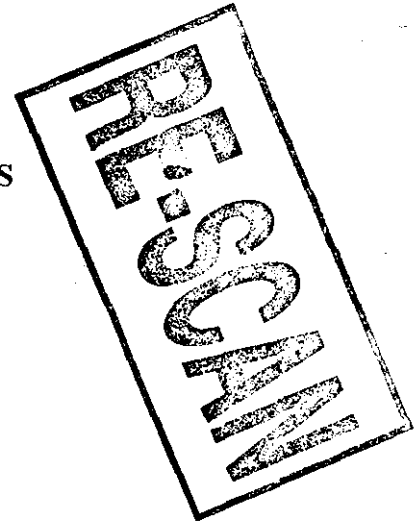


Company Number: 3145895

THE COMPANIES ACT 1985  
PUBLIC COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION

of

CAPITAL FOR COMPANIES VCT plc  
(Adopted by special resolution passed on 28 February 1996)



EXCLUSION OF MODEL REGULATIONS

1. No regulations set out in any statute or statutory instrument concerning companies shall apply as regulations or articles of the Company.

INTERPRETATION

2. In these Articles unless the context otherwise requires:

"these Articles" means these Articles of Association in their present form or as from time to time altered and the expression "this Article" shall be construed accordingly;

"Auditors" means the auditors from time to time of the Company or, where there are joint auditors, any one of them;

"Board" means the Board of Directors from time to time of the Company or the



Directors present at a meeting of Directors at which a quorum is present;

"certificated share" means a share which is not an uncertificated share;

"clear days" in relation to a period of notice, shall mean that period commencing on (but excluding) the day upon which the notice is served, or deemed served, and ending on (but excluding) the day for which it is given, or on which it is to take effect;

"the Companies Acts" means every statute, including any orders, regulations or other subordinate legislation made under it from time to time in force concerning companies in so far as the same applies to the Company (whether or not called a Companies Act or within the statutory citation of Companies Acts);

"Director" means a director of the Company;

"Executive Director" means an Executive Chairman, Chief Executive Director, Joint Chief Executive Director, Managing Director, Joint Managing Director or Assistant Managing Director of the Company or a Director who is the holder of any other employment or executive office (whether or not an employee) with the Company;

"the London Stock Exchange" means London Stock Exchange Limited;

"Member" in relation to shares means the member whose name is entered in the Register as the holder of the shares;

"Office" means the registered office of the Company;

"Register" means the Register of Members of the Company;

"Regulations" means the Uncertificated Securities Regulations (SI 1995/3272)

"relevant system" has the meaning ascribed to that term in the Regulations;

"Seal" means the common seal of the Company or any official seal which the Company may be permitted to have under the Companies Acts;

"Secretary" means any person qualified in accordance with the provisions of the Companies Acts and appointed by the Board to perform any of the duties of the Secretary including a joint, deputy, temporary or assistant Secretary;

"Uncertificated shares" means a share title to which is recorded on the Register as being held in uncertificated form and which is permitted to be transferred by means of a relevant system;

references to "appointment" include reappointment;

the expressions "debenture" and "debenture holder" shall include debenture stock and debenture stockholder respectively;

the expression "paid up" means paid up or credited as paid up;

references to "writing" shall include references to any method of representing or reproducing words in a legible and non-transitory form;

references herein to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions from time to time and shall include any provisions of which they are re-enactments (whether with or without modification);

any words or expressions defined in the Companies Acts in force at the date when these Articles or any part thereof are adopted shall bear the same meaning in these Articles or such part (as the case may be);

headings are inserted for convenience and shall not affect the interpretation of these Articles; and

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

### SHARE CAPITAL

- 3.(A) The authorised share capital of the Company at the date of the adoption of these Articles is £1,100,000 divided into 10,500,000 ordinary shares of 10 pence each ("Ordinary Shares") and 500,000 redeemable shares of 10 pence each ("Redeemable Shares").
- (B) The following rights shall be attached to the Redeemable Shares:
- (1) as to voting: the Redeemable Shares shall not confer any right to receive notice or to attend or vote at any general meeting of the Company except as otherwise agreed by the holders of the majority of the Ordinary Shares;
  - (2) as to dividend: subject to the provisions of the Companies Act 1985, each holder of Redeemable Shares shall be entitled to receive a fixed dividend of 0.01p per annum in respect of each Redeemable Share. Subject aforesaid, the Redeemable Shares shall not confer any right to dividends;
  - (3) on a winding up or return of capital: the Redeemable Shares shall confer the right to be paid out of the assets of the company available for distribution amongst the members the capital paid up on such shares pari passu with and in proportion to any amounts of capital paid to the holders of the Ordinary Shares, but shall not confer any right to participate in any surplus remaining following payment of the amount of capital paid thereon;
  - (4) as to redemption: the Company may, by notice in writing and upon tendering to a registered holder of Redeemable Shares the amount of capital paid up

thereon, redeem any Redeemable Share at any time (subject to the provisions of the Act) and any such holder, in the case of certificated shares, shall be bound to deliver up any certificate which he may have representing the same; and upon redemption the name of the registered holder shall be removed from the Register and the Redeemable Shares which have been redeemed shall be cancelled:

- (5) as to certificates: the Company shall not be obliged to issue a certificate after the allotment and issue of the same, and any transfers of Redeemable Shares during such period shall be certified against the Register;
- (6) the Redeemable Shares shall be issued on the condition that, subject to the provisions of the Companies Act they are to be redeemed by the Company by the earlier of the date on which the Ordinary Shares are admitted to the Official List of the London Stock Exchange and the date on which not less than 4 million Ordinary Shares are issued by the Company pursuant to the terms of a placing and offer for subscription for 10 million Ordinary Shares; and
- (7) the price payable by the Company to the holders of the Redeemable Shares on their redemption shall be 10 pence per share.

#### **REGISTERED OFFICE**

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

#### **SHARE RIGHTS**

- 5. Subject to the provisions of the Companies Acts and in particular to those conferring rights of pre-emption and without prejudice to any rights attached to any shares or class of shares, any share in the Company may be issued with or have attached to it

such preferred, deferred, qualified or other rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.

### **REDEEMABLE SHARES**

6. Subject to the provisions of the Companies Acts, and to any rights conferred on the holders of any other shares, any shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company or the Member are liable, to be redeemed on such terms and in such manner as may be provided for by these Articles.

### **VARIATION OF RIGHTS**

7. Subject to the provisions of the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting.

8. The rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to, or the terms of issue of, such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

### **SHARES**

9. Subject to the provisions of the Companies Acts and these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.

### **COMMISSIONS**

10. The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Companies Acts and the commissions or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

### **EQUITABLE INTERESTS**

11. Except as ordered by a Court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except only as otherwise provided by these Articles or as ordered by a Court of competent jurisdiction or as required by law) the Company shall not be bound by or required in any way to recognise (even when having notice of it) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right in respect of any share except an absolute right to the entirety of it in the registered holder.

## SHARE CERTIFICATES

12. Every person (except a stock exchange nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a holder of any certificated shares in the Register shall (save as provided by the remaining provisions of this Article) be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time determine. In the case of a certificated share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member (except such a nominee as aforesaid) who has transferred some of the shares comprised in his registered holding of certificated shares shall be entitled to a certificate for the balance without charge. Every certificate shall specify the shares to which it relates and the amount paid up thereon. The Company shall not issue share certificates in respect of an uncertificated share. The Company shall in no case be bound to register more than four persons as the joint holders of any shares.
13. If a share certificate is defaced, worn out, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement or wearing out, on delivery of the old certificate to the Company.
14. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall be issued under a Seal unless the Board shall resolve not to have a Seal pursuant to Article 124(B) whereupon such certificates shall be executed in accordance with Article 125(A), having regard to the terms of issue and any listing requirements. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed



to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed.

### LIEN

15. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share, in respect of such share. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to all dividends and other moneys payable in respect of it.
16. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share.
17. The net proceeds of the sale by the Company of any share on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (upon, in the case of a certificated share, surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder immediately after such sale of the share. For giving effect to any such sale the Board may authorise some person to transfer the share sold to, or in accordance with the directions of, the purchaser of it. The transferee shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the

proceedings relating to the sale.

### **CALLS ON SHARES**

18. Subject to the terms of issue, the Board may from time to time make calls upon the Members or persons entitled to a share by transmission in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the terms of issue of such shares made payable at a date fixed by or in accordance with such terms of issue, and each Member or person entitled by transmission shall (subject to the Company serving upon him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may, before receipt by the Company of a sum due thereunder, be revoked or postponed in whole or in part as the Board may determine. A Member or person entitled by transmission shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
19. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
21. If a sum called in respect of a share shall not be paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 25 per cent. per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
22. Any sum which, by the terms of issue of a share, becomes payable on allotment or at

any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium or as an instalment of a call, shall for all the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, it becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
24. The Board may, if it thinks fit, receive from any Member or person entitled to a share by transmission willing to advance it, all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the moneys would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as may be agreed upon between the Board and the Member or person entitled to a share by transmission paying such sum in advance.

#### **FORFEITURE OF SHARES**

25. If a Member or person entitled to a share by transmission fails to pay any call or instalment of a call on the day appointed for payment of it, the Board may at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.
26. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which, and the place where, the payment required by the

notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be so forfeited and, in such case, references in these Articles to forfeiture shall include surrender.

27. If the requirements of any such notice as referred to in the previous Article are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect of it has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends or other moneys payable in respect of the forfeited share and not paid before the forfeiture.
28. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date of it shall forthwith be made in the Register opposite to the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry.
29. Until cancelled in accordance with the requirements of the Companies Acts, a forfeited share shall be deemed to be the property of the Company and may, subject to the provisions of the Companies Acts, be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled on such terms as the Board may think fit.
30. A person whose shares are forfeited shall thereupon cease to be a Member in respect of the forfeited shares, and shall, in the case of certificated shares, surrender to the Company for cancellation the certificate for the shares forfeited, but shall,

notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest on such moneys at the rate of 25 per cent. per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal or may waive payment in whole or in part.

31. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition of it and the Board may authorise some person to effect the transfer of the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share. The person who becomes registered as the holder of the share shall be discharged from all calls made before such sale, re-allotment or disposal of the share.
32. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Companies Acts given or imposed in the case of past Members.

**DISCLOSURE OF INTERESTS**

33. (A) The Company may by notice in writing (in this Article called a "Disclosure Notice") require any Member or other person appearing to be interested or appearing to have been interested in any shares in the Company to disclose to the Company in writing and within such reasonable period as is specified in the Disclosure Notice such information as the Company shall, pursuant to any provision of the Companies Acts, be entitled to require relating to interests in the shares in question and, in the event of such a failure to comply with a Disclosure Notice as is referred to in paragraph (C) of this Article, the Board may, without prejudice to any other rights and remedies available to the Company in respect of such non-compliance, impose any or all of the sanctions set out in paragraph (D) of this Article.
- (B) The Company may cause a Disclosure Notice to be given pursuant to paragraph (A) of this Article at any time and more than one such notice may be given to the same Member or other person in respect of the same shares.
- (C) Where a Member or other person on whom a Disclosure Notice has been served has not within the period specified in the Disclosure Notice (or such further period as the Board may in its discretion allow) supplied to the Company the information thereby required in respect of any shares (in this Article called the "Relevant Shares") the Board may impose sanctions on the registered holder of the Relevant Shares (in this Article called the "Relevant Member") in accordance with paragraph (D) of this Article provided that:
- (1) 14 days shall have elapsed from the date of the service or deemed service of the Disclosure Notice during which time the Member or other person shall have failed to supply such information and such failure shall have continued down to the date on which sanctions are imposed; and

- (2) the Disclosure Notice shall have contained a statement to the effect that in the event of such failure the Board would or might impose sanctions in accordance with paragraph (D) of this Article, summarising or setting out such paragraph or the relevant part of it.

(D) Where, pursuant to the provisions of this Article, the Board may impose sanctions, it may impose the following sanctions:

- (1) the sanction that in respect of the Relevant Shares the Relevant Member shall have no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares or to exercise any other right in relation to any meeting of the Company or any class of shareholders of the Company; and/or
- (2) (if the Relevant Shares constitute 0.25 per cent. or more in number of the issued shares in the capital of the Company) the sanction that in respect of the Relevant Shares the Relevant Member shall have no right to receive any dividend (including any shares issued in lieu of dividend) or other moneys payable until the sanctions have ceased to apply; and/or
- (3) (if the Relevant Shares constitute 0.25 per cent. or more in number of the issued shares in the capital of the Company) the sanction that the Board may decline to register any transfer of Relevant Shares other than (i) a transfer made in respect of a dealing (not being a put-through) on a recognised investment exchange (as defined in the Financial Services Act 1986) or other recognised market on which securities of the same class as the Relevant Shares are regularly traded or (ii) a transfer made in respect of an acceptance of a take-over offer which is subject to and complies with The City Code on Takeovers and Mergers or (iii) a transfer made pursuant to the provisions of the

Companies Acts conferring powers of compulsory purchase in respect of take-over offers.

The Board shall not have an obligation to impose any sanctions pursuant to this Article and any imposition of sanctions may, subject to the provisions of this Article, be made on such terms and subject to such conditions as the Board may think fit. The Board's power to impose sanctions shall not be prejudiced at any time by indulgence granted to any person or by any delay in serving a Disclosure Notice or in determining to impose sanctions. The Board may at any time and from time to time exclude any Relevant Shares from the sanctions or cancel or suspend or vary the sanctions imposed by it but so that the sanctions as so varied shall not include any sanction that could not have been imposed when such sanctions were first imposed by it.

Notice in writing of the imposition of any sanctions pursuant to this Article shall be given by the Company, to the Relevant Member at their registered address and, to any other person whose failure to comply with the Disclosure Notice was taken into account by the Board in determining to impose such sanctions, at his last known address, but the non-receipt of such notice by any person entitled to it shall not invalidate the sanctions.

(E) Any sanctions imposed pursuant to this Article shall cease to apply to any Relevant Member:

(1) as soon as the Board is satisfied that the required information has been produced to the Company; or

(2) in the event of a disposal of the Relevant Shares by any such transfer as is referred to in paragraph (D)(1) of this Article.

Where the Company has withheld payment of any dividend or other moneys



payable in respect of any Relevant Shares pursuant to sanctions imposed in accordance with paragraph (D)(1) of this Article, such dividend or other moneys payable shall be paid to the person who would but for such sanctions have been entitled to them or as he may direct as soon as reasonably practicable after the sanctions shall have ceased to apply, but the Company shall not be obliged to account for any interest on such moneys whether or not such interest has been earned.

- (F) Where any securities are issued pursuant to any rights issue or capitalisation issue in right of any Relevant Shares, the Board may determine that the Relevant Member is subject to sanctions in respect of such securities as if those securities were Relevant Shares. If the Board so determines it will give notice in writing of the determination to the Relevant Member.
- (G) For the purposes of this Article a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification pursuant to the statutory notice which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification or information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.
- (H) In the event of any conflict between the provisions of this Article and any other Article the provisions of this Article shall prevail.
- (I) This Article is in addition to, and shall not in any way prejudice or affect, the statutory rights of the Company arising from any failure by any person to give any information required by a Disclosure Notice within the time specified in it. For the purpose of this Article a Disclosure Notice need not specify the period referred to in paragraph (C)(1) of this Article and may require any information to be given before the expiry of such period.

**TRANSFER OF SHARES**

34. Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his certificated shares by an instrument of transfer in the usual common form or in any other form which the Board may approve. Title to any uncertificated shares may be transferred by means of a relevant system pursuant to the Regulations.
35. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer, when registered, may be retained by the Company.
36. The Board may, in its absolute discretion and without assigning any reason, decline to register any transfer of any certificated share that is not a fully paid up share (provided that this discretion will not be exercised so as to prevent dealings in the shares on the London Stock Exchange taking place on an open and proper basis) or of a share on which the Company has a lien. The Company may refuse to register a transfer of an uncertificated share to the extent it is permitted to do so by the Regulations (save where to do so would disturb the market in the shares on the London Stock Exchange).
37. No transfer of any share shall be made to a minor, bankrupt or person who is mentally disordered or a patient for any purpose of any statute relating to mental health.
38. The Board may also decline to register any transfer of a certificated share (save where to do so would disturb the market in the shares on the London Stock Exchange) unless:
- (1) the instrument of transfer, duly stamped, is lodged with the Company 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;

- (2) the instrument of transfer is in respect of only one class of share; and
  - (3) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.
39. If the Board declines to register a transfer it shall send to the transferee notice of the refusal.
40. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, stop notice, order of court or other instrument or any instruction given pursuant to the Regulations relating to or affecting the title to any share or otherwise making any entry in the Register relating to any share.

### TRANSMISSION OF SHARES

41. In the case of the death of a Member the survivor or survivors (if any) where the deceased was a joint holder, and the executors or administrators of the deceased, where he was sole holder or where all of the joint holders died, shall be the only persons recognised by the Company as having any title to his shares; but nothing in these Articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.
42. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may, subject as provided below and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee of the share.

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by effecting a transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death or bankruptcy of the Member or other event giving rise to the transmission had not occurred and the notice or transfer were a notice or transfer delivered, sent or effected by such Member.

43. Where a person becomes entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law, the rights of the Member in relation to that share shall thereupon cease. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder of it. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

## STOCK

44. The Company may from time to time in general meeting convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up

shares of any class in the capital of the Company into stock, any shares of that class which subsequently become fully paid up and rank pari passu in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.

45. The holders of stock may transfer it or any part of it in the same manner and subject to the same regulations as the shares from which the stock arose might prior to conversion have been transferred (or as near as circumstances admit). The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.
46. The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right (except as to participation in dividends and in assets on a reduction of capital or a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.
47. All provisions of these Articles which are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" herein shall include "stock" and "stockholder" respectively.

#### UNTRACED SHAREHOLDERS

48. (A) The Company shall be entitled to sell at the best price reasonably obtainable any share of a Member or any share to which a person is entitled by transmission if and provided that:
  - (1) for a period of twelve years no cheque or warrant sent by the Company

through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share at his address on the Register or the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no cash dividend payable on the share has been satisfied by the Company by the transfer of funds to a bank account designated by the Member or person entitled by transmission to the share and no communication has been received by the Company from the Member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three cash dividends whether interim or final and no such dividend has been claimed; and

- (2) the Company has at the expiration of the said period of twelve years by advertisement in both a leading national newspaper and in a newspaper circulating in the area in which the address referred to in sub-paragraph (1) of this Article is located, given notice of its intention to sell such share; and
- (3) during the further period of three months after the date of publication of the advertisements (or the date of the last of the two advertisements to be published if they are published on different dates) and prior to the exercise of the power of sale the Company has not received any communication from the Member or person entitled by transmission and the Member or person entitled by transmission has not cashed any cheque or warrant or had funds transferred into his bank account in respect of dividends in the manner set out in sub-paragraph (1) of this Article; and
- (4) if any securities of the Company are listed on the London Stock Exchange or dealt in the Unlisted Securities Market the Company has

first given notice in writing to the Quotations Department of the London Stock Exchange of its intention to sell such shares.

- (B) To give effect to any such sale the Company may appoint any person to effect a transfer of such share and such transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former owner of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. Such debt shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. The net proceeds of sale may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit and the Company shall not be required to account to the former Member or person entitled by transmission to such shares for interest or other moneys earned from such proceeds.
- (C) If during the period of twelve years referred to in sub-paragraph (A)(1) of this Article or during the period of three months referred to in sub-paragraph (A)(3) of this Article or during any intervening period, further shares have been issued in right of those held at the beginning of the twelve year period or of any previously so issued during such periods and all of the requirements of sub-paragraphs (A)(1) to (4) of this Article have been met in respect of such further shares on the basis that all references to the twelve year period shall be deemed to be references to the entire period in which all such further shares have been in issue and on the basis that the proviso to sub-paragraph (A)(1) shall not apply to such further shares, then the Company may also sell such

further shares under paragraph (B) of this Article.

### INCREASE OF CAPITAL

49. The Company may from time to time in general meeting increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. Such new shares shall be subject to all the provisions of these Articles.
50. Subject to the provisions of the Companies Acts, the Company may, by the resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to issue of the new shares.

### ALTERATIONS OF CAPITAL

51. The Company may from time to time by ordinary resolution:
- (1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (2) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Companies Acts) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other rights over, or may have such deferred or qualified rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;
  - (3) 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 authorised share capital by the amount of the shares so cancelled;

and may also by special resolution:

- (4) subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve or any share premium account or other undistributable reserve in any manner.

Subject to compliance with the terms of any such resolution as is referred to in this Article, where any difficulty arises in regard to any consolidation and division under paragraph (1) of this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and for the distribution of the net proceeds of sale in due proportion among the Members who would have been entitled to the fractions, or, if permitted, for the retention of such net proceeds for the benefit of the Company and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser of them, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

#### **PURCHASE OF OWN SHARES**

- 52. (A) Subject to the provisions of the Companies Acts and these Articles and to any confirmation or consent required by law, the Company may from time to time purchase its own shares (including any redeemable shares) provided that if there are in issue any convertible shares of the Company then no purchase by the Company of any of its own shares shall take place unless it has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of each class of convertible shares.

- (B) Neither the Company nor the Board shall be required to select the shares to be purchased rateably, or in any other particular manner, as between the holders of shares of the same class, or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.
- (C) Any exercise by the Company of the power to purchase for redemption any redeemable shares pursuant to this Article shall be subject to the following provisions:
  - (1) purchases will be limited to a maximum price which, in the case of purchases through the market or by tender, will not exceed the average of the middle market quotations taken from the Daily Official List of the London Stock Exchange for the ten business days before the purchase is made save that, in the case of a purchase through the market, the purchase may be made at any price up to the market price, provided it is not more than 5 per cent. above such average ("business day" meaning any day other than a Saturday, Sunday or bank holiday in England or Wales); and
  - (2) if purchases are to be made by tender, the opportunity to tender will be made available on the same basis to all shareholders.

### GENERAL MEETINGS

- 53. The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.
- 54. The Board may, whenever it thinks fit, and in accordance with the Companies Acts,

convene an extraordinary general meeting and, on the requisition of Members under the Companies Acts, shall forthwith proceed to convene an extraordinary general meeting in accordance with the Companies Acts. If sufficient Directors are not within the United Kingdom to call a general meeting, any Director or Member may call a general meeting.

### NOTICES OF GENERAL MEETINGS

55. (A) An annual general meeting or a meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by not less than 21 clear days' notice in writing. A meeting other than either an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than 14 clear days' notice in writing. The notice shall specify the place, date and time of meeting, and, in the case of special business, the general nature of that business, and there shall appear with reasonable prominence in every such notice a statement 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 be a Member of the Company. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Subject to the provisions of the Companies Acts, notice of every general meeting shall be given in the manner mentioned below to all Members other than those who under the provisions of these Articles or the terms of issue of the shares they hold are not entitled to receive such notices from the Company, to all persons entitled to a share by reason of the death or bankruptcy of a Member or otherwise by operation of law, and also to the Auditors for the time being of the Company (or, if there is more than one, to each of them).

- (B) Notwithstanding that a meeting of the Company is called by shorter notice than

that specified in paragraph (A) of this Article, it shall be deemed to have been duly called if it is so agreed:

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

56. The accidental omission to give notice of a meeting or send any other notice or circular relating to it or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or other notice or circular relating to it or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

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

57. All business shall be deemed special that is transacted at an extraordinary general meeting as shall be all business that is transacted at an annual general meeting with the exception of:

- (1) the declaration of dividends;
- (2) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the accounts;
- (3) the appointment of Directors in place of those retiring (by rotation or

otherwise);

- (4) the appointment of Auditors where special notice of the resolution for such appointment is not required by the Companies Acts;
  - (5) the fixing of, or the determining of the method of fixing, the remuneration of the Directors and Auditors;
  - (6) granting or renewing a general authority for the Company to purchase its own shares; and
  - (7) renewing or regranting an existing authority for the Company to offer Members the right to elect to receive shares instead of cash in respect of a specified dividend or dividends.
58. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two Members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of these Articles to be present in person if represented by proxy or in accordance with the provisions of the Companies Acts.
59. If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of the Members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than 10 days thereafter) and at such time or place as the chairman of the meeting may determine and the Company shall give not less than seven clear days'

notice in writing of the adjourned meeting (but otherwise complying with Article 55). At the adjourned meeting one Member (whatever the number of shares held by him) present in person or by proxy shall be a quorum.

60. Each Director shall be entitled to attend and speak at any general meeting of the Company.
61. The chairman (if any) of the Board or, in his absence, a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within five minutes after the time appointed for holding the meeting, or if none of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.
62. (A) The chairman may at any time, without the consent of the meeting, adjourn any meeting (whether or not it has commenced or a quorum is present) from time to time and from place to place where it appears to him that (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, or (b) the conduct of persons present prevents, or is likely to prevent, the orderly continuation of business, or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.  
  
(B) The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.  
  
(C) No business shall be transacted at any adjourned meeting except business that

might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

- (D) Save as expressly provided by these Articles, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.
- (E) The chairman of the meeting shall take such action as he thinks fit to promote the orderly conduct of the meeting as laid down in the notice of meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.
- (F) Where the text of any ordinary resolution to be proposed at any general meeting of the Company is set out in full in the notice convening the meeting, no amendment to that resolution shall be considered (save as the chairman of the meeting in his absolute discretion shall decide) unless written notice of the amendment is deposited at the Office not less than 48 hours prior to the time set for the holding of the meeting.
- (G) If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

- 63. A resolution in writing executed by or on behalf of each Member, who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present, shall be as effectual as if it had been passed at a general meeting properly convened and held, and may consist of several instruments in the like form each executed by or on behalf of one or more of the Members.

## VOTING

64. (A) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is duly demanded before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll. Subject to the provisions of the Companies Acts, a poll may be demanded by:
- (1) the chairman of the meeting; or
  - (2) at least three Members present in person or by proxy and entitled to vote; or
  - (3) any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
  - (4) any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.
- (B) Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.



65. If a poll is duly demanded it shall be taken in such manner as the chairman shall direct and he may appoint scrutineers who need not be Members. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
66. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
67. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and, in that event, shall not invalidate the result of a show of hands declared before the demand was made.
68. On a poll votes may be given either personally or by proxy.
69. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
70. In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote.
71. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who is present in person at a general meeting of the Company shall have one vote, and on a poll every Member who is present in person or by proxy shall have one vote for every share of

which he is the holder.

72. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
73. A Member who is mentally disordered or a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the control or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office (or at such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent with it) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which it is desired to vote.
74. No Member shall, unless the Board otherwise determines, be entitled to be present or to vote, either personally or by proxy, or to be reckoned in a quorum at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
75. If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted that ought not to have been counted or that might have been rejected or (iii) any votes are not counted that ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting

on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection raised or error pointed out in due time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

### PROXIES

76. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
77. A proxy need not be a Member.
78. (A) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
- (B) When two or more valid but differing instruments appointing a proxy are delivered in respect of the same share for use at the same meeting, the one

which is last dated by the appointor (provided that such date is on or before the date of delivery but otherwise regardless of the actual date of execution or the date of its delivery) shall be treated as replacing and revoking the others as regards that share. If not all such instruments of proxy are so dated or if any such date is illegible as written or falls after the date of delivery, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share, but if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share.

(C) Delivery of an instrument of proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned.

(D) No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

79. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, (but subject to the provisions of the Companies Acts) send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it be valid as well for any adjournment of the meeting as for the meeting to which it relates.

80. Any corporation which is a Member may, in accordance with the Companies Acts, by resolution of its directors or other governing body authorise such persons as it thinks fit to act as its representative at any meeting of the Company or of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to

be present in person at any such meeting if the person so authorised is present at such meeting.

81. A vote given or poll demanded by a proxy or by a duly authorised representative of a corporation shall be valid notwithstanding the previous death or incapacity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed or revocation of the appointment of the duly authorised representative, or the transfer of the share in respect of which the vote is given or poll is demanded, provided that no intimation in writing of such death, incapacity, revocation or transfer shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent with it) by the last time at which an instrument of proxy should have been delivered in order to be valid for the use of the meeting or on the holding of the poll at which the vote was given or poll demanded or such later time as may be determined by the Board and set out in a notice in writing sent to Members.

#### **NUMBER OF DIRECTORS AND SHAREHOLDING QUALIFICATION**

82. (A) Unless and until otherwise determined by ordinary resolution of the Company, the Directors (disregarding alternate Directors) shall be not less than two and not more than nine in number.
- (B) No shareholding qualifications for Directors shall be required.

#### **APPOINTMENT AND REMOVAL OF DIRECTORS**

83. Subject to the provisions of these Articles, the Company may by ordinary resolution appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time

exceed any maximum number fixed by or in accordance with these Articles.

84. Without prejudice to the power of the Company by ordinary resolution in pursuance of any of the provisions of these Articles to appoint any person to be a Director, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any Director so appointed by the Board shall hold office only until the next following annual general meeting and shall then be eligible for reappointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.
85. The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with the provisions of the Companies Act, remove any Director before the expiration of his period of office and may (subject to the provisions of these Articles) by ordinary resolution appoint another person in his place. Any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed as Director.
86. No person other than a Director retiring at the meeting shall, unless recommended by the Board, be appointed a Director at any general meeting unless, not less than seven and not more twenty-eight clear days before the date appointed for the meeting, there has been given to the Secretary notice in writing by some Member (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment and also notice in writing signed by the person to be proposed of his willingness to be appointed.

### REMUNERATION OF DIRECTORS

87. The remuneration of the Directors for their services as officers of the Company (excluding amounts payable under any other provision of these Articles) shall be determined by the Board but shall not exceed in aggregate the sum of £50,000 per year or such greater sums as the Company may from time to time determine by ordinary resolution.

### ADDITIONAL REMUNERATION AND EXPENSES

88. Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) or may receive such other benefits as the Board or any committee authorised by the Board may determine and such extra remuneration or benefits shall be in addition to any remuneration or benefits provided for by or pursuant to any other Article.
89. Without prejudice to the provisions of Article 162 the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or to any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any other such company or subsidiary

undertaking are interested including without limitation insurance against any liability incurred by any such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or pension fund.

### EXECUTIVE DIRECTORS

90. The Board may from time to time appoint one or more of its body to be an Executive Director for such period (subject to the provisions of the Companies Acts) and upon such terms as the Board or any committee authorised by the Board may determine and may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.
91. An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may determine, and either in addition to or in lieu of his remuneration as a Director.
92. The Board may from time to time appoint any person to any office or employment having a designation or title including the word "Director" or attach to any existing office or employment with the Company such a designation or title and may at any time determine any such appointment or the use of any such designation or title. The inclusion of the word "Director" in the designation or title of any such office or employment with the Company shall not imply that the holder of it is a Director of the Company nor shall such holder 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



Articles.

### DISQUALIFICATION OF DIRECTORS

93. Without prejudice to the provisions for retirement by rotation set out below, the office of a Director shall be vacated in any of the events following, namely if:
- (1) (not being an Executive Director whose contract of service precludes resignation) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board; or
  - (2) the Board resolves that he is, through physical or mental incapacity or mental disorder, no longer able to perform the functions of a Director; or
  - (3) without leave, he is absent from meetings of the Board (whether or not an alternate Director appointed by him attends) for twelve consecutive months, and the Board resolves that his office is vacated; or
  - (4) he becomes bankrupt or compounds with his creditors; or
  - (5) he is prohibited by law from being a Director; or
  - (6) he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Articles; or
  - (7) he is requested to resign by a notice in writing delivered to the Office or tendered at a meeting of the Board signed by all of the other Directors (not being less than two in number) and, for this purpose, like notices each signed by a Director shall be as effective as a single notice signed by a number of Directors; or

- (8) being a Director holding an executive office, he is dismissed from such office;  
or
- (9) he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director; or
- (10) the conduct of a Director (whether or not concerning the affairs of the Company) is the subject of an investigation by an inspector appointed by the Secretary of State or by the Serious Fraud Office and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director.

### ROTATION OF DIRECTORS

- 94. Subject to the provisions of these Articles, at every annual general meeting one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office.
- 95. The Directors so to retire shall include any Director who wishes to retire and not to offer himself for re-election and shall thereafter be those who have been longest in office since their last appointment or reappointment but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after such date but before the close of the meeting.
- 96. A Director who retires at an annual general meeting shall be eligible for reappointment. If he is not reappointed, or deemed to have been reappointed, 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.

97. Subject to the provisions of these Articles, the Company at the meeting at which a Director retires by rotation may fill the vacated office by appointing a person to it and in default the retiring Director shall, if willing to continue to act, be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the reappointment of such Director shall have been put to the meeting and lost.

#### **AGE OF DIRECTORS**

98. No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of seventy years or any other age, nor shall it be necessary to give special notice under the Companies Acts of any resolution appointing or approving the appointment of a Director by reason of his age, but where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for appointment who has at the date of such meeting attained the age of seventy years or more, the Board shall give notice of his having attained such age in the notice convening the meeting or in any document sent with it, but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any appointment of such Director at it.

#### **ALTERNATE DIRECTORS**

99. (A) Each Director shall have the power to appoint any person to be his alternate Director and may at his discretion remove such alternate director. If such alternate director is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate director shall be

effected by notice in writing signed by the appointor and delivered to the Office or tendered at a meeting of the Board, or in any other manner approved by the Board. An alternate director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but to the exclusion of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.

- (B) Every person acting as an alternate director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except only such part (if any) of the remuneration otherwise payable to the Director appointing him as such Director may by notice in writing to the Company from time to time direct.
- (C) Every person acting as an alternate director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

- (D) An alternate Director shall automatically cease to be an alternate director if his appointor ceases for any reason to be a Director provided that, if at any meeting any Director retires by rotation or otherwise but is reappointed, or is deemed to be reappointed, at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

### **DIRECTORS' INTERESTS**

100. (A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period, subject to the provisions of the Companies Acts, and upon such terms as the Board may determine, and may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- (B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (C) A Director may be or become a director or other officer of or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of it in favour of the appointment of the Directors or any of them to be directors or

officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

- (D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms of such appointment, or its termination).
- (E) Where arrangements are under consideration by the Board concerning the appointment (including its arrangement or variation of its terms, or its termination) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of its terms or its termination) and except (in the case of an office or place of profit with any such other company as referred to above) where the other company is a company in which the Director owns 1 per cent. or more within the meaning of paragraph (I) below.
- (F) Subject to the provisions of the Companies Acts and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

- (G) A Director who is in any way, whether directly or indirectly, interested in any transaction with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the transaction is first taken into consideration, or if the Director did not at the date of that meeting know his interest existed in the transaction, at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article a general notice to the Board by a Director to the effect that (i) he is a member of a specified company or firm and is to be regarded as interested in any transaction which may after the date of the notice be made with that company or firm, or (ii) he is to be regarded as interested in any transaction which may after the date of the notice be made with a specified person who is connected with him within the meaning of the Companies Acts, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such transaction provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
- (H) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any transaction in which he is materially interested, and if he shall do so his vote shall not be counted, but subject to the provisions of the Companies Acts and in the absence of some other material interest, this prohibition shall not apply to any of the following matters, namely:
- (1) any transaction for giving to such Director any guarantee, security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries;
  - (2) any transaction for the giving by the Company or any of its subsidiaries of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries in respect

of which such Director has himself given an indemnity or which he has guaranteed or secured in whole or in part;

- (3) any transaction by such Director to subscribe for shares, debentures or other securities of the Company or any of its subsidiaries issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class of them or to the public or any section of it, or to underwrite or sub-underwrite any such shares, debentures or other securities;
- (4) any transaction in which such Director is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
- (5) any transaction concerning any other company (not being a company in which such Director owns 1 per cent. or more within the meaning of paragraph (I) below) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
- (6) any proposal concerning the adoption, modification or operation of a scheme or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings, and that does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme or arrangement relates; and
- (7) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company, provided that for the purposes of this subparagraph insurance shall mean only insurance which the Company is empowered to purchase and/or maintain for or for the benefit of a Director or any group of persons consisting of or including Directors of the Company pursuant to Article 89.

- (I) A company shall be deemed to be a company in which a Director owns 1 per cent. or more if and so long as (but only if and so long as) the Director together with any person connected with him within the meaning of the



Companies Acts (a "connected person") is (either directly or indirectly) the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or connected person as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the interest of the Director or connected person is in reversion or remainder if and so long as some other person is entitled to receive the income of it, and any shares comprised in an authorised unit trust scheme in which the Director or connected person is interested only as a unit holder.

- (J) Where a company in which a Director holds 1 per cent. or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or as to the entitlement of any Director to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be decided by a resolution of the Board (for which purpose such Director shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Director as known to such Director has not been fairly disclosed to the Board.
- (L) Subject to the provisions of the Companies Acts, the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

- (M) The word "transaction" in this Article shall include any actual or proposed transaction, contract, arrangement or agreement.

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

101. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Companies Acts or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Companies Acts, the memorandum of association of the Company and these Articles and to any directions given by the Company in general meeting by special resolution. No alteration of the memorandum of association of the Company and of these Articles and no special resolution shall invalidate any prior act of the Board that would have been valid if that alteration had not been made or that resolution had not been passed. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
102. The Board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local or divisional boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any such local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, and may also give power to sub-delegate, and may authorise the members of any such local or divisional board or any of them to fill any vacancies on the board (and to act notwithstanding vacancies) and to fix their own remuneration. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected by it.

103. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under the provisions of these Articles) and for such period and subject to such conditions and upon such terms (including terms as to remuneration) as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may remove any person appointed under this Article and may revoke or vary the delegation, but no person dealing in good faith, and without notice of the revocation or variation, shall be affected by it.
104. The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, (with power to sub-delegate) and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice or such revocation or variation shall be affected by it.
105. Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place, and the Board may make and vary such regulations as it may think fit respecting the keeping of any such register.
106. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
107. The Board shall cause minutes or records to be made in books provided for the

purpose:

- (1) of all appointments of officers made by the Board;
- (2) of the names of the Directors present at each meeting of the Board or committee of the Board; and
- (3) of all resolutions and proceedings at all meetings of the Company, of the holders of any class of shares in the Company, and of the Board, and of any committee of the Board.

108. (A) The Board on behalf of the Company or any committee authorised by the Board may, subject to the provisions of the Companies Acts, exercise all the powers of the Company to grant and pay pensions, annuities, gratuities and superannuation or other allowances and benefits in favour of any person, including any Director or former Director or the relations, connections or dependants of any Director or former Director and, for the purpose of providing any such benefit or allowance, shall have power to contribute to any scheme or fund or to pay premia in respect of such scheme or fund.
- (B) A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of such benefit shall not disqualify any person from being or becoming a Director of the Company.

### **BORROWING POWERS**

109. (A) Subject as provided below and to the provisions of the Companies Acts, 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 and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(B) (1) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings only in so far as by the exercise of such rights or powers of control as the Board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group other than amounts to be taken into account under paragraph (2) (c) (iii) below) shall not, without the previous sanction of an ordinary resolution of the Company, at any time exceed an amount equal to the Adjusted Capital and Reserves provided that prior to the publication of an audited balance sheet of the Company such aggregate principal amount shall be limited to 90 per cent of the amount paid up or credited as paid up (whether in respect of nominal value or premium) on the allotted or issued share capital of the Company.

(2) For the purpose of the foregoing restriction:

(a) "the Adjusted Capital and Reserves" shall mean the aggregate from time to time of:

- (i) the amount paid up or credited as paid up on the issued share capital of the Company; and
- (ii) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve, property revaluation reserve and any credit balance on profit and loss account)

all as shown by the then latest audited balance sheet but after

deducting from it any debit balance on profit and loss account subsisting at the date of that audited balance sheet (except to the extent that such deduction has already been made), and after making adjustments to reflect any variation in the amount of such paid up share capital, share premium account, capital redemption reserve, or property revaluation reserve since the date of such audited balance sheet;

- (b) "borrowings" shall be deemed to include not only borrowings but also the following except in so far as otherwise taken into account:
  - (i) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which or the right to repayment of which is not for the time being owned by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group;
  - (ii) the outstanding principal amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
  - (iii) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group;
  - (iv) the nominal amount of any preference share capital of

any subsidiary undertaking beneficially owned otherwise than by a member of the Group; and

- (v) any fixed or minimum premium payable on repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:

- (vi) borrowings for the purposes of repaying the whole or any part of the borrowings by a member of the Group for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period;
- (vii) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other governmental department or non-governmental successor fulfilling a similar function, to an amount not exceeding that part of the price receivable under such contract which is so guaranteed or insured;
- (viii) amounts borrowed or raised that are for the time being deposited with H M Customs and Excise or any other body designated by any relevant legislation or order in connection with import deposits or any similar governmental scheme to the extent that a member of the Group retains its interest in it; and

- (ix) borrowings of an undertaking which became a subsidiary undertaking of the Company after the date at which the last audited balance sheet was prepared, to the extent that the amount of those borrowings does not exceed the amount immediately after it became such a subsidiary undertaking;
- (c) when the aggregate principal amount of borrowings required to be taken into account for the purposes of this Article on any particular date is being ascertained:
- (i) any of such moneys denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that date in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if as a result such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business);
  - (ii) where under the terms of any borrowing the amount of money which would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the Company or by reason of default) on such date is less than the amount which would otherwise be taken into account in respect of such borrowing for the purpose of this Article, the amount of such borrowing to be taken into account for the purpose



of this Article shall be such lesser amount; and

- (iii) moneys borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion of such moneys equal to the relevant proportion and moneys borrowed and owing to a partly-owned subsidiary undertaking by another member of the Group shall be taken into account to the extent of a proportion of such moneys equal to the relevant proportion; for the purposes of this paragraph "relevant proportion" shall mean the proportion of the issued equity share capital of such partly-owned subsidiary undertaking which is not attributable (directly or indirectly) to the Company;
- (d) "audited balance sheet" shall mean the audited balance sheet of the Company prepared for the purposes of the Companies Acts unless at the date of the then latest such balance sheet there shall have been prepared for such purposes and audited a consolidated balance sheet of the Company and its subsidiary undertakings (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purpose of the Companies Acts) and in the latter event "audited balance sheet" shall mean such audited consolidated balance sheet of the Company and such subsidiary undertakings, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiary undertakings;

- (e) the Company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Companies Acts: if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this Article; and
  - (f) "the Group" shall mean the Company and its subsidiary undertakings (if any).
- (3) A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article. Notwithstanding any other provision of this Article, the Directors may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence the limit imposed by this Article is inadvertently exceeded an amount of borrowings equal to the excess may be disregarded until the expiration of three months after the date on which, by reason of a determination of the Auditors or otherwise, the Directors become aware that the said limit has been inadvertently exceeded as aforesaid.
- (C) Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice

to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

### **PROCEEDINGS OF THE BOARD**

110. Subject to the provisions of these Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.
111. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may require of the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose but such notices need not be given any earlier than notices given to Directors not so absent, and in the absence of any such requisition it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.
112. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of these Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

113. A Director shall be treated as present in person at a meeting of the Board if he is in communication with the meeting by conference telephone or other communication equipment permitting those attending the meeting to hear one another. Such Director shall be counted in the quorum of the meeting and shall be entitled to vote at it. A meeting of the Directors to which this Article applies shall be deemed to take place where the majority of those participating is assembled or, if there is no majority, at the place where the chairman of the meeting is present.
114. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below any minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose. If there be no Directors able or willing to act, then any two Members may summon a general meeting for the purpose of appointing Directors.
115. The Board may appoint a chairman and one or more deputy chairmen of its meetings and determine the period for which they are respectively to hold such offices and may at any time remove them from such offices. If no such chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present may appoint one of their number to be chairman of the meeting.
116. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
117. The Board may delegate such of its powers, authorities or discretions (with power to

sub-delegate) as it may think fit to committees consisting of one or more members of the Board and (if thought fit) one or more other persons co-opted as provided below. The powers, authorities or discretions so delegated shall include, without limitation, all powers, authorities or discretions which relate, or may relate, to the payment of remuneration to or the conferring of any other benefit on, any member of the Board or person co-opted to any committee of the Board, as provided below. Any committee so formed shall, in the exercise of the powers, authorities or discretions so delegated, conform to any regulations which may from time to time be imposed by the Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee. In so far as any power, authority or discretion is delegated to a committee in accordance with this Article, any reference in these Articles to the exercise by the Board of the power, authority or discretion so delegated shall be read and construed as if it were a reference to the exercise by such committee.

118. The meetings and proceedings of any committee consisting of two or more persons shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.
119. A resolution in writing signed by all the Directors (or their duly appointed alternates) for the time being in the United Kingdom (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned.
120. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such

committee or person acting as a Director or such member or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee and had been entitled to vote.

### SECRETARY

121. Subject to the provisions of the Companies Acts, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board.
122. A provision of the Companies Acts or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

### THE SEALS

123. The Board shall provide for the safe custody of every Seal. A Seal shall only be used by the authority of the Board or of a committee authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common Seal is affixed shall be signed by one or more Directors and either a person duly authorised in that behalf by the Board or the Secretary, or by two or more Directors, and any instrument to which an official Seal is affixed need not, unless the Board for the time being otherwise determines or the law otherwise requires, be signed by any person.
124. (A) The Company may exercise all the powers conferred by the Companies Acts with regard to having official seals and such powers shall be vested in the Board.

- (B) The Board may resolve that the Company shall not have a Seal.
125. (A) Where the Companies Acts so permit, any instrument or document signed by one Director and the Secretary or by two Directors and expressed (using any form of words) to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument or document which makes it clear on its face that it is intended to have effect as a deed shall be so signed without the authority of the Directors or a duly authorised committee of the Directors. Any such instrument or document to be executed by the Company may have signatures affixed autographically.
- (B) 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.

#### **AUTHENTICATION OF DOCUMENTS**

126. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the holders of any class of shares of the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies of them or extracts from them as true copies or extracts. A document purporting to be a copy of a resolution, or the minutes of or an extract from the minutes of a meeting of the Company or the holders of any class of shares of the Company or of the Board or any committee of the Board which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith of it that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

**DIVIDENDS AND OTHER PAYMENTS**

127. Subject to the provisions of the Companies Acts, the Company may by ordinary resolution from time to time declare dividends to be paid to the Members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.
128. Subject to the provisions of the Companies Acts, in so far as in the opinion of the Board the profits of the Company justify such payments, the Board may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of it and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates in respect of such periods as it thinks fit. If the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.
129. Unless and to the extent that the rights attached to any shares or the terms of issue of any shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.
130. No dividend shall be paid otherwise than out of profits available for the purpose in accordance with the provisions of the Companies Acts.
131. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide, dividends may be declared or paid in any currency. The Board may agree with any member that dividends which may at any time or from time to time be



declared or become due on his shares in one currency shall be paid or satisfied in another and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

132. Subject to the provisions of the Companies Acts, where any asset, business or property is acquired by the Company as from a past date, the profits and losses arising from it as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits and losses of the Company. Subject as aforesaid, if any shares or securities are purchased come dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part of it.
133. (A) The Board may retain any dividend (or part of a dividend) or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (B) The Board may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares contained above, entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.
- (C) No dividend or other moneys payable on, or in respect of, a share shall bear interest as against the Company, whatever the circumstances of the lateness of payment.
134. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the

holder of it (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder of the share or by operation of law and any other event) and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company.

135. The payment by the Board of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it and any dividend unclaimed after a period of twelve years from the date such dividend is payable shall be forfeited and shall revert to the Company.
136. The Company may upon the recommendation of the Board by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and, in particular, may issue fractional certificates and may fix the value for distribution of such specific assets or any part of them and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.
137. The Board may, with the sanction of an ordinary resolution of the Company, offer Members the right to elect to receive shares, credited as fully paid, in whole or in part, instead of cash in respect of such dividend or dividends as are specified by such resolution. The following provisions shall apply:
  - (1) The ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period to which the right of election shall apply but such period may not end later than the conclusion of the annual general meeting falling in the fifth calendar year following the calendar year in which falls the meeting at

which the ordinary resolution is passed provided that nevertheless the Directors may in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts as are necessary or expedient with regard to, or in order to effect, any such suspension or termination.

- (2) The entitlement of each member to new shares shall be such that the relevant value of the shares shall be as nearly as possible equal to (but not in excess of without the sanction of a special resolution of the Company) the cash amount (disregarding any tax credit) that such members would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the shares of the Company on the London Stock Exchange as derived from the London Stock Exchange Daily Official List on each of the first five dealing days on which the shares are quoted "ex" the relevant dividend or in such other manner as may be determined by or in accordance with the ordinary resolution. 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 and, in giving such a certificate or report, the Auditors may rely on advice or information from brokers or other sources of information as they think fit.
- (3) The basis of allotment shall be such that no Member may receive a fraction of a share.
- (4) On or as soon as practicable after announcing that it is to declare or recommend any dividend, the Board, if it intends to offer an election in respect of that dividend, shall also announce that intention and, after determining the basis of the allotment (if it decides to proceed with the offer) shall notify Members in writing of the right of election offered to them and shall send forms of election with, or following, such notification and shall specify the procedure to be followed and place at which, and the latest date and time by

which (being at least twenty-one days after the despatch of the notice), duly completed forms of election must be lodged in order to be effective.

- (5) 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 the said election has been duly made ("the elected shares") and instead of the dividend (or such part) additional shares shall be allotted to the holder of the elected shares on the basis of allotment determined as set out above. For such purpose the Board shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or 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 such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (6) The additional shares so allotted shall rank *pari passu* in all respects with the fully paid shares then in issue save only as regards participation in the relevant dividend.
- (7) The Board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (8) The Board may exclude from any offer any holders of shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory, or that for any other reason the offer should not be made to them.

- (9) The Board may also from time to time establish or vary a procedure for election mandates, under which a Member may elect in respect of future rights to elect to receive shares offered to that Member under this Article until the election mandate is revoked in accordance with the procedure.
138. (A) Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled to it or them, (or, if two or more persons are registered as joint holders of the share or are entitled to it in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event to any one of such persons) or to such person and such address as such Member or person or persons may in writing direct.
- (B) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may in writing direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company.
- (C) Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented by it.
- (D) In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such direction.
139. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death, bankruptcy or mental disorder of the

holder or by operation of law or any other event, any one of them may give effectual receipts for any dividend or other money payable or property distributable on or in respect of the share.

140. Any resolution declaring, paying or making a dividend, distribution, allotment or issue in respect of shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that it shall be paid or made to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be on or at any time before or after the date on which the resolution is passed, and thereupon the dividend, distribution, allotment or issue shall be receivable by them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend, distribution, allotment or issue of transferors and transferees of any such shares.
141. The Company may cease to send any cheque or warrant through the post or employ any other means of payment for any dividend payable on any shares, which is normally paid in that manner on those shares, if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed or that means of payment has failed but, subject to the provisions of these Articles, the Company shall recommence sending cheques or warrants or employing such means in respect of dividends payable on those shares if the holder of the shares requests such recommencement in writing.

### **RESERVES**

142. The Board may, before recommending any dividend (whether preferential or otherwise) but having regard to the Company's status as a venture capital trust (as defined in section 842AA of the Income and Corporation Taxes Act 1988), set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at

such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing them to reserve carry forward any profits that it may think it prudent not to distribute. 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.

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

143. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions on the basis that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits may be applied only in the paying up of unissued shares to be allotted to such Members credited as fully paid up.
144. Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and, in particular, may issue fractional certificates or authorise any person to sell and transfer any fractions and arrange for the distribution of the net proceeds of sale in due proportion among

the Members who would have been entitled to the fractions or, if permitted, for the retention of such net proceeds for the benefit of the Company, or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may resolve to ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect to it and such appointment shall be effective and binding upon the Members.

### **DISTRIBUTION OF REALISED CAPITAL PROFITS**

145. At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company ("a Relevant Period") distribution of the Company's capital profits (within the meaning of section 266(2)(c) the Companies Act 1985 shall be prohibited. The Board shall establish a reserve to be called the capital reserve. During a Relevant Period all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off or other dealing with any capital asset in excess of the book value thereof and all other monies thereof which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the Companies Act 1985, the Board may determined whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the Companies Act 1985, any expenses, loss or liability (or provision therefor) which the Board considers to relate to a capital item or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue



reserve are applicable except and provided that notwithstanding any other provision of these Articles during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distributions (as defined by section 263(2) the Companies Act 1985) or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 263(2) the Companies Act 1985) or be applied in paying dividends on any shares in the Company.

#### **FORM OF RECORDS**

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

#### **ACCOUNTING RECORDS**

147. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the provisions of the Companies Acts. The accounting records shall be kept at the Office or, subject to the provisions of the Companies Acts, at such other place or places as the Board may think fit and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by ordinary resolution of the Company.

148. (A) A copy of every balance sheet and profit and loss account, including every document required by law to be annexed to them, which is to be laid before the Company in general meeting, together with copies of the Directors' and Auditors' reports shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts and the terms of any regulations or arrangements for the time being binding on the Company, and copies shall also be sent in appropriate numbers to the London Stock Exchange in accordance with the terms of any such regulations or arrangements.
- (B) Instead of the documents referred to in paragraph (A) of this Article the Company may send a summary financial statement prepared in accordance with the Companies Acts and regulations made thereunder, to persons entitled thereto, where permitted by the Companies Acts and the said regulations.

#### **AUDITORS**

149. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Companies Acts.

#### **SERVICE OF NOTICES AND OTHER DOCUMENTS**

150. Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
151. Any Member described in the Register by an address not within the United Kingdom who shall, from time to time, give to the Company an address within the United

Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no Member other than a Member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.

152. Any such notice or other document, if sent by first class post, shall be deemed to have been served or delivered on the day after the day when it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
153. Any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
154. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same day in at least one national newspaper and such notice shall be deemed to have been duly served on all Members entitled to it at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days before the meeting the posting of notices and addresses throughout the United Kingdom again becomes

practicable.

155. Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid letter addressed to the Company, or to such officer, at the Office.
156. Any notice or other document may be served or delivered by the Company by reference to the Register as it stands at any time not more than fifteen days before the date of despatch by the Company. No change in the Register after that time shall invalidate that service or delivery. Where any notice or other document is served on, or delivered to, any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.
157. Nothing in any of the preceding Articles shall affect any requirement of the Companies Acts that any particular offer, notice or other document be served in any particular manner.

#### **DESTRUCTION OF DOCUMENTS**

158. The Company may destroy:
  - (1) any share certificate that has been cancelled at any time after the expiry of one year from the date of such cancellation;
  - (2) any dividend mandate or any variation or cancellation of it or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification is recorded by the Company;

- (3) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (4) any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it,

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed pursuant to this Article was a valid and effective document in accordance with the recorded particulars of it in the books or records of the Company. Provided always that:

- (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as set out above or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) references in this Article to the destruction of any document include references to its disposal in any manner.

### SECRECY

- 159. No Member or general meeting or other meeting of Members shall be entitled to require discovery of or any information respecting any detail of the Company's trading, or any matter that is or may be in the nature of a trade secret or secret

process, or that may relate to the conduct of the business of the Company which in the opinion of the Board it would be inexpedient in the interest of the Company to communicate to the public.

### EMPLOYEES

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

### WINDING UP

161. The Board shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.
162. The Board shall procure that at the annual general meeting of the Company in 2002 an ordinary resolution will be proposed to the effect that the Company shall continue in being as a venture capital trust. If at any such meeting, such resolution is not passed, the Board shall within twelve months of such meeting convene an extraordinary general meeting of the Company at which the following resolutions shall be proposed:
- (A) a special resolution for the re-organisation or reconstruction of the Company;  
and
  - (B) if the special resolution referred to in (A) above shall not be passed, a special resolution requiring the Company to be wound up voluntarily.

In the case of the special resolution relating to a voluntary winding up only, any member may demand a poll and each holder of shares present in person or by proxy

and who votes in favour of the special resolution shall have such number of votes in respect of each share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of shares in respect of which votes are cast against the resolution and each holder of shares who votes against the resolution shall have one vote for each share held by him. If neither of the special resolutions referred to in article 162 (A) or (B) are passed or the ordinary resolution to continue the Company's status as a venture capital trust is passed, the Company shall continue as a venture capital trust but the Company shall at every third annual general meeting thereafter, propose a resolution to continue the Company in being as a venture capital trust and the above provisions shall apply again at that time.

163. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the liquidator may, with the authority of an extraordinary resolution and subject to any provision sanctioned in accordance with the provisions of the Companies Acts, divide among the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any assets to be so divided and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability and the liquidator may make any provision referred to in and sanctioned in accordance with the provisions of the Companies Acts.

### INDEMNITY

164. Subject to the provisions of the Companies Acts, every Director, alternate Director, Secretary or other officer of the Company shall be entitled to be indemnified by the

Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted by the Court.



# ARTICLES OF ASSOCIATION CONTENTS

Article(s) No		Page
1	Exclusion of model regulations	1
2	Interpretation	1-4
3	Share capital	4
4	Registered office	5
5	Share rights	5-6
6	Redeemable shares	6
7-8	Variation of rights	6-7
9	Shares	7
10	Commissions	7
11	Equitable interests	7
12-14	Share certificates	8-9
15-17	Lien	9-10
18-24	Calls on shares	10-11
25-32	Forfeiture of shares	11-13
33	Disclosure of interests	14-17
34-40	Transfer of shares	18-19
41-43	Transmission of shares	19-20
44-47	Stock	20-21
48	Untraced shareholders	21-24
49-50	Increase of capital	24
51	Alterations of capital	24-25
52	Purchase of own shares	25-26
53-54	General meetings	26-27
55-56	Notices of general meetings	27-28

57-63	Proceedings at general meetings	28-31
64-75	Voting	32-35
76-81	Proxies	35-37
82	Number of Directors and shareholding qualification	37
83-86	Appointment and removal of Directors	37-38
87	Remuneration of Directors	39
88-89	Additional remuneration and expenses	39-40
90-92	Executive Directors	40-41
93	Disqualification of Directors	41-42
94-97	Rotation of Directors	42-43
98	Age of Directors	43
99	Alternate Directors	43-45
100	Directors' interests	45-50
101-108	Powers and duties of the Board	50-52
109	Borrowing powers	52-59
110-120	Proceedings of the Board	59-62
121-122	Secretary	62
123-125	The Seals	62-63
126	Authentication of documents	63
127-141	Dividends and other payments	64-70
142	Reserves	70-71
143-144	Capitalisation of reserves and profits	71-72
145	Distribution of Realised Capital Profits	72-73
146	Form of records	73
147-148	Accounting records	73-74
149	Auditors	74
150-157	Service of notices and other documents	74-76
158	Destruction of documents	76-77

159	Secrecy	77-78
160	Employees	78
161-163	Winding up	78-79
164	Indemnity	79-80

## INDEX

	Article No.	Page No.
Accounting records	147-148	73-74
Age of Directors	98	43
Alternate Directors	99	43-45
Auditors	149	74
Authentication of documents	126	63
Borrowing powers	109	52-59
Calls on shares	18-24	10-11
Capitalisation of reserves and profits	143-144	71-72
Commissions	10	7
Destruction of documents	158	76-77
Directors - age of	98	43
alternate	99	43-45
appointment and removal	83-86	37-38
borrowing powers	109	52-59
disqualification	93	41-42
executive Directors	90-92	40-41
expenses	88	39
interests	100	45-50
number of	82	37
powers - borrowing	109	52-59
general	101-108	50-52
proceedings of Board	110-120	59-62
qualification, shareholding	82	37
remuneration - additional	88-89	39-40
general	87	39
rotation	94-97	42-43
Disclosure of interests	33	14-17

Distribution of Realised Capital Profits	145	72-73
Dividends and other payments	127-141	64-70
Employees	159	77-78
Equitable interests	11	7
Executive Directors	90-92	40-41
Forfeiture of shares	25-32	11-13
General meetings	53-54	26-27
notice of	55-56	27-28
proceedings at	57-63	28-31
voting at	64-75	32-35
Indemnity	164	79-80
Interpretation	2	1-4
Notices -      of general meetings	55-56	27-28
service of	150-157	74-76
Proxies	76-81	35-37
Purchase of own shares	52	25-26
Records - form of	146	73
Registered office	4	5
Reserves	142	70-71
Seals	123-125	62-63
Secrecy	159	77-78
Secretary	121-122	62
Service of notices and other documents	150-157	74-76
Share capital	3	4
alterations of	51	24-25
increase of	49-50	24
Share rights	5	5-6
Shares	9-11	7
calls on	18-24	10-11

certificates	12-14	8-9
lien on	15-17	9-10
redeemable	6	6
transfer	34-40	18-19
transmission	41-43	19-20
untraced shareholders	48	21-24
variation of rights	7-8	6-7
voting	64-75	32-35
Stock	44-47	20-21
Winding up	161-163	78-79

No. 3145895

"A"  
X B J L

**THE COMPANIES ACTS 1985 and 1989**

---

**PUBLIC COMPANY LIMITED BY SHARES**

---

**MEMORANDUM OF ASSOCIATION**

of

**CAPITAL FOR COMPANIES VCT plc<sup>1</sup>**

(as altered by special resolution passed on 28 February 1996)

- 
- 1 The name of the Company is "Capital for Companies VCT plc".
  - 2 The Company is to be a public company.
  - 3 The Company's registered office is to be situated in England and Wales.
  - 4 The Company's objects are
    - (a) (i) To carry on the business of a venture capital trust company and to acquire, hold (either in the name of the Company or in that of any nominee) sell, endorse, discount or otherwise deal with or dispose of all kinds of shares, stocks, debentures and debenture stock, bonds, gilts,

---

<sup>1</sup>\* The Company changed its name from YPCS 43 PLC to Capital for Companies VCT plc on

obligations and securities issued or guaranteed by any company constituted in any part of the world, and all kinds of bonds, gilts, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioner, public body or authority (supreme, municipal, local or otherwise), in any part of the world, and any right or interest therein (and whether or not producing income) and to vary or transpose any such shares, stocks, debentures, debenture stock, bonds, gilts, obligations or securities.

- (ii) To acquire any such shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise; to underwrite or guarantee the subscription thereof; and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.
  - (iii) To act and to perform all the functions of a holding company.
  - (iv) To act as trustee of any deeds constituting or securing any debentures, debenture stock or other securities or obligations and to undertake or execute any other trusts.
  - (v) To establish or maintain or join in any scheme or plan for encouraging or facilitating the regular (or other) investment in, the holding of, or the investment of any dividends declared by the Company or any other company in the securities of the Company or any other company within such scheme or plan by, or for the benefit of, the shareholders of the Company or other persons within such scheme or plan and to discharge, or contribute towards the discharge of, the expenses of establishing or maintaining any such scheme or plan.
- (b) To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company.



- (c) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.
- (d) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- (e) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for cooperation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- (f) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.

- (g) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (h) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associates in any way with, the Company). to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- (i) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (j) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (k) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any

proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

- (l) To enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- (m) To control, manage, finance, subsidise, coordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (n) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operation which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (o) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (p) To act as agents or brokers and as trustees for any person, firm or company,

and to undertake and perform sub-contracts.

- (q) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of Shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (r) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (s) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or any of the persons listed below, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are, or have been, Directors of, or who are, or have been, employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance, and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or

fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained; and to subscribe or guarantee money for charitable or benevolent objects or for any public, general or useful object.

- (t) To appoint any person or persons, firm or firms, company or companies to be the attorney or agent of the Company and to act as agents, managers, secretaries, contractors or in a similar capacity.
- (u) To insure the life of any person who may, in the opinion of the company, be of value to the Company as having or holding for the Company interests, goodwill or influence or other assets and to pay the premiums on such insurance.
- (v) To purchase and maintain for any officer of the Company any insurance policy indemnifying such officer against liability for negligence, default, breach of duty or breach of trust of any other liabilities which may be lawfully insured against.
- (w) If and only to the extent permitted by the Act, to give, whether directly or indirectly, any kind of financial assistance (as defined in section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (x) To procure the Company to be registered or recognised in any part of the world.
- (y) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, subcontractors or otherwise and either alone or in conjunction with others.

- (z) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

AND so that:

- (1) None of the objects set forth in any sub-clause of this clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
- (2) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have full a power to exercise each and every one of the objects specified in each sub-clause of this Clause as though each sub-clause contained the objects of a separate Company.
- (3) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
- (4) In this Clause the expression "the Act" shall mean the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

- 5. The liability of the Members is limited.

6. The Company's share capital is £100,000 divided into 100,000 shares of £1 each.<sup>2</sup>

We, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum, and we agree to take the number of shares shown opposite our respective names:

Names and addresses of subscribers and number of shares taken by each subscriber

York Place Company Nominees Limited	One
12 York Place	
Leeds LS1 2DS	

York Place Company Secretaries Limited	One
12 York Place	
Leeds LS1 2DS	

---

<sup>2</sup>Note: By ordinary resolution passed on 28 February 1996 the Company altered its share capital as follows:

- (i) by increasing its authorised share capital to £1,100,000 by the creation of 500,000 redeemable shares of 10 pence each and 9,500,000 ordinary shares of 10 pence each
- (ii) by subdividing the two issued and 99,998 unissued shares of £1 each in the capital of the Company into 10 shares of 10 pence each and redesignating them as ordinary shares.

Dated 05 January 1996

Witness to the above signature

Jonathon Round

12 York Place

Leeds LS1 2DS