1 *Use of seal*

The Seal shall be used only by the authority of a resolution of the Board or of a committee of the Board so authorised. The Board may determine whether any instrument to which the Seal is affixed shall be signed and if it is to be signed who shall sign it. Unless otherwise so determined:

- (a) share certificates and, subject to the provisions of any instrument constituting them, certificates issued under the Seal in respect of any debentures or other securities but excluding letters of allotment or scrip certificates shall be executed by the Board but the Board may by resolution determine that any signatures may be affixed to or printed (including by means of a facsimile of the signature of any person to be applied by any mechanical or electronic means in place of that person's actual signature) on any such certificate by any means approved by the Board or that such certificates need not bear any signature; and
- (b) every other instrument to which the Seal is affixed shall be signed by a Director and the Secretary or by two Directors or by any other person appointed by the Board for the purpose.

128.2 *Certificates and share warrants*

Every certificate or share warrant shall be issued under the Seal or in such other manner as the Board having regard to the terms of issue, the Act and the regulations applicable to the securities list(s) and recognised investment exchange(s) to which the shares of the Company are admitted. All references in these Articles to the Seal shall be construed accordingly.

129. Official seal for use abroad

Subject to the provisions of the Act, the Company may have an official seal for use in any place abroad and the Company may by an instrument executed by the Company appoint any agent or committee abroad to be the duly authorised agent or committee of the Company for the purpose of affixing and using such official seal or any seal kept by the Company by virtue of section 40 of the Act, and may impose such restrictions on the use thereon as it may think fit.

U. Secretary

130. The Secretary

130.1 *Board's power of appointment*

Subject to the provisions of the Act, the Board shall appoint a Secretary or joint secretaries and shall have power to appoint one or more persons to be an assistant or deputy secretary at such remuneration and on such terms and conditions as it thinks fit and any Secretary so appointed may be removed by them but without prejudice to any claim for damages for breach of any contract of services between him and the Company.

130.2 *Limitations on person who may be appointed a secretary*

No person shall be appointed to hold office as Secretary who is:

- (a) the sole Director of the Company; or
- (b) a corporation the sole director of which is the sole Director of the Company; or
- (c) the sole director of a corporation which is the sole Director of the Company

130.3 *Limitations where a director is also a secretary*

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

V. Dividends and other payments

131. Declaration of dividends

Subject to the provisions of the Act and of these Articles, the Company may by ordinary resolution declare that out of profits available for distribution dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

132. Interim dividends

Subject to the provisions of the Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution and the position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration or by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

133. Entitlement to dividends

133.1 *Accrual of dividends*

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

133.2 *Payment of dividends*

All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

133.3 *Shares passing by transmission*

The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

134. Calls or debts may be deducted from dividends

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

135. Distribution in specie

The Company in general meeting may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution the Board may settle it as it thinks fit. In particular, the Board may:

- (a) issue fractional certificates or authorise any person to sell and transfer any fractions or disregard fractions altogether;
- (b) fix the value for distribution of such assets or any part of them and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and
- (c) vest any such assets in trustees on trust for the persons entitled to the dividend.

136. Dividends not to bear interest

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

137. Method of payment

137.1 *General provisions*

The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by direct debit, bank transfer, cheque, dividend warrant or money order (or in respect of any uncertificated share through the Uncertificated System) and may send it by post or other delivery service to the registered address of the member or person entitled to it (or if two or more persons are holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the member or otherwise by operation of law to the registered address of such of those persons as is first named in the Register) or to such person and such address as such member or person or persons may direct in writing. Every cheque, warrant or order is sent at the risk of the person entitled to the money represented by it and shall be made payable to the order of the person or persons entitled or, where an authority in that behalf shall have been received by the Company in such form as the Company shall consider sufficient, to such other person as the person or persons entitled may direct in writing. Payment of the cheque, warrant or order to the person entitled or the person specified in such authority shall be a good discharge to the Company. If any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed the Board may at the request of the person entitled to it issue a replacement cheque, warrant or order, subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit. Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other moneys payable in respect of such share. Any such dividend, interest or other sum may also be paid by any other method as the Board considers appropriate. If the payment is made on behalf of the Company through the Uncertificated System the Company shall not be responsible for any default in accounting for such payment to the member or other person entitled to such payment by a bank or other financial intermediary of which the member or other person is a customer for settlement purposes in connection with the Uncertificated System.

137.2 *Payment in currencies other than sterling*

The Board may, at its discretion, make provisions to enable such member as the Board shall from time to time determine to receive dividends duly declared in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such market rate selected by the Board as it shall consider appropriate at the close of business in London on the date which is the business day last preceding:

- (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Board publicly announces its intention to recommend that specific dividend; and

- (b) in the case of any other dividend, the date on which the Board publicly announces its intention to pay that specific dividend, provided that where the Board considers the circumstances to be appropriate it shall determine such foreign currency equivalent by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Board may select.

137.3 *Payments through the uncertificated system*

The Board may:

- (a) lay down procedures for making any payments in respect of uncertificated shares through the Uncertificated System;
- (b) allow any holder of uncertificated shares to elect to receive or not to receive any such payment through the Uncertificated System; and
- (c) lay down procedures to enable any such holder to make, vary or revoke any such election;

The Company may make, or procure the making of, any payment in respect of a member's uncertificated shares through the Uncertificated System in accordance with any authority given to the Company to do so (whether in writing, through the Uncertificated System or otherwise) by or on behalf of the member in a form satisfactory to the Board. The making of such payment in accordance with such authority shall be a good discharge to the Company.

138. **Uncashed dividends**

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

139. **Unclaimed dividends**

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

140. **Waiver of dividends**

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or otherwise by operation of law) and

delivered to the Company and only if or to the extent that the same is accepted as such or acted upon by the Company.

141. Reserves

The Board may, before recommending any dividend (whether preferential or otherwise) carry to reserves out of the profits of the Company such sums as it thinks fit. All sums standing to reserves may be applied from time to time, at the discretion of the Board, for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested in such investments as the Board thinks fit and so that it shall not be necessary to keep any investment constituting the reserve separate or distinct from any other investment of the Company. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund any special fund or any part of any special fund into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profit of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profit which it may think prudent not to distribute.

142. Capitalisation of reserves

The Board may with the authority of an ordinary resolution of the Company:

- (a) subject as provided in this Article, resolve to capitalise any profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of share premium account or capital redemption reserve or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised on the date specified in the resolution to the holders of Ordinary Shares in proportion to the nominal amount of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amount, if any, for the time being unpaid on any share held by them respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those holders of Ordinary Shares or as they may direct in those proportions or partly in one way and partly in the other provided that:
 - (i) the share premium account, the capital redemption reserve, any other undistributable reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to holders of Ordinary Shares credited as fully paid; and
 - (ii) in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the

Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment of it;

- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;
 - (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit of it to the Company rather than to the holders of Ordinary Shares concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
 - (e) authorise any person to enter on behalf of all the holders of Ordinary Shares concerned into an agreement with the Company providing for either:
 - (i) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation; or
 - (ii) the payment up by the Company on behalf of such holders by the application to it of their respective proportions of the reserves or profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares
- (any agreement made under such authority being effective and binding on all such holders); and
- (f) generally do all acts and things required to give effect to such resolution.

143. **Record dates**

Notwithstanding any other provision of these Articles but subject always to the Act and without prejudice to the rights attached to any shares, the Company or the Board may fix any date ("**the record date**") as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular. Such record date may be on or at any time within 6 months before any date on which such dividend, distribution, interest, allotment, issue, notice, information, document or circular is declared, paid or made but without prejudice to the rights inter se in respect of the same of transfers and transferees of any such shares or other securities. In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

W. **Accounts**

144. Accounting records

The Board shall cause accounting records to be kept in accordance with the Act and shall keep such other books and registers as are necessary to comply with the Act.

145. Inspection of records

The accounting records shall be kept at the registered office or (subject to the Act) at such other place in United Kingdom as the Board thinks fit. No member (other than a Director) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by statute, by order of the Court, by the Board or by ordinary resolution of the Company. Such records shall always be open for inspection by officers of the Company.

146. Accounts to be sent to members

Except as provided in Article 147 (Summary financial statements), a printed copy of the Directors' and Auditors reports accompanied by printed copies of the annual accounts (including every document required by law to be comprised in them or annexed or attached to them) shall not less than 21 clear days before the meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company and to the Auditors and to every other person who is entitled to receive notice of general meetings. However, this Article shall not require a copy of those documents to be sent to any person who under the provisions of these Articles is not entitled to receive notices from the Company or of whose address the Company is unaware or to any holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. Any member to whom such documents are sent shall be entitled to receive a further copy, free of charge, on application at the office. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of each of those documents as the regulations of that stock exchange may require.

147. Summary financial statements

The Company may, in accordance with section 251 of the Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in Article 146 (Accounts to be sent to members). Where it does so, the statement shall be delivered or sent by post to the member not less than 21 clear days before the meeting before which those documents are to be laid.

X. Destruction and authentication of documents

148. Destruction of documents

148.1 Documents which may be destroyed

The Company may destroy:

- (a) any instrument of transfer after six years from the date on which it is registered;

- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address after two years from the date on which it is recorded;
- (c) any registered certificate for debentures or representing any other form of securities after one year from the date on which it is cancelled;
- (d) any other document on the basis of which any entry in the Register is made after six years from the date on which an entry was first made in the Register in respect of it;
- (e) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof; and
- (f) all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded.

Provided that the Company may destroy any such type of document after such shorter period as the Board may determine if a copy of such document is retained on microfilm or other similar means which shall not be destroyed before the expiration of the relevant period and provided that adequate precautions against falsification and to share reproduction are taken.

148.2 *Presumption in respect of destroyed documents*

It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was a valid and effective certificate duly cancelled, that every other document so destroyed had been properly dealt with in accordance with its terms and was valid and effective in accordance with the particulars in the records of the Company, provided that:

- (a) this Article 148 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this Article 148 shall be construed as imposing on the Company any liability in respect of the destruction of any such document or otherwise than as provided for in this Article 148 which would not attach to the Company in the absence of this Article 148; and
- (c) references in this Article 148 to the destruction of any document include references to the disposal of it in any manner.

149. *Authentication of documents*

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any

committee and any books, records, documents and accounts relating to the business of the Company and to certify copies of them or extracts from them as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody of them shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in reliance on them that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

Y. Notices

150. Notice 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 convening a Board meeting need not be in writing) or shall be given using Electronic Communication to an address for the time being notified for that purpose to the person giving the notice. Nothing in Articles 152 to 158 (Notices) shall affect any requirements of the Act that any particular offer, notice or other document be served in any particular manner.

In this Part Y of these Articles, "address" in relation to Electronic Communications includes any number, electronic mail address or other address used for the purposes of such communications

151. Service of notice on members

151.1 *Method of service*

The Company may give any notice or document (including a share certificate) to a member, either personally or by sending it by post or other delivery service in a first-class prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of a member registered on an overseas branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained. The Company may give any notice or document to any member by using Electronic Communication to an address for the time being notified to the Company by the member.

151.2 *Joint holders*

In the case of joint holders of a share all notices or documents shall be given to the joint holder whose name stands first in the Register in respect of the joint holding. Notice so given shall be sufficient notice to all the joint holders.

151.3 *Members outside the UK*

Where a member (or in the case of joint holders the person first named in the Register) has a registered address outside the United Kingdom but has notified the Company of an address within the United Kingdom at which notices or other documents may be given to him or an address to which notices may be sent using Electronic Communication, he shall be entitled to have notices given to him at that address, but

otherwise no such member shall be entitled to receive any notice or document from the Company.

151.4 Undelivered notices

If on 3 consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices.

151.5 Record date

Any notice to be given to a member may be given by reference to the register as it stands at any time within the period of 15 days before the notice is given (subject to the Uncertificated Regulations if the Company is then a participating issuer for the purposes of the Uncertificated Regulations) and no change in the Register after that time shall invalidate the giving of the notice.

152. Notice in case of death, bankruptcy or mental disorder

The Company may, on receipt of such evidence as the Board may reasonably require to show title to that share, give notice to the person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or otherwise by operation of law, by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description at the address (if any) within the United Kingdom supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied a notice may be given in any manner in which it might have been given if the death, bankruptcy, operation of law or other event had not occurred. Such service of notice shall for all purposes be deemed a sufficient service of such notice on all persons interested in the share.

153. Evidence of service

153.1 Present at meeting

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

153.2 Deemed service

Any notice, certificate or other document, addressed to a member at his registered address or address for service in the United Kingdom shall, if sent by post, be deemed to have been given at the expiration of 24 hours after the envelope was posted and, if sent by Electronic Communication, be deemed to have been given at the expiration of 24 hours after the Electronic Communication was sent. In proving such service or delivery it shall be sufficient to prove that the envelope containing the notice or document was properly addressed and put into the post as a prepaid letter or, in the

case of a notice sent by Electronic Communication, to prove that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries or Administrators. Any notice, certificate or other document not sent by post but delivered or left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day on which it was so delivered or left.

154. Notice binding on transferees

Every person who, by operation of law, transfers or by any other means becomes entitled to a share shall be bound by any notice in respect of that share (other than a notice given by the Company under section 212 of the Act) which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

155. Notice by advertisement

Any notice to be given by the Company to the members or any of them and not otherwise provided for by these Articles shall be sufficiently given if given by advertisement in at least one leading daily national newspaper published in the United Kingdom and, where the Company keeps an overseas branch register, in at least one leading daily newspaper published in the territory in which such register is maintained. Any notice given by advertisement shall be deemed to have been served at noon on the day on which the advertisement first appears.

156. Suspension of postal services

If at any time by reason of the threat of or of the suspension, interruption or curtailment of postal services within the United Kingdom, the Company is or would be unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least two leading daily national newspapers (at least one of which shall be published in London) and, where the Company keeps an overseas branch register, in at least one leading daily newspaper published in the territory in which such register is maintained. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the first of such advertisements appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

Z. Winding up

157. Division of assets

157.1 *Power to present a petition*

The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

157.2 *Distribution of assets*

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at

the commencement of the winding-up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article 157.2 is subject to the rights attached to any shares which may be issued on special terms or conditions (including those set out in Articles 5.5.

157.3 *Distribution in specie*

If the Company is wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 111 of the Insolvency Act 1986. The liquidator may with the like sanction vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

158. *Transfer or sale under section 111 of the Insolvency Act 1986*

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section 111 of the Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

AA. *Indemnity*

159. *Right to indemnity*

Subject to the provisions of the Act but without prejudice to any indemnity to which he may be otherwise entitled, every Director, alternate Director, Secretary or other officer of the Company (other than an Auditor) shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation to them including (without prejudice to the generality of the foregoing) any liability incurred defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer, auditor, or employee of the Company and in which judgement is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by any court of competent jurisdiction from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

160. **Power to insure**

Subject to the provisions of the Act, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer or employee of the Company or of any other company which is a subsidiary, subsidiary undertaking or holding company of the Company or in which the Company has an interest whether direct or indirect or which otherwise is in any way allied to or associated with the Company or of any subsidiary undertaking or holding company of the Company or of any such company or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer, employee or trustee.