

Company No. 2524595

THE COMPANIES ACT 1985

.....

PRIVATE COMPANY LIMITED BY SHARES

.....

ARTICLES OF ASSOCIATION

of

**BRITISH MEDITERRANEAN AIRWAYS LIMITED**

(as adopted by Special Resolution passed on 6 February 1997 and amended by Special Resolution passed on 2 February 2007)



## PRELIMINARY

### 1. Table "A" not to apply

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

### 2. Interpretation

- 2.1 In these Articles, unless the context otherwise requires, the following expressions have the following meanings:

**"Act"** means, subject to Article 2.3, the Companies Act 1985 and, where the context requires, every other statute from time to time in force concerning companies and affecting the Company;

**"these Articles"** means these Articles of Association as altered or varied from time to time (and **"Article"** means one of these Articles);

**"Auditors"** means the auditors for the time being of the Company;

**"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;

**"Business Day"** means any day (other than Saturday or Sunday) on which commercial banks are open for business in London;

**"Chairman"** means the chairman (if any) of the Board or, where the context requires, the

	chairman of a general meeting of the Company;
<b>"clear days"</b>	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;
<b>"Company"</b>	means British Mediterranean Airways Limited;
<b>"control"</b>	shall have the meaning given to it in Section 840 of the Income and Corporation Taxes Act 1988;
<b>"Defaulting Person"</b>	shall have the meaning given in Article 12.1;
<b>"deferred share"</b>	means a share of 80 pence in the capital of the Company having the rights set out in Article 4;
<b>"Director"</b>	means a director for the time being of the Company;
<b>"distributable profits"</b>	has the meaning ascribed to it in Section 181 of the Act;
<b>"dividend"</b>	means a distribution or a bonus;
<b>"execution"</b>	means any mode of execution (and <b>"executed"</b> shall be construed accordingly);
<b>"holder"</b>	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;
<b>"member"</b>	means a shareholder of the Company except where otherwise specified;
<b>"New Securities"</b>	means shares of any class for the time being unissued and any other right to subscribe or to convert any securities into shares or right to subscribe for any of the foregoing;
<b>"Office"</b>	means the registered office for the time being of the Company;
<b>"ordinary share"</b>	means an ordinary share of 20 pence in the capital of the Company having the rights set out in Article 4;
<b>"paid up"</b>	means paid up or credited as paid up;
<b>"parent undertaking"</b>	shall have the meaning given to it in Section 258 of the Act;
<b>"preferred ordinary share"</b>	means a preferred ordinary share of 20 pence in the capital of the Company having the rights set out in Article 4;
<b>"Related Persons"</b>	means in relation to any person (or deceased person) any one or more of his wife or her husband, his widow or her widower, his or her father or mother, any child or remoter issue;
<b>"Register"</b>	means the register of members of the Company to be kept pursuant to section 352 of the Act;

<b>"Representative"</b>	means any person appointed by the holders of the ordinary shares to act on their behalf;
<b>"Seal"</b>	means the common seal of the Company or any official seal kept by the Company by virtue of section 40 of the Act;
<b>"Secretary"</b>	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;
<b>"share"</b>	means a share of the Company;
<b>"Subsidiary"</b>	shall be construed in accordance with Sections 736 and 736A of the Act and shall include subsidiary undertakings as defined in section 258 of the Act;
<b>"third party"</b>	shall include an individual, a corporate body or a partnership.

2.2 Unless the context otherwise requires:

- (a) words in the singular include the plural, and vice versa;
- (b) words in the masculine gender include the feminine gender;
- (c) a reference to a person includes a body corporate and an unincorporated body of persons.

2.3 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 Except as set out above, and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act.

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

3. **Registered Office**

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

## **SHARE CAPITAL**

4. **Authorised share capital**

4.1 The authorised share capital of the Company at the date of the adoption of these Articles is £18,962,550 divided into 63,112,350 ordinary shares of 20 pence each and 7,925,100 deferred shares of 80 pence each having the rights and obligations set out in these Articles.

4.2 The ordinary shares shall have the following rights and be subject to the following restrictions:-

4.2.1 **As regards income:**

The profits which the Company may resolve to distribute shall be distributed amongst the holders of the ordinary shares at the end of the last financial year of the Company prior to the distribution in proportion to the number of such shares held by them (but in the case of any ordinary share not paid up in full at such date the distribution will be reduced by the percentage representing the unpaid part of the issue price of such shares held by them).

4.2.2 As regards capital

On a return of assets on liquidation or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the members in proportion to the number of ordinary shares held by them (but in the case of any ordinary share not paid up in full at such date the distribution will be reduced by the percentage representing the unpaid part of the issue price of such shares held by them).

4.2.3 As regards Voting

The voting rights of members holding ordinary shares shall be as set out in Article 68.

4.3 The deferred shares shall have the following rights and be subject to the following restrictions:-

4.3.1 As regards income:

The holders of the deferred shares shall not be entitled to any participation in the profits of the Company.

4.3.2 As regards capital

The holders of the deferred shares shall on a liquidation or other return of capital except on conversion or redemption or purchase by the Company of any of its shares only be entitled to participate in the assets of the Company after the holders of every other class of shares shall have received the sum of £1 million in respect of each share (other than a deferred share) held by them, and then only to the extent of 80 pence per share.

4.3.3 As regards voting

The deferred shares shall not entitle their holders to receive notice of, attend or vote at any general meeting of the Company.

4.4 Subject to Article 5.3, the preferred ordinary shares shall rank pari passu with the ordinary shares of the Company save that:

4.4.1 **As regards income:**

On any distribution of profits by the Company the holder of a preferred ordinary share shall obtain a share of the distribution equal to one thousand times the share that would be obtained by the holder of an ordinary share.

4.4.2 **As regards capital:**

On a return of assets on liquidation the holder of a preferred ordinary share shall be entitled to one thousand times the distribution applicable to the holder of an ordinary share.

4.4.3 **As regards Voting:**

Each preferred ordinary share will entitle the holder to exercise one thousand times the number of votes that the same number of ordinary shares would entitle that person to exercise.

4.5.1 Subject to the provisions of the Act and Article 4.5.2, the Company shall have the power and authority at any time to purchase all or any of the deferred shares for an aggregate consideration of £1.

4.5.2 Prior to the Company exercising the power and authority provided in Article 4.5.1, it shall give to the holders of shares 21 days prior written notice of any proposed purchase of all or any of the deferred shares.

5. **Allotment**

5.1 The Directors shall not exercise any power of the Company to allot relevant securities (as defined in Section 80 of the Act) unless they are authorised to do so by an ordinary resolution of the members.

5.2 In accordance with section 91 of the Act Sections 89(1) and 90(1) to (6) of the Act are excluded from applying to the Company.



- 5.3 Any New Securities shall be offered to all holders of ordinary shares and preferred ordinary shares pro rata to their respective voting rights under the Articles, such that the holder of a preferred ordinary share shall be offered 1,000 New Securities for each New Security offered to the holder of an ordinary share. Such offer shall be made by written notice specifying the number of New Securities offered, the price per New Security, a period (not being less than 14 days nor more than 60 days) within which the offer shall be accepted and payment for the New Securities made to the Company and shall invite each shareholder to notify the Directors of the maximum number of New Securities for which it would wish to subscribe. If the offer is not accepted and the payment made within that time the offer will lapse and determine.
- 5.4 After the expiration of that period, or on the receipt of an intimation in writing from the offeree that he declines to accept the New Securities so offered, the Directors shall in accordance with the provisions of these Articles offer any New Securities not taken up to those shareholders which have accepted the offer under Article 5.3 and in the case of competition for such New Securities the Directors shall allocate them pro rata as nearly as possible to the number of ordinary shares registered in the name of the applicants but subject to any maximum which may have been notified by any shareholder. If any such New Securities are not so taken up the Directors may allot, grant options over or otherwise dispose of them to such persons or companies, on such terms and in such manner as they think most beneficial to the Company.
- 5.5 The rights attached to any existing shares shall not (unless otherwise expressly provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* with or behind those existing shares.
- 5.6 The Company shall not register the issue of any share capital, unless such issue has been made in accordance with this Article 5.

6. **Redeemable shares**

Subject to the provisions of the Act and these Articles, any share may be issued which is, or at the option of the Company or of the holder of that share is liable to be redeemed.

7. **Power to attach rights**

Subject to the provisions of the Act and these Articles, 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 dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine.

8. **Commission and brokerage**

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

### **SHARE CERTIFICATES**

9. **Right to certificates**

- 9.1 On becoming the holder of any share in accordance with these Articles, every person shall be entitled, without charge, to have issued within two months after allotment or lodgment of a transfer (unless the terms of issue of the shares provide otherwise) one certificate for all the shares of each class registered in his name. 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 as the Board may approve.
- 9.2 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.
- 9.3 The Company shall not be bound to issue more than one certificate in respect of 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.

- 9.4 Where a member has transferred part only of the shares comprised in a certificate in accordance with these Articles, he shall be entitled without charge to a certificate for the balance of such shares.
- 9.5 No certificate shall be issued representing shares of more than one class.
10. **Replacement certificates**
- 10.1 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge on surrender of the original certificates for cancellation.
- 10.2 If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request.
- 10.3 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 expenses incurred by the Company (including in investigating evidence) as the Board may decide, and on surrender of the original certificate (where it is defaced or worn out), but without any further charge.
- 10.4 In the case of shares held jointly by several persons, any request mentioned in this Article 10 may be made by any one of the joint holders.

## **LIEN ON SHARES**

11. **Lien on shares not fully paid**

The Company shall have a first and paramount lien on every share which is not fully paid for all moneys (whether or not presently payable) payable at a fixed time or called in respect of that share. The Company's lien on a share shall extend to any amount payable in respect of it.

12. **Enforcement of lien by sale**

- 12.1 Subject to Article 12.3, the Company may sell all or any of the shares subject to any lien at such time or times and in such manner as the Board may determine if the moneys in respect of which such lien exists or some part of them are or is presently payable and is not paid within fourteen clear days after notice has been given to the holder or the persons (if any) entitled by transmission to the shares (each holder or person being a **"Defaulting Person"**) demanding payment and stating that if the notice is not complied with the shares may be sold. Each other holder of shares shall be given a copy of the notice given to a Defaulting Person at the same time as such notice was given to such Defaulting Person.
- 12.2 To give effect to any such sale but subject to Article 12.3, the Board may 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. The purchaser shall not be bound to see to the application of the purchase money, and the title of the transferee to the shares shall not (except in relation to compliance with Article 12.3) be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 12.3 In the event that the Company, in accordance with its powers set out in Article 12.1, proposes to sell the shares of a Defaulting Person to a person (other than a holder of shares), the provisions of Article 33 shall apply in respect of such sale.

13. **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 as is presently payable. The balance (if any) shall (on surrender to the Company for cancellation of the certificate for the shares sold, and subject to a like lien for any moneys not presently payable as existed on the shares before the sale) be paid to the holder or the person (if any) entitled by transmission to the shares at the date of the sale.

## **CALLS ON SHARES**

### **14. 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. 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) 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. 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 it.

### **15. 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 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 to the time of actual payment at the rate fixed by the terms of the allotment of the share or in the notice of the call or, if no rate is so fixed, at the appropriate rate (as defined by the Act). The Board may waive payment of such costs, charges, expenses or interest in whole or in part.

### **16. 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 (except 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).

17. **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. 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.

18. **Payment in advance of calls**

The Board may, if it thinks fit, receive from any member willing to advance them 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 as the Board may decide. 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 to do so, 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.

19. **Delegation of power to make calls**

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate on such terms as it thinks fit to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys (provided that, for the avoidance of doubt, the right of sale of shares in respect of which amounts remain unpaid may not be so delegated). The power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

20. **Indemnity against claims in respect of shares**

20.1 Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability on the Company to make any payment, or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares held either jointly or solely by any member or in respect of any dividends or other monies due or payable or accruing due or which may become due or payable to such member by the Company or in respect of any such shares or for or on account or in respect of any member, and whether in consequence of:

- (a) the death of such member;
- (b) the non-payment of any income tax or other tax by such member;
- (c) the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such member or by or out of his estate; or
- (d) any other act or thing;

the Company in every such case:

- (i) shall be fully indemnified by such member or his executor or administrator from all liability arising by virtue of such law; and
- (ii) may recover as a debt due from such member or his executor or administrator (wherever constituted or residing) any monies paid by the Company under or in consequence of any such law, together with interest at the rate of 15 per cent per annum from the date of payment to the date of repayment.

Nothing contained in this Article shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company.

**FORFEITURE OF SHARES**

21. **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 and any 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.

22. **Forfeiture for non-compliance**

If the notice referred to in Article 21 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. Notice of the forfeiture of the shares shall be given to each holder of shares forthwith after the passing of the Board resolution forfeiting the shares.

23. **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 its date shall immediately be made in the Register in respect of such share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry.

24. **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 on it and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

25. **Surrender**



The Board may accept a surrender of any share liable to be forfeited. In such case references in these Articles to forfeiture shall include surrender.

26. **Disposal of forfeited shares**

Every share which shall be forfeited shall become the property of the Company. Subject to the provisions of the Act and to these Articles, any such share may only be sold or otherwise disposed of in accordance with the procedures set out in Article 33 or, in the case of a re-allotment, in accordance with the procedures set out in Articles 5.3 to 5.6. The Board may, for the purposes of the disposal, 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. 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. The Company may receive the consideration (if any) given for the share on its disposal.

27. **Effect of forfeiture**

A shareholder whose shares have been forfeited shall cease to be a member in respect of the shares forfeited and shall surrender to the Company for cancellation the certificate for those shares. He shall nevertheless be liable to pay to the Company *all calls made and not paid on such shares at the time of forfeiture*, and interest thereon from the date of the forfeiture to the date of payment, 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 their disposal.

28. **Extinction of claims**

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and

liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.

29. **Evidence of forfeiture**

A statutory declaration by a Director or the Secretary that a share has been forfeited under these Articles, and stating the date on which it was forfeited, shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts stated in the declaration, and a duly executed 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, 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 consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity in 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 of it.

## **TRANSFER OF SHARES**

30. **Form of transfer**

30.1.1 Each member may, subject to the provisions of these Articles, transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such 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 remains the holder of such share until the name of the transferee is entered in the Register in respect of it.

30.2 A transfer shall be:

- (a) lodged at the Office or at such other place as the Board may appoint and be accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

- (b) in respect of only one class of shares;
- (c) in favour of not more than four transferees.

31. **Registration of Transfers**

31.1 Subject always to the provisions of Article 41, where they are satisfied that a transfer has been made in accordance with Article 32 or Article 33 (and complies with all formal requirements of these Articles about transfers), the Directors will register a correctly stamped transfer within a reasonable time after receipt. To that end the Directors may require from any person lodging a transfer pursuant to Article 32 such information and evidence as they think fit regarding any matter which they may reasonably consider relevant for the purposes of these Articles.

31.2 Subject always to the provisions of Article 41 the Board (in the case only of paragraphs (a) to (c) below) may, in its absolute discretion and without giving any reason, and shall (in the case of paragraph (d) below) refuse to register any share transfer if:

- (a) it does not comply with Article 30.2;
- (b) it is in respect of a share on which the Company has a lien;
- (c) it is not duly stamped (if so required); or
- (d) it is not a transfer made in accordance with Articles 32 or 33.

32. **Permitted Transfers**

Subject to the provisions of Article 41, a member or members (or any persons entitled in consequence of the death of a member) may at any time transfer any share:

32.1 to any Related Person or to any trustees of any trust created in favour of himself and/or any Related Person (notwithstanding that one or more charities may be named as residuary beneficiaries of any such trust); or

- 32.2 if the personal representatives of a deceased member, to any Related Person of such deceased member; or
- 32.3 if such member holds such share or shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such member is a Related Person, to the person who originally transferred such shares or any other Related Person of such original transferor; or
- 32.4 if trustees of any trust referred to in Article 32.1:
- (a) upon any change of trustees, to the new or remaining trustee or trustees for the time being of such trust; and
  - (b) to the settlor and/or any of the Related Persons of the settlor on their becoming entitled to the same under the terms of the trust.

A transfer permitted under this Article is referred to in these Articles as a **"permitted transfer"**.

33. **Pre-emption Rights**

33.1 In this Article:-

**"Intended Transferee"** shall mean the intended transferee of the Shares;

**"Transfer Notice"** shall mean a notice in writing given to the Company by a person proposing to transfer shares specifying

- (a) the number of Shares of each class that he proposes to transfer;
- (b) the identity of the Intended Transferee;
- (c) the Price together with such further information as may reasonably be requested by the other shareholders to satisfy themselves as to the Price.

**"Selling Shareholder"** shall mean in relation to any proposed transfer of shares the person who gives or is deemed to give a Transfer Notice;

**"Shares"** shall mean all shares specified in a Transfer Notice;

**"Transfer Notice Date"** shall mean the date on which a Transfer Notice is given or deemed to be given;

**"Price"** shall be the proposed price per share agreed with the Intended Transferee

**"Prescribed Period"** shall mean a period commencing on the Transfer Notice Date and expiring 30 days thereafter.

33.2 Before transferring any share or any interest in any share a person proposing to transfer such shares shall give a Transfer Notice which shall constitute the Company his agent for the sale of the Shares (together with all rights attached to them on the Transfer Notice Date) mentioned in it at the Price to any member or to the Company. A Transfer Notice once given or deemed to have been given shall not be revocable except with the consent of the Board.

33.3 Whenever a Transfer Notice is given, the Company shall within 7 days of receipt of the Transfer Notice offer the Shares at the Price (such offer to be accepted within the Prescribed Period) as follows:

- (a) in the first place to all the holders of ordinary shares (other than the Selling Shareholder) pro rata as nearly as may be to the number of ordinary shares registered in the names of those holders;
- (b) if the Company shall not find prospective purchasers for all the Shares under paragraph (a) the Company shall then offer the Shares for which it has not found prospective purchasers to those shareholders which have accepted the offer under sub-article (a);
- (c) any offer made under paragraph (a) shall specify the total number of Shares to be sold and shall invite each shareholder to notify the Directors of the maximum number of Shares which he would wish to purchase;

- (d) in the case of competition for Shares offered under paragraph (b), the Directors shall allocate those Shares pro rata as nearly as possible to the number of ordinary shares registered in the name of the applicants but subject to any maximum which may have been notified by any shareholder.

33.4 If within the Prescribed Period the Company does not find, or the Board resolves that it has no reasonable prospect of finding, prospective purchasers of all the Shares then the Board may if it so decides (subject to the provisions of the Act and Article 46) cause the Company to purchase all of the Shares or the number for which no prospective purchaser has been found, at the Price.

33.5 If the Company shall within the Prescribed Period find prospective purchasers of all of the Shares (being holders of ordinary shares) ("**Purchasers**") or resolve to purchase any of the Shares itself in accordance with sub-article 33.4 above it shall so notify the Selling Shareholder in writing.

33.6 Any notice under Article 33.5 to a Selling Shareholder shall specify the name and address of each Purchaser and the number of Shares to be purchased by it. The purchase shall be completed at a time and place selected by the Board (but not less than 7 days nor more than 30 days after the expiry of the Prescribed Period).

33.7 If a Selling Shareholder shall fail or refuse to transfer any of the Shares to a Purchaser or the Company:-

- (a) the Directors may authorise any one Director or the Secretary of the Company to execute and deliver on behalf of and as attorney for the Selling Shareholder the necessary transfer or other documents;
- (b) the Company may receive the purchase money in trust for the Selling Shareholder and shall upon production of the share transfer and any other necessary documents register the Purchaser as the holder of those shares.

The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to check what is done with it by the

Company). After a Purchaser has been registered in purported exercise of these powers the validity of what has been done shall not be questioned by anyone.

33.8 If either:-

- (a) the Company shall not within the Prescribed Period find Purchasers willing to purchase all of the Shares or resolve itself to purchase all of the Shares for which it has not found Purchasers and notifies the Selling Shareholder to that effect; or
- (b) the Company shall within the Prescribed Period give to the Selling Shareholder notice in writing that the Company has no prospect of finding Purchasers of all the Shares;

the Selling Shareholder shall be entitled to transfer the Shareholder's Securities on a bona fide arm's length sale to the Transferee within 60 days of the end of the Prescribed Period.

36. **Miscellaneous provisions concerning shares**

36.1 An obligation to transfer a share under the provisions of these Articles is an obligation to transfer the entire legal and beneficial interest in that share (including the power to exercise voting rights) free from any lien, charge or other encumbrance and together with all rights attaching to that share on the date of transfer.

36.2 No share and no interest in any share shall be held by any member as a bare nominee for, or sold or disposed of to any person unless a transfer of such share or such interest would rank as a permitted transfer. If this Article 36.2 is infringed, the holder of the share shall, if and when required by notice in writing by the Directors to do so, give a Transfer Notice in respect of that share.

37. **Notice of refusal**

If the Board (acting by a majority of not less than two thirds of all of its Board members) refuses to register a transfer of a share it shall send notice of the refusal to the transferee within two months after the date on which the transfer was lodged with the Company. 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.

38. **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.

39. **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 holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares. Nothing in these Articles shall release the estate of a deceased member from any liability in respect of any share which has been solely or jointly held by him.

40. **Transmission**

40.1 Subject to the provisions of these Articles relating to the transfer of shares, any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, on such evidence as to his title being produced as the Board may require, elect by notice to the Company to become registered as a member. Where the entitlement of a person to a share in consequence of the death of a member is proved to the satisfaction of the Board, the Board shall, subject always to the provisions of these Articles relating to the transfer of shares, within two months after proof cause the entitlement of that person to be noted in the Register.

40.2 Where a person becomes entitled to a share in consequence of the death or bankruptcy of any member, 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 receive notice of, or to attend or vote at, any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company.



## LIMITATIONS ON SHARE OWNERSHIP

### 41. Limitations on Share Ownership

41.1 (a) The purpose of this Article 41.1 is to ensure that, as long as and to the extent that the holding or enjoyment by the Company or any subsidiary undertaking of the Company of any Operating Right is conditional on the Company being to any degree owned or controlled by United Kingdom nationals, the Company is so owned and controlled.

(b) In this Article 41.1:

**"Intervening Act"** means the refusal, withholding, suspension or revocation of any Operating Right applied for granted to or enjoyed by the Company or the imposition of any conditions or limitations upon any such Operating Right which materially inhibit the exercise thereof, in either case by any state, authority or person in reliance upon any provision or by reason of any matter or circumstances relating to the nationality of persons owning or controlling the Company;

**"Operating Right"** means all or any part of the authority, permission, licence or privilege granted to or enjoyed or to be granted or enjoyed by the Company, which enables an air service to be operated by the Company;

**"Relevant Person"** means:

- (i) any individual who is not a United Kingdom national;
- (ii) any body corporate other than a body corporate which is incorporated under the laws of any part of, and which has its principal place of business and central management and control in the United Kingdom;
- (iii) a government or governmental department, agency or body, otherwise than of the United Kingdom or any part thereof;

- (iv) any municipal, local, statutory or other authority or any undertaking or body formed or established in any country other than the United Kingdom; and
  - (v) any person who (a) falls within any of the foregoing paragraphs of this definition and (b) would be taken to be interested in any shares of the Company pursuant to the provisions of Section 203 of the Act if a body corporate were interested in such shares.
- (c) The Directors shall not register any person as a holder of any share in the Company (other than an allottee under an issue of shares by way of capitalisation of profits or reserves made pursuant to these Articles) or any transfer of shares in the Company to any person unless such person has furnished the Directors a declaration (in such form as the Directors may from time to time prescribe) signed by him or on his behalf (or, in the case of a corporation, sealed by the corporation or signed on its behalf by an attorney or duly authorised officer of the corporation), together with such evidence as the Directors may require of the authority of any signatory on behalf of such person or company, stating (i) the name and nationality of any person or company who has an interest in any such shares and (if such declaration or the Directors so require) the nature and extent of the interest of each such person or company; or (ii) such other information as the Directors may from time to time determine. The Directors shall in any case where they may consider it appropriate require such person or company to provide such evidence or give such information as to the matters referred to in the declaration as they think fit. The Directors shall decline to register any person or company as a holder of a share or any transfer of shares to such a person or company if such further evidence or information is not provided or given. The Directors shall, so long as they act reasonably and in good faith, be under no liability to the Company or to any other person or company if they register any person or company as the holder of a share on the basis of a declaration or other evidence or information provided pursuant to this Article 41.1(c) which declaration, evidence or information appears on its face to be correct.

- (d) The Directors shall not register any person or company as a holder of a share or any transfer of shares to such a person if in the opinion of the Board such person or company is a Relevant Person and/or where the registration of such person or company could give rise to an Intervening Act. The Directors shall, so long as they act reasonably and in good faith, be under no liability to the Company or to any other person or company if they refuse to register any person as the holder of a share or any transfer of shares to such a person or company on the basis of the declaration or other evidence or information provided pursuant to Article 41.1(c) which declaration, evidence or information appears on its face to be correct.

- 41.2 (a) The purpose of this Article 41.2 is to ensure that if an Operating Right is or becomes dependent on ownership or control by nationals of Member States, if and to the extent that the holding or enjoyment by the Company or any subsidiary undertaking of the Company of any Operating Right is conditional on the Company being to any degree effectively owned or controlled by nationals of Member States, the Company is so owned and controlled.

- (b) In this Article 41.2:

**"Intervening Act"** means the refusal, withholding, suspension or revocation of any Operating Right applied for granted to or enjoyed by the Company or the imposition of any conditions or limitations upon any such Operating Right which materially inhibit the exercise thereof, in either case by any state, authority or person in reliance upon any provision or by reason of any matter or circumstances relating to the nationality of persons owning or controlling the Company;

**"Member States"** means those countries that are subject to or have adhered to Council Regulation (EEC) Number 2407/92 and **"Member State"** shall be construed accordingly;

**"Operating Right"** means all or any part of the authority, permission, licence or privilege granted to or enjoyed or to be granted or enjoyed by

the Company, which enables an air service to be operated by the Company;

**"Relevant Person"** means:

- (i) any individual who is not a national of a Member State;
  - (ii) any body corporate other than a body corporate which is incorporated under the laws of any part of, and which has its principal place of business and central management and control in a Member State;
  - (iii) a government or governmental department, agency or body, otherwise than of the Member States or any Member State; and
  - (iv) any municipal, local, statutory or other authority or any undertaking or body formed or established in any country other than a Member State.
- (c) The Directors shall not register any person as a holder of any share in the Company (other than an allottee under an issue of shares by way of capitalisation of profits or reserves made pursuant to the Articles) or any transfer of shares in the Company to any person unless such person has furnished to the Directors a declaration (in such form as the Directors may from time to time prescribe) signed by him or on his behalf (or, in the case of a corporation, sealed by the corporation or signed on its behalf by an attorney or duly authorised officer of the corporation), together with such evidence as the Directors may require of the authority of any signatory on behalf of such person or company, stating (i) the name and nationality of any person or company who has an interest in any such shares and (if such declaration or the Directors so require) the nature and extent of the interest of each such person or company; or (ii) such other information as the Directors may from time to time determine. The Directors shall in any case where they may consider it appropriate require such person or company to provide such evidence or give such information as to the matters referred to in the declaration as

they think fit. The Directors shall decline to register any person or company as a holder of a share or any transfer of shares to such a person or company if such further evidence or information is not provided or given. The Directors shall, so long as they act reasonably and in good faith, be under no liability to the Company or to any other person or company if they register any person or company as the holder of a share on the basis of a declaration or other evidence or information provided pursuant to this Article 41.2(c) which declaration, evidence or information appears on its face to be correct.

- (d) The Directors shall not register any person or company as a holder of a share or any transfer of shares to such a person if in the opinion of the Board such person or company is a Relevant Person and/or where the registration of such person or company could give rise to an Intervening Act. The Directors shall, so long as they act reasonably and in good faith, be under no liability to the Company or to any other person or company if they refuse to register any person as the holder of a share or any transfer of shares to such a person or company on the basis of the declaration or other evidence or information provided pursuant to Article 41.2(c) which declaration, evidence or information appears on its face to be correct.

- 41.3 The Directors shall at all times act reasonably and in good faith in carrying out their duties under this Article 41.

## **DESTRUCTION OF DOCUMENTS**

### **42. Destruction of documents**

#### **42.1 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 share certificate, after one year from the date on which it is cancelled; and
- (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,

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.

42.2 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 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 42 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 42 shall be construed as imposing on the Company any liability in respect of the destruction of any such document otherwise than as provided for in this Article 42 which would not attach to the Company in the absence of this Article 42; and
- (c) references in this Article 42 to the destruction of any document include references to the disposal of it in any manner.

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

#### **43. Increase, consolidation, cancellation and sub-division**

43.1 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 divide all or any of its share capital into shares of larger nominal amount 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 amount, 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.

44. **Fractions**

44.1 Whenever as the result of any consolidation, division or sub-division of shares any difficulty arises, the Board may settle it as it reasonably thinks fit, and in particular (but without prejudice to the generality of the foregoing) where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share and as a result of such consolidation such holder would become entitled to a fraction of a consolidated share:

- (a) 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 the nearest 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 payment up the share.

- (b) if the necessary unissued shares are not available the entitlement of the holder shall be rounded down to the nearest exact multiple of the number of shares to be so consolidated.

44.2 For the purposes of any sale of consolidated shares pursuant to Article 44.1, the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with, the directions of the purchaser, and the transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

45. **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 or any capital redemption reserve or share premium account in any manner.

46. **Purchase of own shares**

Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may purchase any of its own shares of any class (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares other than out of distributable profits of the Company or the proceeds of a fresh issue of 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 them into equity share capital of the Company (other than those which are only convertible into shares which as respects dividend and capital carry a right to participate only up to a specified amount in a distribution), then no such purchase shall take place unless it has been sanctioned by an extraordinary 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.



## **VARIATION OF CLASS RIGHTS**

### **47. Sanction to variation**

47.1 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 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 75% of the number of issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class duly convened and held as provided below (but not otherwise).

47.2 The above 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.

### **48. 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 except that the quorum at every such meeting shall be not less than two members holding at least 51% of the shares of that class (present in person or by proxy or, if a corporation, by a duly authorised representative) unless all the shares of any class are registered in the name of a single holder in which case the quorum shall be one. Every holder of shares of the class, present in person or by proxy, may demand a poll. Each such holder shall on a poll be entitled to one vote for every share of the class held by him.

### **49. Deemed variation**

Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall not be deemed to be varied or abrogated:

49.1 by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and these Articles; nor

- 49.2 by any increase in the authorised share capital of the Company; nor
- 49.3 by the creation, issue or allotment 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; nor
- 49.4 in the case of deferred shares by:-
- (a) any variation to the class rights of shares of any other class; or
  - (b) the creation, issue or allotment of any new shares.

## **GENERAL MEETINGS**

50. **Annual general meetings**

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

51. **Extraordinary general meetings**

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

52. **Convening of extraordinary general meeting**

Subject to Article 53 the Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 368 of the Act. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board.

53. **Notice of general meetings**

- 53.1 An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution shall be convened by not less than 21 clear days' notice in writing. All other extraordinary general meetings not convened for the

passing of a special resolution shall be convened by not less than 14 clear days' notice in writing.

53.2 Subject to the provisions of the Act, and notwithstanding that it is convened by shorter notice than that specified in this Article 53, 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 of the shares giving that right.

53.3 The notice 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.

53.4 Subject to any provision to the contrary in these Articles and to any restrictions imposed on any shares the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member, the Directors and to the Auditors

54. **Omission to send notice**

The bona fide 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 provided that a majority of seventy five percent of members entitled to receive such notice or instrument of proxy do receive them.

55. **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;*
- (c) the election or re-election of Directors;
- (d) the fixing of the Directors' fees pursuant to Article 95;
- (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.

**PROCEEDINGS AT GENERAL MEETINGS**

56. **Quorum**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Except as otherwise provided in these Articles a quorum shall be at least two members holding at least 51% of the ordinary shares in issue from time to time present in person or by proxy or, if a corporation, by a duly authorised representative, entitled to attend and vote (unless all the shares are registered in the name of a single holder in which case the quorum shall be one).

57. **If quorum not present**

If within 15 minutes (or such longer interval as the Chairman of the meeting 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 of the meeting may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, or if during such meeting such a quorum ceases to be present the meeting shall be dissolved.

58. **Chairman of the Meeting**

The Chairman of each general meeting of the Company shall be one of the members present and entitled to vote elected by members holding a majority of the votes cast or, if members holding a majority of votes cast so request, the Chairman of the Board or a Director of the Company.

59. **Director's right to attend and speak**

Subject to the provisions of the Act 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 if members holding a majority of votes cast so request.

60. **Power to adjourn**

The Chairman of the 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 the meeting shall determine. However, without prejudice to any other power which he may have under these Articles or at common law, the Chairman of the meeting may, with 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, 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 properly disposed of.

61. **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. Except as provided above, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

62. **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.

## **VOTING**

63. **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 on the declaration of the result of the show of hands) a poll is duly demanded by any member or by the Chairman of the meeting in accordance with these Articles. Subject to the provisions of the Act, a poll may be demanded by the Chairman of the meeting or any member present in person or by proxy or, being a corporation, by its duly authorised representative, and entitled to vote at the meeting.

64. **Chairman's declaration conclusive on show of hands**

Unless a poll is duly demanded in accordance with these Articles 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, and an entry to that effect

in the book containing the minutes of proceedings of the Company, shall be conclusive evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

65. **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, (including, without limitation any objection concerning the application of Article 68) 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 of the meeting 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 of the meeting on such matters shall be final and conclusive.

66. **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.

67. **Procedure on a poll**

Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken immediately. 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 was demanded, as the Chairman of the meeting shall direct. 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.

67.1 The demand for a poll (other than on the election of a Chairman of the meeting or any question of adjournment) 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.

67.2 The demand for a poll may, before the poll is taken, be withdrawn, but only with the consent of the Chairman of the meeting. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made.

67.3 On a poll votes may be given in person or by proxy.

68. **Votes of members**

68.1 Subject to:

- (i) the provisions of the Act;
- (iii) to any special terms as to voting on which any shares may have been issued or may for the time being be held (including the rights of the preferred ordinary shares); and
- (iv) 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 by proxy or (being a corporation) is present by a duly authorised representative shall on a show of hands have one vote and on a poll every member shall have one vote for each fully paid share of which he is the holder.

68.2 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.



68.3 Where in England or elsewhere a receiver or other person 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, subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person 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.

69. **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 not be entitled to a second or casting vote in addition to any other vote that he may have.

70. **Restriction on voting rights for unpaid calls etc**

No member shall 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.

71. **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 thereof.

72. **Form of proxy**

An instrument appointing a proxy shall:

- 72.1 be in writing 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;
- 72.2 be deemed (subject to any contrary direction contained in it) 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;
- 72.3 unless it states the contrary, be valid as well for any adjournment of the meeting as for the meeting to which it relates; and
- 72.4 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.

73. **Deposit of proxy**

- 73.1 The instrument appointing 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 be deposited at the Office or at such other place 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 be handed at the meeting or adjourned meeting to the Chairman of the meeting or to any Director.
- 73.2 An instrument of proxy not deposited or delivered in a manner so permitted shall be invalid. No instrument appointing 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.

74. **More than one proxy may be appointed**

Subject always to Article 68:

- (a) a member may appoint more than one proxy to attend on the same occasion; and
- (b) when two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the Chairman of the meeting shall decide which (if either) is to be treated as replacing and revoking the other or others as regards that share.

75. **Revocation of proxy**

A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of 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 instruments of proxy, not less than 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 or be handed at the meeting or adjourned meeting to the Chairman of the meeting or to any Director.

76. **Corporate representative**

- 76.1 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; and
- 76.2 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 Director, the Secretary or some person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him before permitting him to exercise his powers.

77. **Written Resolution**

A resolution in writing executed by all the members entitled to attend and vote at a general meeting shall be as valid and effective for all purposes as a resolution duly passed at such a meeting. Such a resolution may consist of several documents in the same form each executed by one or more of the members.

**APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

78. **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 five nor more than seven.

79. **Power of members to appoint Directors**

Subject to the provisions of these Articles, the members 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, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles (if any).

80. **Power of Board to appoint Directors**

Without prejudice to the power of the members 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 to fill a casual vacancy but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. A director so appointed shall hold office only until the next following general meeting and shall not be taken into account in

determining any directors who are to retire by rotation at the meeting. If not reappointed at such general meeting he shall vacate office at its conclusion.

81. **Appointment of executive Directors**

Subject to the provisions of the Act, the Board may from time to time appoint one or more of its body to hold any employment or executive office (including that of Managing Director) for such term (subject to the provisions of the Act and provided that the employment or office may be terminated by the Company by not more than 12 months notice without any specified circumstances being required) and subject to such other conditions as the Board thinks fit. The Board may revoke or terminate any such appointment without prejudice to any claim for damages for breach of contract between the Director and the Company.

82. **Share qualification**

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

83. **Retirement by rotation**

At every annual general meeting of the Company after the date of adoption of these Articles 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.

84. **Directors subject to retirement by rotation**

Subject to the provisions of the Act and of these Articles, the Directors to retire by rotation at each annual general meeting shall exclude any Director who is for the time being the Managing Director and shall include, so far as necessary to obtain the number required, first, any Director who wishes to retire and not offer himself for re-election and secondly, those Directors who have been longest in office since their last appointment or re-appointment.

As between two or more Directors who have been in office an equal length of time, the Director to retire shall, in default of agreement between them, be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date

of the notice convening the annual general meeting notwithstanding any change in the number or identity of the Directors after that time but before the close of the meeting.

85. **Position of retiring Director**

A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be re-appointed. If he is not re-appointed or deemed to have been re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

86. **Deemed re-appointment**

At any general meeting at which a Director retires by rotation the members may fill the vacancy and, if they do not do so, the retiring Director shall, if willing, be deemed to have been re-appointed unless it is expressly resolved by the members not to fill the vacancy or a resolution for the re-appointment of the Director is put to the meeting and lost.

87. **Removal by ordinary resolution**

The members may by ordinary resolution remove any Director before the expiration of his period of office in accordance with the Act, but without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place.

88. **Vacation of office by Director**

The office of a Director shall be vacated if:

- 88.1 he resigns by notice in writing delivered to the Secretary at the Office or tendered in writing at a Board meeting;
- 88.2 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;

- 88.3 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;
- 88.4 an order is made by any court of competent jurisdiction on the ground (however 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 affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1984 and the Board resolves that his office be vacated;
- 88.5 both he and his alternate Director appointed pursuant to the provisions of these Articles (if any) are absent, without the permission of the Board, from Board meetings for six consecutive months and the Board resolves that his office be vacated.

89. **Resolution as to vacancy conclusive**

A resolution of the Board declaring a Director to have vacated office under the terms of Article 88 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

## **ALTERNATE DIRECTORS**

90. **Appointments**

- 90.1 Each Director (other than an alternate Director) may, by notice in writing delivered to the Secretary at the Office, or in any other manner approved by the Board, appoint any person willing to act to be his alternate.
- 90.2 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.
- 90.3 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.

91. **Participation in Board meetings**

Every alternate Director shall (subject to his giving to the Company an address 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 committee 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. A Director acting as alternate Director shall have a separate vote at Board meetings for each Director for whom he acts as alternate Director, but he shall count as only one for the purpose of determining whether a quorum is present.

92. **Alternate Director responsible for own acts**

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. **Interests of alternate Director**

- 93.1 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 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.

94. **Revocation of appointment**

An alternate Director shall cease to be an alternate Director:

- 94.1 if his appointor revokes his appointment; or
- 94.2 if his appointor ceases for any reason to be a Director, provided that if any Director retires but is re-appointed or deemed to be re-appointed at the same meeting, any valid appointment of an alternate Director which



was in force immediately before his retirement shall remain in force;  
or

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

## **DIRECTORS' REMUNERATION, EXPENSES AND PENSIONS**

### 95. **Directors' fees**

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum (if any) as the members may from time to time determine by ordinary resolution. Such sum shall be divided among the Directors in such proportions and in such manner as the resolution(s) shall specify or, in default of such specification, 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.

### 96. **Expenses**

Each Director shall subject to the approval of the Board 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.

### 97. **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 salary, commission, participation in profits or otherwise) as the members of the Company may from time to time determine by ordinary resolution.

98. **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 members by ordinary resolution, and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Articles.

99. **Pensions and other benefits**

- 99.1 Subject always to Article 99.2, the Board may subject to obtaining the consent of the members by ordinary resolution 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 holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, 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 subject to obtaining the consent of the members by ordinary resolution establish, maintain, subscribe and contribute to any scheme, subject to obtaining the sanction of the members by ordinary resolution, 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. The Board may subject to obtaining the consent of the members by ordinary resolution 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.

- 99.2 Prior to allotting or issuing or procuring the transfer of shares pursuant to any arrangement referred to in Article 99.1 (or agreeing to do so) it shall in respect of such shares comply with the provisions of Article 33.

## **POWERS AND DUTIES OF THE BOARD**

100. **General Powers**

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. 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.

101. **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 may exercise all the powers and authorities vested in the Directors. If the Board or the members have not appointed sufficient Directors to satisfy the prescribed minimum within 30 days, the Board shall summon a general meeting of the members of the Company for the purpose of appointing Directors. 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 Director so appointed may exercise all the powers and authorities vested in the Directors.

102. **Powers of executive Directors**

The Board may from time to time:

- 102.1 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

102.2       revoke, withdraw, alter or vary all or any of such powers.

103.       **Delegation to committees**

103.1       The Board may delegate any of its powers, authorities and discretions 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.

103.2       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.

104.       **Executive Appointments**

104.1       The Directors may from time to time appoint any person to an office or employment having a designation or title including the word "**Director**" or attach to any existing office or employment with the Company such a designation or title.

104.2       The inclusion of the word "**Director**" in the designation or title of any office or employment with the Company shall not imply that the holder thereof is a Director of the Company nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these regulations.

105.       **Power of attorney**

The Board may, by power of attorney or otherwise, appoint any person or persons to be the agent of the Company and may delegate to any such person or persons any

of its powers, authorities and discretions 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 from time to time revoke, withdraw, alter or vary any of such powers.

106. **Borrowing powers**

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

**PROCEEDINGS OF DIRECTORS AND COMMITTEES**

107. **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.

108. **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 shall be given to all Directors whether resident within or outside the United Kingdom. However a Director who is resident within the United Kingdom but is temporarily absent or intending to be temporarily absent from the United Kingdom may request the Board that notice of Board meetings shall during such absence be sent in writing to him at an address given by him to the Company for this purpose but such notice need not be given any earlier than notices given to Directors not so absent. A Director may waive the requirement that notice be given to him of any Board meeting, either prospectively or retrospectively.

109. **Quorum**

Subject to Article 78 the quorum necessary for the transaction of business shall be one half of the number of Directors in office (rounded up to the nearest whole number). 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.

110. **Chairman of Board**

The Board may appoint one of its body Chairman of its meetings and may determine the period for which he is to hold office and may at any time remove him from office. If no such Chairman is elected, or if at any meeting neither a Chairman is present within fifteen minutes of the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. Any Chairman may also hold executive office under the Company.

111. **Voting**

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman shall not be entitled to a second or casting vote.

112. **Participation by telephone**

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 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. 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.

113. **Resolution in writing**

A resolution in writing executed by all the Directors for the time being entitled to receive notice of a Board meeting. Such a resolution:

113.1 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;

113.2 need not be signed by an alternate Director if it is signed by the Director who appointed him; and

113.3 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.

114. **Proceedings of committees**

All committees of the Board shall, in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which the Board may prescribe and subject to them shall be governed by such of these Articles as regulate the proceedings of the Board as are capable of applying.

115. **Minutes of proceedings**

115.1 The Board shall cause minutes to be made in books kept for the purpose of recording:

- (a) all appointments or 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 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, and all orders, resolutions and proceedings of such meetings.

115.2 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.

116. **Validity of proceedings**

All acts done in good faith by a meeting of the Board, or of a committee of the Board, or by any person acting as a Director, alternate Director or member of a

committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such person, or that they were disqualified from holding office or not entitled to vote, or had in any way vacated their office, 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 committee member.

## **DIRECTORS' INTERESTS**

### **117. Director may have interests**

Subject to the provisions of the Act and provided that Article 115 is complied with, a Director, notwithstanding his office may vote in regard to any contract or arrangement in which he is interested or upon any matter arising in connection with such a contract or arrangement. If he so votes his vote shall be counted and he shall be counted in the quorum present at any meeting at which such a contract or arrangement is considered.

### **118. Disclosure of interests to Board**

118.1 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 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.

118.2 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 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; 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.



## THE SEAL

### 119. Application of Seal

119.1 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 the same, certificates issued under the Seal in respect of any debentures or other securities need not be signed and any signature may be affixed to or printed on any such certificate by any means approved by the Board; and
- (b) every other instrument to which the Seal is affixed shall be signed by one Director and by the Secretary or by two Directors.

119.2 Every certificate or share warrant shall be issued under the Seal or in such other manner as the Board may authorise, having regard to the terms of issue and the Act; all references in these Articles to the Seal shall be construed accordingly.

### 120. Deed without sealing

A document signed by a Director and by the Secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company as a deed shall have the same effect as if it were executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of a resolution of the Board or of a committee of the Board authorised in that behalf. An instrument or document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of it having been executed by the Company.

## **THE SECRETARY**

### **121. The Secretary**

- 121.1 Subject to the provisions of the Act, the Board shall appoint a Secretary at such remuneration and on such terms and conditions as it thinks fit.
- 121.2 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.

## **DIVIDENDS AND OTHER PAYMENTS**

### **122. Declaration of dividends**

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

### **123. Entitlement to dividends**

- 123.1 All dividends shall be declared and paid according to Articles 4.2.1, 4.3.1 and 4.4.1.
- 123.2 Subject to Articles 123.2 and 132.1, all dividends shall be apportioned and paid proportionately to the number of shares held 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, it shall rank for dividend accordingly.

### **124. Calls or debts may be deducted from dividends**

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

### **125. Distribution in specie**

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of 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:

- 125.1      issue fractional certificates (or ignore fractions);
- 125.2      fix the value for distribution of such assets or any part thereof 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
- 125.3      vest any such assets in trustees on trust for the persons entitled to the dividend.

126.      **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.

127.      **Method of payment**

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 and may send the same by post or other delivery service to the registered address (or in the case of a Depositary, subject to the approval of the Board, such persons and addresses) 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 to such other person as the person or persons entitled may

direct in writing. Payment of the cheque, warrant or order 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 or 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.

128. **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 to them are returned to the Company or left uncashed on two consecutive occasions, the Company shall not be obliged to send any 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.

129. **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 of them. 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 cease to remain owing by the Company.

130. **Payment of scrip dividends**

The Board may, with the prior authority of an ordinary resolution of the members of the Company and subject to such conditions as the Board may determine, offer to any holders of ordinary shares the right to elect to receive shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- 130.1 the resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period or periods;
- 130.2 the entitlement attaching to an ordinary share shall be determined by the Board. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;
- 130.3 no fractions of a share shall be allotted;
- 130.4 the Board shall, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective;
- 130.5 the Board may determine that every duly effected election in respect of any shares shall be binding on every successor in title to their holder;
- 130.6 the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on shares in respect of which an election has been duly made ("**the elected shares**") and instead additional shares shall be allotted to the holders of the elected shares on the basis of allotment determined as set out above. For such purpose the Board may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to the holders of the elected shares on that basis. A Board resolution capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 129 and in relation to any such capitalisation the Board may exercise all the powers conferred on them by Article 129 without need of such ordinary resolution;

- 130.7 the additional shares so allotted shall rank *pari passu* in all respects with each other and with the fully paid shares in issue on the record date for the dividend in respect of which the right of election has been offered, except that they will not rank for any dividend or other distribution or other entitlement which has been declared, paid or made by reference to such record date;
- 130.8 the Board may *terminate, suspend or amend any offer of the right to elect to receive shares in lieu of any cash dividend at any time; and*
- 130.9 the Board may exclude from any offer any holders of shares where the Board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them or in respect of such share.

131. **Reserves**

The Board may, before recommending any dividend (whether preferential or otherwise), carry to reserve out of the profits of the Company such sums as it thinks fit. All sums standing to reserve 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, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board thinks fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profits 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 them to reserve, carry forward any profits which it may think prudent not to distribute.

132. **Capitalisation of reserves**

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

132.1 subject as provided in this Article, resolve to capitalise any undivided 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;

132.2 appropriate the sum resolved to be capitalised to the holders of shares in proportion to the number of 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 amounts, if any, for the time being unpaid on any shares 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 shares or as they may direct, in those proportions, or partly in one way and partly in the other, provided that:

- (a) 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 shares credited as fully paid; and
- (b) 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 thereof;

- 132.3 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;
- 132.4 make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit of them 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;
- 132.5 authorise any person to enter on behalf of all the holders of ordinary shares concerned into an agreement with the Company providing for either:
- (a) 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
  - (b) the payment up by the Company on behalf of such holders by the application 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
- 132.6 generally do all acts and things required to give effect to such resolution.

133. **Record dates**

Subject to Article 4.2.1 in respect of ordinary shares and without prejudice to the rights attached to any shares, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue. Such record date may be on or at any time before any date on which such dividend, distribution,



allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

## **ACCOUNTS**

134. **Accounting records**

The Board shall cause accounting records to be kept and laid before the Company in general meeting in accordance with the Act.

135. **Inspection of records**

No member (other than a member who is also a Director or alternate 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.

## **NOTICES**

136. **Notices to be in writing**

Any notice to be given to or by any person pursuant to these Articles shall be in writing, except that a notice convening a Board meeting need not be in writing.

137. **Service of notice on directors and members**

137.1 The Company may give any notice or document (including a share certificate) to a director or a member, either (a) personally or (b) by sending it by post or other delivery service in a prepaid envelope addressed to the director at the address notified by him to the Company or to the member at his registered address or (c) by leaving it at that address or (d) (except in the case of share certificates) by facsimile transmission to a number notified by that director or member to the Company.

137.2 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.

137.3 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 he shall be entitled to have notices given to him at that address.

137.4 If on three 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 subsequently 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 for the service of notices.

138. **Notice in case of death, bankruptcy or mental disorder**

The Company may give notice to the person entitled to a share in consequence of the death or bankruptcy 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) 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 or bankruptcy or operation of law had not occurred.

139. **Evidence of service**

139.1 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.

139.2 Any notice, certificate or other document, addressed to a director or member at his registered address or address for service in the United Kingdom shall, (a) if sent by first class post, be deemed to have been served or delivered on the day after the day when it was put in the post and (b) if sent by facsimile transmission be deemed to have been served two hours after transmission. Any notice, certificate or other document addressed to a member at his registered address or address for service outside the United Kingdom shall, if sent by air mail, be deemed to have been

served 5 days after the day when it was put in the post. In proving such service or delivery in the case of (a) posting 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 and (b) in the case of facsimile transmission the answerback facility receipt shall be sufficient evidence of transmission. 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.

140. **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.

## **WINDING UP**

141. **Division of assets**

On a winding up the assets of the Company shall be distributed as set out in Article 4.

## **INDEMNITY**

142. **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 or Secretary of the Company 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 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 in his capacity as Director, alternate Director or Secretary of the Company save in cases where such Director, alternate Director or Secretary is found by any court of

competent jurisdiction to have acted criminally, in breach of trust or in breach of his fiduciary duties in relation to the affairs of the Company.

143. **Power to insure**

Subject to the provisions of the Act, the Board may with the approval of the members by ordinary resolution 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 or subsidiary undertaking of the Company or in which the Company has an interest whether direct or indirect 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.