

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

Certified as a true copy

of

*F. A. Britton*

Matrix Income & Growth 2 VCT plc

pp For Matrix-Securities Limited  
Company Secretary

incorporated on 8 March 2000 with no. 3946235

amended to 28 September 2007

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**THE COMPANIES ACT 1985**

**PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**Matrix Income & Growth 2 VCT plc**

("the Company")

**1 PRELIMINARY**

1 1 The regulations in Table A applicable to the Company under any former enactment relating to companies and Table A set out in the schedule to the Companies (Tables A to F) Regulations 1985 shall not apply to the Company

1 2 Words and expressions defined in the Act (as defined in Article 1 4) shall in these Articles (as defined in Article 1 4) bear the meanings there ascribed to them unless the context requires otherwise

1 3 Any reference in these Articles (as defined in Article 1 4) to any provision of any statute or to any other legislative provision shall be deemed to include a reference to any statutory or other legislative modification or re-enactment of that provision from time to time in force

1 4 The following words and expressions in these Articles shall have the meanings set out or referred to opposite each respectively

"the Act" the Companies Act 1985,

"Adjusted Capital and Reserves"	as defined in Article 25 2 (h),
"Article"	one of these Articles,
"these Articles"	the articles of association signed by the subscribers to the memorandum of association of the Company as from time to time amended,
"Board"	the board of directors or the Directors present at a duly convened and quorate meeting of the Directors or a duly authorised quorate and constituted committee of the Directors,
"C" Shares	C Ordinary Shares of one pence each in the capital of the Company having the rights set out in Article 2 2 below,
"Conversion"	conversion of the "C" Shares to Ordinary Shares,
"Debenture"	debenture and/or debenture stock,
"Director"	a director for the time being of the Company,
"the Directors"	the directors for the time being of the Company,
"Executive Director"	as defined in Article 22 1,
"In Writing"	written or produced by any substitute for writing or partly one and partly another,
"Issuer-Instruction"	an issuer-instruction, as defined in the Uncertificated Securities Regulations
"the London Stock Exchange"	means the London Stock Exchange Limited or other principal stock exchange in the United Kingdom for the time being,
"Moneys Borrowed"	as defined in Article 25 2 (f),
"Non-Equity Proportion"	as defined in Article 25 2 (d),
"the Office"	the registered office of the Company from time to time,

"Operator"	the Operator (as defined in the Uncertificated Securities Regulations) of the Uncertificated System,
"Ordinary Shares"	ordinary shares of one pence each in the capital of the Company,
"Paid"	paid or credited as paid,
"Participating Security"	the meaning attributed to that expression in the Uncertificated Securities Regulations,
"Relevant Company"	as defined in Article 39 3,
"the Seal"	the common seal of the Company,
"the Secretary"	the secretary of the Company and/or the assistant or deputy secretary, if any, of the Company and/or any other person, if any, from time to time appointed by the Board to perform any of the duties of the secretary of the Company including without limitation whereby two or more persons are appointed to act as joint secretary of the Company, both or all of them,
"Share"	any share and/or stock of the Company,
"the Statutes"	the Act and every other Act from time to time in force concerning companies and affecting the Company including without limitation any consolidation and/or re-enactment of the Act,
"Stock Exchange Nominee"	as defined in section 185(4) of the Act,
"the Transfer Office"	the place where the register of members of the Company is kept from time to time,
"Uncertificated"	in relation to a share, a share to which title is recorded in the Register of Members as being held in uncertificated form and title to which may be transferred by means of an Uncertificated System in accordance with the Uncertificated Securities Regulations,

"Uncertificated System"

the CREST system or any other applicable system which is a "relevant system" for the purpose of the Uncertificated Securities Regulations,

"the UK"

the United Kingdom of Great Britain and Northern Ireland

1 5 In these Articles, where the context so permits, words importing the singular number shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships

1 6 The headings to the clauses and paragraphs are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles

1 7 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these presents

2 **SHARE CAPITAL AND RIGHTS ATTACHING TO THE ORDINARY SHARES AND THE "C" SHARES**

2 1 The authorised share capital of the Company is £840,000 divided into 420,000,000 Ordinary Shares and 420,000,000 "C" Shares<sup>2</sup>

2 2 The following provisions apply in respect of the "C" Shares and their subsequent conversion into Ordinary Shares

2 2 1 **Definitions**

For the purposes of this Article 2 2, the following definitions shall have the following meanings -

"BVCA" means the British Venture Capital Association

"Calculation Date" means the close of business on such date as the Directors shall approve

"Conversion" means conversion of the "C" Shares in accordance with the Articles,  
"Conversion Date" means the close of business on the day selected by the Directors falling not more than sixty days after the Calculation Date

"Conversion Ratio" is 
$$\frac{A}{B}$$
 where,

and where,

$$A = \frac{C - D}{E}$$

$$B = \frac{F - (C - D)}{G}$$

"C" is the aggregate of

- (a) the amount which, in the Director's opinion, fairly reflects, having regard to the then current guidelines of the BVCA, the value of all investments of the Company attributable to the "C" Shareholders on the Calculation Date, and
- (b) the amount which in the Director's opinion fairly reflects at the Calculation Date, the value of the current assets of the Company attributable to the "C" Shareholders (including cash and deposits with or balances at a bank and including any income and other items of a revenue nature),

"D" is the amount (to the extent not otherwise deducted from the assets attributable to the "C" Shareholders) which in the Directors' opinion fairly reflects the amount of the liabilities attributable to the "C" Shareholders on the Calculation Date,

"E" is the number of "C" Shares in issue on the Calculation Date,

"F" is the net asset value of the Company as at the Calculation Date which is arrived at after all adjustments reasonably deemed necessary by the Directors to reflect the current value (determined by the Directors in accordance with the then

current guidelines of the BVCA) of all assets and to allow for all liabilities including any income and other items of a revenue nature,

"G" is the number of Shares in issue on the Calculation Date,

provided that the Directors shall make such other adjustments to the value or amount of "A" and "B" as the auditors shall report to be appropriate having regard, inter alia, to the assets attributable to the "C" Shareholders on the Calculation Date, to the assets of the Company on the Calculation Date and in the event that conversion occurs before the exercise of warrants issued by the Company (and/or before the issue of Performance Warrants in relation to either or both of the Ordinary Shares and the "C" Shares) after such other adjustments as the Directors shall make and as the auditors shall report to be appropriate to reflect outstanding warrants (or as the case may be the value of accruing obligations to issue Performance Warrants )

"C" Share Surplus" means the net assets of the Company attributable to the "C" Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company's liabilities including the fees and expenses of the liquidation or return of capital (as the case may be) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the "C" Shareholders,

"Existing Ordinary Shares" means the Ordinary Shares in issue as at the Calculation Date,

"Issue Date" means the day on which the Company receives the net proceeds of the first issue of the "C" Shares,

"New Ordinary Shares" means new Ordinary Shares arising on Conversion of the "C" Shares which, when issued, shall rank pari passu in all respects and form a single class with the Existing Ordinary Shares,

"Performance Warrants" the warrant rights granted in relation to the investment of the capital raised by the issue of Ordinary Shares as stated in note 3 to the Annual

Accounts of the Company published for the period ending 30 April 2003 and which may be granted in relation to the investment of capital raised by the issue of the "C" Shares

"Ordinary Share Surplus" means the net assets of the Company (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less the Company's liabilities (including the fees and expenses of the liquidation or return of capital, as the case may be) less the "C" Share Surplus, and

"Statutes" means the Companies Act 1985 as amended and supplemented by the Companies Act 1989, and every other statute for the time being in force concerning companies affecting the Company,

For the purposes of the Articles, assets attributable to the "C" Shareholders or the "C" Shares shall mean the net cash proceeds (after all expenses relating thereto) of the issue of the "C" Shares as invested in or represented by investments or cash or other assets from time to time less such proportion of the expenses and liabilities of the Company incurred or accrued between the Issue Date and the Calculation Date (both dates inclusive) as the Directors fairly consider to be allocable to the "C" Shares

References in the Articles to the auditors certifying any matter shall be construed to mean certification of their opinion as to such matter whether qualified or not

## **2 2 2 Undertakings**

Until Conversion and without prejudice to its obligations under the Statutes, the Company shall (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the "C" Shareholders can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that a separate income and expenditure account (or if applicable profit and loss account), balance sheet and cash flow account and such other separate accounts as may, in the opinion of the Board, be desirable to ensure compliance with the provisions of section 842AA of the Income and Corporation Taxes Act 1988 as amended, shall be created and maintained in the books of the Company for the assets attributable to the "C" Shareholders, (ii) allocate to the assets attributable to the "C" Shareholders such proportion of the expenses and liabilities of the Company incurred or accrued between the Issue

Date and the Calculation Date (both dates inclusive) as the Directors fairly consider to be allocable to the "C" Shares and (iii) give appropriate instructions to



the Company's investment managers and advisers to manage the Company's assets so that such undertakings can be complied with by the Company

**2 2 3 The Conversion Process**

**2 2 3 1 The Directors shall procure that**

(a) within two months of the Calculation Date, both the Conversion Ratio as at the Calculation Date and the number of New Ordinary Shares to which each "C" Shareholder shall be entitled on Conversion shall be calculated, and

(b) the auditors shall be requested to certify, within two months of the Calculation Date, that both the calculation of the Conversion Ratio and the total number of New Ordinary Shares arising on Conversion -

(i) have been performed in accordance with the Articles, and

(ii) are arithmetically accurate,

whereupon, subject to the proviso immediately after the definition of "G" above, such calculations shall become final and binding on the Company and all shareholders

**2 2 3 2** The Directors shall procure that as soon as practicable following such certification a notice is sent to each "C" Shareholder advising such "C" Shareholder of the Conversion Date, the Conversion Ratio and the number of Ordinary Shares to which such "C" Shareholder shall be entitled on Conversion

**2 2 3 3** The Directors may in their absolute discretion from time to time decide the manner in which the "C" Shares are to be converted, subject to the provisions of the Articles and the Statutes, to the intent that on Conversion each "C" Share shall convert into a New Ordinary Share

**2 2 3 4** Without prejudice to paragraph 2 2 3 3 above, the Directors may, where the Conversion Ratio is greater than 1, in order to facilitate the Conversion, provide for the profits or reserves attributable to the "C" Shares to be capitalised and applied

in paying up in full such number of New Ordinary Shares as shall be calculated by multiplying the number of New Ordinary Shares arising on Conversion by the

Conversion Ratio and then deducting the number of New Ordinary Shares arising on Conversion, and allot such shares, credited as fully paid up, to the holders of "C" Shares pro rata to their holdings

2 2 3 5 Without prejudice to paragraph 2 2 3 3 above, the Directors may, where the Conversion Ratio is less than 1, in order to facilitate the Conversion, provide for the profits or reserves attributable to the Existing Ordinary Shares to be capitalised and applied in paying up in full such number of New Ordinary Shares as shall be calculated by dividing the number of Existing Ordinary Shares by the Conversion Ratio and then deducting the number of Existing Ordinary Shares and allot such shares, credited as fully paid up, to the holders of Existing Ordinary Shares pro rata to their holdings

2 2 3 6 The Directors may deal in such manner as they think fit with any fractional entitlements to New Ordinary Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company

2 2 3 7 Forthwith upon Conversion, the Company shall issue to each former "C" Shareholder certificates in respect of the New Ordinary Shares which have arisen upon Conversion

2 2 3 8 Forthwith upon Conversion, the rights attaching to the "C" Shares under the Articles shall lapse

#### 2 2 4 **Voting Rights**

Subject to any disenfranchisement as provided in paragraph 2 2 7 below and subject to any special terms as to voting on which any shares may be issued, on a show of hands, every member present in person (or being a corporation, presented by authorised representatives) 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. The Ordinary Shares and the "C" Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company

#### 2 2 5 **Dividends**

The rights of members to receive dividends are as follows

- (a) the Ordinary Shareholders shall be entitled to receive, in that capacity, any dividends paid out of the net income derived from the assets attributable to the Ordinary Shares,
- (b) the "C" Shareholders shall be entitled to receive in that capacity, any dividends paid out of the net income derived from the assets attributable to the "C" Shares, and
- (c) the New Ordinary Shares arising on Conversion of the "C" Shares shall rank in full for all dividends and other distributions declared after the Conversion Date

The Company may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of a share shall bear interest as against the Company. There are no fixed dates on which entitlement to dividend arises.

All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

## **2.2.6 Distribution of assets on liquidation**

The capital and assets of the Company shall on a winding up or on a return of capital prior, in each case, to Conversion be applied as follows:

- (a) the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares pro rata according to their holdings of Ordinary Shares, and
- (b) the "C" Share Surplus shall be divided amongst the holders of "C" Shares pro rata according to their holdings of "C" Shares.

After Conversion, on a winding-up any surplus assets will be divided amongst the holders of the shares according to the respective numbers of shares held by them and in accordance with the provisions of the Act, subject to the rights of any shares which may be issued with special rights or privileges. The Articles provide that the

liquidator may, with the sanction of an extraordinary resolution and any other sanctions required by the Act, divided amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine

## **2 2 7 Class Consents and Variation of Rights**

Until Conversion the holders of "C" Shares as a class and the holders of the Ordinary Shares as a class shall be required to approve and, accordingly the special rights attached to the "C" Shares and the Ordinary Shares shall be deemed to be varied, inter alia, by

- (a) any alteration to the Memorandum or Articles of Association, or
- (b) any consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company other than on Conversion, or
- (c) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company other than pursuant to the exercise of subscription rights in accordance with the terms of the share options granted or to be granted to the Manager, or
- (d) the selection of any accounting reference date other than 30 April

Whenever the capital of the Company is divided into different classes of shares, the rights attaching to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of such holders provided that in the case of sub-paragraph (d) above, the holders of "C" Shares as a class and the holders of Ordinary Shares as a class may authorise the Directors to select an accounting reference date other than 30 April

- 2 2 8** The holders of the Redeemable Non-Voting Shares shall be entitled to receive from the profits of the Company available for a distribution in priority to any other dividend or distribution a fixed annual non-cumulative dividend of one pence per Redeemable Non-Voting Share held by them, the first such dividend being payable in respect of the first financial period of the Company commencing after 31 March

- 2001 Subject thereto the Redeemable Non-Voting Shares shall not confer upon their holders any entitlement to participate in any dividend or other distribution of the profits of other Company
- 2 3 On a return of assets (except on a redemption of shares) on liquidation or otherwise, the assets of the Company remaining after payment of its liabilities shall be applied in priority to any other payment in paying to the holders of Redeemable non-Voting Shares a sum equal to the amount Paid up thereon and all arrears and accruals of dividends thereon Subject thereto the Redeemable Non-Voting Shares shall not confer any entitlement on their holders to participate any further in the surplus assets of the Company
- 2 4 1 Subject to the Statutes all, but not some only, of the Redeemable Non-Voting Shares may be redeemed by the Company at any time and the holders of all of the Redeemable Non-Voting Shares may require all, but not some only, of the Redeemable Non-Voting Shares to be redeemed at any time after the earlier of 31 December 2001 and the date of admission of Ordinary Shares to the Official List of the London Stock Exchange
- 2 4 2 Redeemable Non-Voting Shares may only be redeemed if they are then fully Paid up and the holders of Redeemable Non-Voting Shares shall be entitled to receive in respect of each Redeemable Non-voting Share redeemed an amount equal to the amount Paid up thereon, together with a sum equal to any arrears and accruals of dividend thereon
- 2 4 3 Each holder of Redeemable Non-Voting Shares shall prior to any date of redemption deliver to the Company his certificate in respect of his holding of such shares to be redeemed or, if it is lost or defaced, an indemnity in respect thereof in such form as the Board may reasonably require
- 2 4 4 Each of the Shares in the unissued share capital of the Company created by the redemption of Redeemable Non-Voting Shares shall be automatically converted into and redesignated as an Ordinary Share on the date of redemption
- 2 5 The Redeemable Non-Voting Shares shall not confer on the holders of them, any entitlement to receive notice of, attend or vote at general meetings of the Company

2 6 Notwithstanding the provisions of this article 2 on a return of assets on liquidation, redemption or otherwise the holders of the Redeemable Non-Voting Shares shall not be entitled to receive in aggregate an amount which exceeds one half of the assets of the Company which would then be available for distribution among participators

### 3 **AUTHORITY FOR BOARD TO ALLOT SHARES**

3 1 Subject to the Statutes in relation to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, and subject to this Article 3, all unissued Shares shall be at the disposal of the Board, and they may allot (with or without conferring a right of renunciation), grant warrants and options over or otherwise dispose of them to such persons at such times and on such terms as they think proper, provided that no Shares shall be issued at a discount except in accordance with the Statutes

3 2 All unissued Shares shall be at the disposal of the Board, who are unconditionally authorised for the purposes of section 80 of the Act to allot, grant options over, offer or otherwise deal with or dispose of, or rights to subscribe for or convert any security to any person (including Directors themselves), at any time or times within a period of five years following the date of incorporation of the Company, any relevant securities within the meaning of that section and comprised within the margin of authorised Share capital at the date of incorporation of the Company remaining unissued and to do so, notwithstanding that this authority may then have expired, if the relevant securities concerned are allotted in pursuance of an offer or agreement made by the Company before the expiry of this authority and to make any offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority

3 3 Without prejudice to any special rights previously conferred on the holders of any Shares or class of Shares from time to time in issue (which special rights may be affected, modified, dealt with or abrogated only in accordance with Article 4), any Share may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Board may determine), and, subject to the provisions of the Statutes, the Company may issue any Shares

which are, or at the option of the Company or the holder are liable, to be redeemed

- 3 4 The Board may at any time after the allotment of any Share but before any person has been entered in the register of members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a Share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit

#### 4 **VARIATION OF CLASS RIGHTS**

- 4 1 Whenever the share capital is divided into different classes of Shares, the special rights attached to any class may, subject to the Statutes, be varied, affected, modified, dealt with or abrogated -

- 4 1 1 in such manner (if any) as may be provided by those rights, or

- 4 1 2 in the absence of such provision, with the sanction of an extraordinary resolution passed at a separate general meeting of such holders To every such separate general meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two members of the class holding or representing by proxy not less than one-third of the capital Paid up on the issued Shares of the class, and so that such holders shall on a poll have one vote for each Share of the class held by them respectively save that on an adjourned meeting the necessary quorum shall be one person holding shares of the class in question or his proxy

- 4 2 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 varied by the creation or issue of further Shares ranking pari passu therewith or subsequent thereto

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

- 5 1 The Company may by ordinary resolution increase its capital by such sum to be divided into Shares of such amounts as the resolution shall prescribe All new Shares shall be subject to the Statutes and these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise

- 5 2 The Company may by ordinary resolution
- 5 2 1 Divide and, subject to Article 5 3, consolidate all or any of its capital into Shares of a larger amount than its existing Shares,
- 5 2 2 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 capital by the amount of the Shares so cancelled, and
- 5 2 3 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 Statutes), 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, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new Shares
- 5 3 Upon any consolidation of fully Paid Shares into Shares of larger nominal value, the Board may, as between the holders of Shares so consolidated, determine which Shares are consolidated into each consolidated Share and, in the case of any Shares registered in the name of one holder being consolidated with Shares registered in the name of another holder, may make such arrangements as may be thought fit for the sale of the consolidated Share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale and for such purpose may appoint some person to transfer the consolidated Share to the buyer, provided that the necessary unissued Shares are available, the Board may alternatively in each case where the number of Shares held by any holder is not an exact multiple of the number of Shares to be consolidated into a single Share, issue to each such holder credited as fully paid up by way of capitalization of reserves (and without the sanction required in Article 30 2) the minimum number of Shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation), and the amount required to pay up such Shares shall be appropriated at the discretion of the Board from any of the sums standing to the credit of any reserve account (including without limitation and Share premium account, capital redemption reserve or other undistributable reserve) or to the credit of the profit and loss account and capitalised by applying it in paying up such Shares



5 4 The Company may reduce its capital or any capital redemption reserve or Share premium account or other undistributable reserve in any manner which is in accordance with and subject to any method and/or consent authorised or required by law Without prejudice to the generality of the foregoing the Company may effect such a reduction by vesting specific assets in trustees upon a trust for the benefit of members which is either a qualifying trust (as defined in article 5 6) or is a trust which with the authority of an extraordinary resolution of members is approved by the directors

5 5 The Company may purchase, and may enter into any contract under which it will or may purchase, its own Shares (including without limitation any redeemable Shares) in any manner authorised by the Act but subject to any requirement affecting such purchase of any stock exchange on which all or any of its Shares have been admitted for listing

5 6 For the purposes of article 5 4 a "qualifying trust" is a trust

5 6 1 which provides for the trust property to be held by such trustees as may be approved for these purposes by the Board,

5 6 2 the objects of which are to realise the specific assets vested in its trustees pursuant to article 5 4 and as soon as practicable thereafter to apportion and to pay the proceeds thereof pro rata to members according to the amounts paid on Shares held by them which have been cancelled pursuant to a reduction of share capital, and

5 6 3 which otherwise is upon such terms and provisions as the Board may approve including a right for the trustees to be indemnified out of the assets of the trust in respect of any costs claims or losses which they may suffer or incur in connection with any act or transaction which the trustees regard as necessary or desirable for the purposes of achieving the objects of the trust

## 6 **SHARES**

6 1 The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted The rate or amount of commission paid or agreed to be paid shall be disclosed in accordance with the Statutes, and such commission shall not exceed 10% of the price at which the Shares in respect

of which it is paid are issued The Company may also on any issue of Shares pay such brokerage as may be lawful

- 6 2 Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these articles or by law otherwise provided) any other right in respect of any Share, except an absolute right to the entirety thereof in the registered holder or, in the case of a Share warrant, in the bearer thereof for the time being

## **7 SHARE CERTIFICATES**

- 7 1 Every Share certificate shall be issued under the Seal or an official seal kept by virtue of section 40 of the Act, or may be issued under hand signed by any two Directors or by any Director and by the Secretary or by some person appointed by the Board for the purpose or bearing an imprint or reproduction of the seal or such other form of authentication as the Board may determine, and shall specify the number and class and distinguishing number (if any) of Shares to which it relates and the amount Paid up thereon No certificate shall be issued representing Shares of more than one class No certificate shall normally be issued in respect of Shares held by a Stock Exchange Nominee
- 7 2 In the case of a Share held jointly by more than one person the Company shall not be bound to issue more than one certificate therefore, and delivery of a certificate to one of the joint holders shall be sufficient delivery to all
- 7 3 Any person (subject as aforesaid) whose name is entered in the register of members in respect of any Shares of any one class upon the issue or transfer thereof shall be entitled without payment to receive a certificate therefore within two months after allotment or lodgement of a transfer
- 7 4 Where some only of the Shares represented by a Share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such Shares issued in lieu without charge

- 7 5 Any two or more certificates representing Shares of any one class held by any member may at his request be cancelled and a single new certificate for such Shares issued in lieu without charge
- 7 6 If any member surrenders for cancellation a Share certificate representing Shares held by him and requests the Company to issue in lieu two or more Share certificates representing such Shares in such proportions as he may specify, the Board may, if it think fit, comply with such request
- 7 7 If a Share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Board may think fit
- 7 8 In the case of Shares held jointly by several persons, any request mentioned in this Article 7 may be made by any one or more of the joint holders
- 7 9 Any certificate to which a person is entitled shall be delivered
- 7 9 1 In the case of issue, within one month after the date of expiry of any right of renunciation or (if none) within one month after the date of allotment or such longer period as the terms of issue may provide,
- 7 9 2 In the case of a transfer of fully Paid Shares, within fourteen days after the lodgement of the relevant indorsement of transfer, and
- 7 9 3 In the case of a transfer of partly Paid Shares, within two months after lodgment of the relevant instrument of transfer

## **8 UNCERTIFIED SHARES**

Subject to the Act, the requirements of the London Stock Exchange, the Uncertificated Securities Regulations and these Articles

- 8 1 the Board may resolve that a class of shares is to become, or is to cease to be, a Participating Security,

- 8 2 shares of a class shall not be treated as forming a separate class from other shares of the same class as a consequence of such shares being held in certified or uncertificated form or of any provision in these Articles or the Uncertificated Securities Regulations applying only to certificated shares or to uncertificated shares,
- 8 3 any share of a class which is a Participating Security may be changed from an uncertificated share and from a certificated share to an uncertificated share in accordance with the Uncertificated Securities Regulations,
- 8 4 these Articles apply to uncertificated shares of a class which is a Participating Security only to the extent that these Articles are consistent with the holding of such shares in uncertificated form, with the transfer of title to such shares by means of the Uncertificated system and with the Uncertificated Securities Regulations,
- 8 5 the Board may lay down regulations not included in these Articles which (in addition to or in substitution for any provisions in these Articles)
- 8 5 1 apply to the issue, holding or transfer of uncertificated shares,
- 8 5 2 set out (where appropriate) the procedures for conversion and/or redemption of uncertificated shares, and/or
- 8 5 3 the Board considers necessary or appropriate to ensure that these Articles are consistent with the Uncertificated Securities Regulations and/or the Operator's rules and practices
- 8 6 such regulations will apply instead of any relevant provisions in these Articles which relate to certificates and the transfer, conversion and redemption of shares or which are not consistent with the Uncertificated Securities Regulations, in all cases to the extent (if any) stated in such regulations, and if the Board makes any such regulations, Article 8 4 will (for the avoidance of doubt) continue to apply to these Articles, when read in conjunction with those regulations,
- 8 7 any instruction given by means of an Uncertificated system as referred to in these Articles shall be a dematerialised instruction given in accordance with the

Uncertificated Securities Regulations, the facilities and requirements of the Uncertificated System and the Operator's rules and practices,

8 8 any purpose under these Articles, the Company may treat a member's holding of uncertificated shares and of certificated shares of the same class as if they were separate holdings, unless the Board otherwise decides,

8 9 where the Company is entitled under the Act, the Operator's rules and practices, these Articles or otherwise to dispose of, forfeit, enforce a lien over or sell or otherwise procure the sale of any shares of a class which is a Participating Security which are held in uncertificated form, the Board may take such steps (subject to the Uncertificated Securities Regulations and to such rules and practices) as may be required or appropriate, by instruction by means of the Uncertificated System or otherwise, to effect such disposal, forfeiture, enforcement or sale including by (without limitation),

8 9 1 requesting or requiring the deletion of any computer-based entries in the Uncertificated System relating to the holding of such shares in uncertificated form,

8 9 2 altering such computer-based entries so as to divest the holder of such shares of the power to transfer such shares other than to a person selected or approved by the Company for the purpose of such transfer,

8 9 3 requiring any holder of such shares, by notice in writing to him, to change his holding of such uncertificated shares into certificated form within any specified period,

8 9 4 requiring any holder of such shares to take such steps as may be necessary to sell or transfer such shares as directed by the Company,

8 9 5 otherwise rectify or change the register of members of the Company in respect of any such shares in such manner as the Board considers appropriate (including, without limitation, by entering the name of a transferee into the Register of Members as the next holder of such shares), and/or

8 9 6 appointing any person to take any steps in the name of any holder of such shares as may be required to change such shares from uncertificated form to certificated form and/or to effect the transfer of such shares (and such steps shall be effective as if they had been taken by such holder)

## 9 CALLS ON SHARES

- 9 1 The Board may make calls upon the members in respect of any moneys unpaid on their Shares (whether on account of the nominal value of the Shares or, when permitted, by way of premium) but subject always to the terms of issue of such Shares, provided that no call on any Shares shall be payable less than one month following the date fixed for payment of the last preceding call. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable by instalments.
- 9 2 Each member shall (subject to receiving at least one month's notice in Writing 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 member to whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call is made. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Board may determine.
- 9 3 If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15% per annum) as the Board may determine, but the Board shall be free in any case or cases to waive payment of such interest wholly or in part.
- 9 4 If by the conditions of allotment of any Share the whole or part of the amount or issue price thereof is payable by instalments, every such instalment shall, when due, be paid to the Company by any person from time to time registered as the holder of the Share.
- 9 5 Any sum (whether on account of the nominal value of the Share or by way of premium) which by the terms of issue of a Share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

9 6 The Board may on the issue of Shares differentiate between the holders as to the amount of calls to be paid and the times of payment

9 7 The Board may, if they think fit, receive from any member willing to advance them all or any part of the moneys (whether on account of the nominal value of the Shares or by way of premium) uncalled and unpaid upon the Shares held by him, and such payment in advance of calls shall to the extent of the payment extinguish the liability upon the Shares in respect of which it is made, and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding without the consent of a general meeting 10% per annum) as the member paying such sum and the Board may agree No sum Paid up in advance of calls shall entitle the holder of a Share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable

#### 10 **FORFEITURE AND LIEN**

10 1 If a member or person entitled by transmission fails to pay in full any call or instalment of a call on the due date for payment thereof, the Board may at any time thereafter serve a notice on him In Writing requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment

10 2 The notice shall name a further day (not being less than seven days from the date of service 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 in accordance therewith, the Shares on which the call has been made will be liable to be forfeited

10 3 If the requirements of any such notice 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 and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect Such forfeiture shall include all dividends declared in respect of the forfeited Share and not actually paid before forfeiture The Board may accept a surrender of any Share liable to be forfeited

hereunder, in which case references in these Articles to forfeiture shall include surrender

- 10 4 A Share so forfeited shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Board may think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board think fit. The Board may, if necessary, authorise some person to transfer a forfeited Share to any such other person as aforesaid
- 10 5 A member whose Shares have been forfeited shall cease to be a member in respect of the Shares 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 thereon at 15% per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Board may in their absolute discretion enforce payment without any allowance for the value of the Shares at the time of forfeiture or waive payment in whole or in part
- 10 6 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 member 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 Statutes given or imposed in the case of past members
- 10 7 The Company shall have a first and paramount lien on every Share (not being a fully Paid Share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Share. Any lien of the Company on any Share shall extend to all dividends payable thereon. The Board may waive any lien which has arisen and may resolve that any Share shall for some limited period be exempt wholly or partially from the provisions of this Article 9 7
- 10 8 The Company may sell in such manner as the Board 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 expiry of fourteen days after



- 10.5 A member whose Shares have been forfeited shall cease to be a member in respect of the Shares 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 thereon at 15% per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Board may in their absolute discretion enforce payment without any allowance for the value of the Shares at the time of forfeiture or waive payment in whole or in part.
- 10.6 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 member 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 Statutes given or imposed in the case of past members
- 10.7 The Company shall have a first and paramount lien on every Share (not being a fully Paid Share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Share. Any lien of the Company on any Share shall extend to all dividends payable thereon. The Board may waive any lien which has arisen and may resolve that any Share shall for some limited period be exempt wholly or partially from the provisions of this Article 9.7.
- 10.8 The Company may sell in such manner as the Board 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 expiry of fourteen days after a notice in Writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default has been given to the holder of the Share or the person entitled thereto by transmission.
- 10.9 The net proceeds of such sale after payment of the costs thereof shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists, so far as they are then payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the Shares prior to the sale) be paid to the person entitled to the Shares at the time of the sale. For the purpose of giving effect to any such sale, the Board may authorise some person to transfer the Shares sold to the buyer

10 10 A statutory declaration In Writing that the declarant is a Director or the Secretary and that a Share has been duly forfeited or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. Such declaration and the receipt of the Company for the consideration (if any) given for the Share on the sale, re-allotment or disposal thereof, together with the Share certificate delivered to a transferee or allottee thereof, shall (subject to the execution of a transfer if required) constitute a good title to the Share, and the person to whom the Share is sold, re-allotted or disposed of shall 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.

## 11. **TRANSFER OF SHARES**

11.1 All transfers of Shares shall be effected by transfer In Writing in any usual or common form or in any other form acceptable to the Board and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully Paid Shares) by or on behalf of the transferee. The transferor shall remain the holder of the Shares concerned until the name of the transferee is entered in the register of members in respect thereof.

11.2 The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine and either generally or in respect of any class of Shares; provided that such registration shall not be suspended for more than thirty days in any year.

11.3 The Board may in their absolute discretion and without assigning any reason therefore refuse to register any transfer of Shares not being fully Paid Shares where such refusal does not restrict dealings on an open and proper basis. Without prejudice to the foregoing, the Board may also refuse to register a transfer of Shares (whether fully Paid or not) in favour of more than four persons jointly.

- 11.4 The Board may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of Share and is in favour of not more than four transferees and is lodged at the Transfer Office accompanied by the relevant Share certificate or certificates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) In the case of a transfer by a Stock Exchange Nominee, the lodgment of a Share certificate or certificates will only be necessary if and to the extent that certificates have been issued in respect of the Shares in question
- 11.5 Transfers of shares will not be registered in the circumstances referred to in Article 18.1.
- 11.6 If the Board refuse to register a transfer, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected or actual fraud) be returned to the person depositing it
- 11.7 All instruments of transfer which are registered may be retained by the Company.
- 11.8 No fee shall be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney relating to or affecting the title to any Shares.
- 11.9 Notwithstanding anything to the contrary contained in these Articles where the Statutes (or any regulations made thereunder) permit title to any shares or other securities of the Company to be evidenced or transferred otherwise than by written instrument the Board shall have the power to implement such arrangements as it shall see fit regarding such evidence or transfer within the provisions of the Statutes or such regulations.

## 12. TRANSMISSION OF SHARES

- 12.1 In the case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest in the Shares, but nothing in this Article 11.1 shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any Share held by him.
- 12.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy of a member may, subject as hereinafter provided, upon supplying to the Company such evidence as the Board may reasonably require to show his title to the Share, either be registered himself as holder of the Share upon giving to the Company notice in writing of such his wish or transfer such Share to some other person. If he elects to become registered himself he shall give notice to the Company to that effect. If he elects to have some other person registered, he shall execute an instrument of transfer of such share to that person. 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 transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
- 12.3 Except as otherwise provided by or in accordance with these Articles, a person becoming entitled to a Share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Board may reasonably require to show his title to the Share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the Share, except that he shall not be entitled in respect thereof (otherwise than with the authority of the Board) to exercise any right conferred by membership in relation to general meetings or meetings of the holders of any class of Shares until he has been registered as a member in respect of the Share. The Board may, however, retain the dividends payable upon Shares in respect of which any person is under the foregoing provisions as to the transmission of Shares entitled to become a member, or which any person under those provisions is entitled to transfer, until such person becomes a member in respect of such Shares or duly transfers them.

13        **UNTRACED SHAREHOLDERS**

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

13.1.1      During the period of twelve years prior to the date of the publication of the advertisements referred to in article 12.1 (b) (or, if published on different dates, the first thereof),

13.1.1.1    no cheque, order or warrant in respect of such share sent by the Company through the post in a prepaid envelope addressed to the member or the person entitled by transmission to that share, at his address on the register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed; and

13.1.1.2    at least three dividends (whether interim or final) have been paid by the Company on or in respect of the shares in question but no such dividend or other monies payable on or in respect of such shares has been claimed by the person entitled to it, and

13.1.2      The Company has after the expiry of the said period of twelve years inserted advertisements in both a national newspaper published in the UK and a newspaper circulating in the area in which the address referred to in Article 12.1 (a) is located giving notice of its intention to sell the said Shares; and

13.1.3      The Company has notified the Quotations Department of the London Stock Exchange of such intention to sell; and

13.1.4      During the said period of twelve years and the period of three months following the publication of the said advertisements the Company has received indication neither of the whereabouts nor of the existence of such member or person

13.2        To give effect to any such sale, the Company may appoint some person to execute as transferor an instrument of transfer of the said Shares, and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such Shares, and the title of the transferee shall not be affected by any irregularity or invalidity in the

proceedings relating thereto. The net proceeds of sale shall belong to the Company, which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in its books as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect thereof, and the Company shall not be required to account for any money earned on the net proceeds, which 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 Board may from time to time think fit

#### **14 STOCK**

14.1 The Company may by ordinary resolution convert any Paid-up Shares into stock and may from time to time by like resolution reconvert any stock into Paid-up Shares of any denomination.

14.2 The holders of stock may transfer it or any part thereof in the same manner, and subject to the same regulations, as and subject to which the Shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit, but no stock shall be transferable except in such units as the Board may from time to time determine; provided that such units shall not be greater than the nominal amount of the Shares from which the stock arose

14.3 The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the Shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred such privilege or advantage.

#### **15 GENERAL PROVISIONS RELATING TO GENERAL MEETINGS**

15.1 Subject to the provisions of the Act, an annual general meeting shall be held in each year at such time and place as the Board may determine and shall be

specified as such in the notice convening the meeting. All other general meetings shall be extraordinary general meetings.

- 15.2 The Board may whenever they think fit, and shall on requisition in accordance with the Statutes, to convene an extraordinary general meeting. If there are not within the UK sufficient Board to call a general meeting, any Director or any member of the Company may call a general meeting

## 16 NOTICE OF GENERAL MEETINGS

- 16 1 An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (except as provided by the Statutes) a resolution of which special notice has been given to the Company shall be called by at least twenty-one days' notice In Writing and any other extraordinary general meeting by at least fourteen days' notice In Writing The period of notice shall in each case be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to the auditors of the Company and the Directors and to all members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company; provided that a general meeting shall, notwithstanding that it may have been called by a shorter notice than that specified above, be deemed to have been duly called if it is so agreed:

- 16 1 1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat, and

- 16.1.2 in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95% in nominal value of the Shares giving that right,

Provided also that the accidental omission to give notice to, or the non-receipt of notice by, any person entitled thereto shall not invalidate the proceedings at any general meeting.

- 16 2 Every notice calling a general meeting shall specify the place and the day and hour of the meeting and the general nature of the business to be transacted. There shall appear with reasonable prominence in every such notice a statement

that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member. In the case of an annual general meeting, the notice shall also specify the meeting as such.

16 3 The Board shall on the requisition of members in accordance with the Statutes but subject as therein provided:

16 3 1 Give to the members who would, if an annual general meeting were then to be held, be entitled to receive notice thereof notice of any resolution which may properly be moved and is intended to be moved at the meeting so requisitioned; and

16.3.2 Circulate to such members any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution for the business to be dealt with at that meeting.

## 17 PROCEEDINGS AT GENERAL MEETINGS

17 1 The chairman of the Directors, failing whom the deputy chairman (if any), shall preside as chairman at every general meeting. If there is no such person, or if at any meeting neither is present within fifteen minutes after the time appointed for holding the meeting or if neither of them is willing to act, the Directors present shall choose one of their number to be chairman of the meeting. If no Director is present, or if all the Directors present decline to take the chair, the members present shall choose one of their number to be chairman of the meeting

17 2 A Director (and any person invited by the Chairman to do so) shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.

17 3 No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes



- 17 4 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such other day and such time and place as may have been specified for the purpose in the notice convening the meeting or, if not so specified, as the chairman of the meeting may determine, and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. If at the adjourned meeting a quorum is not present within half an hour from the time appointed therefore, the adjourned meeting shall be dissolved.
- 17.5 The chairman of any general meeting at which a quorum is present may with the consent of the meeting, and shall if so directed by the meeting, adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
- 17 6 Without prejudice to any other power he may have under these Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn any meeting from time to time or place to place (or sine die) if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of
- 17 7 Where a meeting is adjourned sine die the time and place for the meeting shall be fixed by the Board. Where a meeting is adjourned for thirty days or more sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
- 17 8 Except as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 17 9 If an amendment is proposed to any resolution under consideration but is in good faith 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. In the case of a resolution duly proposed as a special or extraordinary resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon

17.10.1 The Board may, for the purposes of controlling the level of attendance and ensuring the safety of those attending any place specified for the holding of the general meeting, from time to time make such arrangements as the Board shall in their absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place therefor. The entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements that may be for the time being approved by the Board. In the case of any meeting to which such arrangements apply, the Board may, when specifying the place of the meeting:

17 10.1 1 direct that the meeting shall be at the place specified in the notice at which the chairman of the meeting shall preside ("the Principal Place"), and

17 10 1 2 make arrangements for simultaneous attendance and participation at other places by members otherwise entitled to attend the general meeting but excluded therefrom under the provisions of this Article or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of the such other places shall be able to see and hear, and be seen and heard by, persons attending at the Principal Place and at such other places by any means.

17.10.2 The arrangements for simultaneous attendance set out in Article 16 10 (a) (ii) above may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places For the purposes of all other provisions of these articles, any such meeting shall be treated as being held and taking place at the principal place.

17 10 3 The Board may direct that any person wishing to attend at any meeting should submit such searches or other security arrangements or restriction as the Board shall consider appropriate in the circumstances and shall be entitled in their absolute discretion to refuse entry to any meeting to any person who fails to

- submit to such searches or to otherwise comply with such security arrangements or restriction
- 17 11 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 (before or on the declaration of the result of the show of hands) demanded by.
- 17.11 1 The chairman of the meeting,
- 17.11 2 Not less than three members present in person and entitled to vote,
- 17.11 3 A member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting, or
- 17.11.4 A member or members present in person or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been Paid up equal to not less than one-tenth of the total sum Paid up on all the Shares conferring that right.
- 17 12 A demand for a poll may be withdrawn, but only with the consent of the chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is demanded, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may, and if so directed by the meeting shall, appoint scrutineer and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 17 13 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the

- poll is demanded shall be entitled to a casting vote in addition to any votes to which he may be entitled as a member
- 17 14 No poll shall be demanded on the choice of a chairman or on any question of adjournment. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. If a poll is demanded before the declaration of a result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 17 15 If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting or at any adjournment thereof and not in that case unless in the opinion of the chairman of the meeting it is of sufficient magnitude.
- 18 **VOTES OF MEMBERS**
- 18.1 Subject to any special rights or restrictions from time to time attaching to any special class of Shares, and to the provisions of these Articles, on a show of hands every member personally present or present by proxy shall have one vote only, and on a poll every member shall (subject as herein provided) have one vote for every Share held by him.
- 18.2 In the case of joint holders of a Share or Shares, 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 of members in respect of the holding
- 18 3 No member shall, unless the Board otherwise determine, be entitled to vote at a general meeting either personally or by proxy, or to exercise any other right conferred by membership, unless all calls or other sums presently payable by him in respect of Shares in the Company have been Paid

- 18.4 Where in England or elsewhere a receiver or other person, by whatever name called, has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground, however formulated, of mental disorder, the Board may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company, provided that any evidence so required has been deposited at the Office or such other place, if any, as is specified for the receipt of proxies for the meeting in question not less than forty-eight hours before the time appointed for the holding thereof.
- 18.5 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 18.6 Votes may be given either personally or by proxy on a show of hands and on a poll. On a poll a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 18.7 A proxy need not be a member.
- 18.8 An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Board may approve and.
- 18.8.1 In the case of an individual, shall be signed by the appointor or his attorney; and
- 18.8.2 In the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the Board may, but shall not be bound to, require the power of attorney or other appointment or a notarially certified copy thereof, failing previous registration with the Company, to be lodged with the instrument of

proxy pursuant to Article 17.6 failing which the instrument may be treated as invalid

- 18.9 An instrument appointing a proxy must be left at such place or one of such places, if any, as may be specified for that purpose in the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or, in the case of a poll taken more than forty-eight hours after it is demanded, not less than forty-eight hours before the time appointed for the taking of the poll. Where a poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, a proxy must be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any Director. An instrument of proxy which is not deposited or delivered in a manner so required shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; provided that an instrument of proxy relating to more than one meeting (including without limitation any adjournment thereof), having once been so delivered for the purposes of any meeting, shall not require again to be delivered for the purposes of any subsequent meeting to which it relates
- 18.10 An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the chairman of the meeting.
- 18.11 A vote cast or poll demanded by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made or by the transfer of the Share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation or transfer has been received by the Company at the Transfer Office at least twenty-four hours before the beginning of the meeting or adjourned meeting or, in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting, the time appointed for the taking of the poll at which the vote is cast. No instrument appointing a proxy shall be valid after the expiry of twelve months from the date of signature or execution except at an adjourned meeting or on a poll demanded

at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.

- 18.12 Any corporation which is a member may by instrument under seal lodged at the Office or the Transfer Office or produced at the meeting or by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting or at any meeting 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 of the Company, and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat

## 19. DISCLOSURE OF INTEREST IN SHARES

- 19 1 If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice in writing under section 212 of the Act (or any other relevant statutory provisions from time to time in force relating to the power of a company to require information with respect to interest in its shares and other securities) and is in default in giving to the Company particulars of his interest in such shares ("default shares") within the prescribed period after the service of the notice the following sanctions of this Article 18 shall apply (unless the Board otherwise determine):
- 19 1 1 the member shall not be entitled in respect of the default shares to be present or to vote either personally or by proxy at a general meeting or to exercise any other rights conferred by membership in relation to meetings of the Company; and
- 19 1 2 where the default shares represent at least 0.25% in nominal value of the issued Shares or, if at any time the share capital is divided into different classes of Shares, 0.25% in nominal value of the issued Shares of their class.
- 19 1 2 1 any dividend payable in respect of the Shares (including Shares issued in lieu of dividend) will be withheld by the Company, which will not have any obligation to pay interest on it; and

19.1 2.2 no transfer, other than excepted transfer, of any Shares held by the member shall be registered unless:

- (a) the member is not himself in default as regards supplying the information required, and
- (b) the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the Shares subject to the transfer

19 2 Where the sanctions under Article 19 1 apply in relation to any Shares, they shall cease to have effect and any dividends withheld under Article 19 1 (b) shall become payable at the end of the period of seven days (or such shorter period as the Board may determine):

19 2 1 following receipt by the Company of notice that such Shares have been transferred by means of an excepted transfer to a third party but only in respect of the Shares transferred; or

19.2.2 following receipt by the Company of the information required by the notice mentioned in that paragraph and the Board being fully satisfied that such information is full and complete.

19.3 Where, on the basis of the information obtained from a member in respect of any Shares held by him the Company issues a notice pursuant to the relevant statutory provisions referred to in Article 19 1 to any other person, it shall at the same time send a copy of the notice to the member. The accidental omission to do so, or the non-receipt by the member of the Company shall not invalidate or otherwise affect the application of Article 19 1

19.4 For the purposes of this Article 19

19 4 1 a person shall be treated as appearing to be interested in any Shares or other securities if the member holding them has given to the Company notification under the said statutory provisions which fails to establish the identities of those interested in the Shares and if, after taking into account the said notification, or any other relevant notification under the said statutory provisions, the Company



knows or has reasonable cause to believe that the person in question is or may be interested in the Shares,

19 4 2 "interested" shall be construed as it is for the purpose of section 212 of the Act;

19 4 3 reference to a person having failed to give the Company the information required by a notice, and references to his being in default as regards supplying such information, includes a reference;

19 4 3 1 to his having failed or refused to give all or any part of it; and

19 4 3 2 to his having given information which he knows to be false in the material particular or having recklessly given information which is false in a material particular,

19 4 4 "the prescribed period" means the period specified in the notice being not less than fourteen days after the Service of the Notice;

19.4.5 "excepted transfer" means, in relation to any Shares held by a member:

19 4 5.1 a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of section 428 of the Act), or

19 4 5 2 a transfer in consequence of a sale made through a recognised investment exchange (as defined in section 207 Financial Services Act 1986) or any other Stock Exchange outside the United Kingdom on which the Company's Shares are normally traded, or

19.4 5.3 a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares

## 20 GENERAL PROVISIONS RELATING TO DIRECTORS

20 1 The Directors shall not be less than two and not more than seven in number

20 2 No shareholding qualification shall be required for Directors, but Directors shall nevertheless be entitled to hold Shares and, whether or not they hold any

- Shares, to receive notice of and attend and speak at general meetings and at meetings of the holders of any class of Shares
- 20.3 The Directors (other than Alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Remuneration Committee appointed from time to time by the Board shall in its discretion determine.
- 20.4 Any Director who holds any executive office or serves on any committee of the Directors, or otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine
- 20.5 The Board may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Board or of any committee of the Directors or general meetings or otherwise in or about the business of the Company.
- 20.6 Subject to the provisions of the Act, the memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers (including without limitation those set out in the memorandum of association) of the Company. No alteration of the memorandum or of these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article 20.6 shall not be limited by any special power given to the Board by these Articles, and a meeting of Board at which a quorum is present may exercise all powers exercisable by the Board.
- 20.7 A Director including an alternate Director (in this Article 20.7 included in the word "Director") may hold any other office or place of profit under the Company (other than the office of auditor), and he or any firm of which he is a member may act in a professional capacity for the Company, in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Board may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either in regard to

such office or place of profit or as buyer, seller or otherwise, nor (subject, where necessary, to the approval of the Company in general meeting in accordance with section 320 of the Act) shall any contract or arrangement entered into by or on behalf of the Company in which any Director or any person connected with him is in any way interested be liable to be avoided, nor shall any Director or other such person so contracting or being so interested be liable to account to the Company or the members for any profit realised out of any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but it shall nevertheless be the duty of any Director who is for the purposes of section 317 of the Act in any way, whether directly or indirectly, interested in any contract or arrangement, actual or proposed, with the Company (including without limitation any of the kind described in section 330 of the Act) to declare the nature of his interest in a meeting of the Board in accordance with section 317 of the Act.

- 20.8 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 as member or otherwise and, unless otherwise agreed In Writing, shall not be accountable for any remuneration or other benefits received by him as a director or officer of, or by virtue of his interest in, such other company

**21. ALTERNATE DIRECTORS**

- 21.1 Any Director may at any time by writing under his hand and deposited at the Office appoint any person approved by the Board to be his alternate and may in like manner at any time terminate such appointment.
- 21.2 No appointment of an alternate Director who is not already a Director shall be effective until his consent to act as a Director in the form prescribed by the Act has been received in the office.
- 21.3 An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum or minimum numbers of Directors allowed by these Articles.
- 21.4 The appointment of an alternate shall terminate automatically:

- 21.4.1 On the happening of any event which, if the alternate were a Director, would render him legally disqualified from acting as a Director;
- 21 4.2 If the alternate has a receiving order made against him or makes any arrangement or compounds with his creditors generally;
- 21 4 3 If in England or elsewhere an order is made by any court claiming jurisdiction in that behalf on the ground, however formulated, of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person, by whatever name called, to exercise powers with respect to his property and affairs, and/or
- 21 4 4 If his appointor ceases for any reason to be a Director, provided that, if any Director retires by rotation but is re-elected at the meeting at which such retirement takes effect, any appointment by him of an alternate which is in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired
- 21 5 An alternate shall, if he gives an address for the purpose within the UK (except when absent from the UK), be entitled to receive notices of meetings of the Board and of committees of the Board of which his appointor is a member and shall be entitled to attend and be counted in a quorum and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally shall be entitled at any such meeting to perform all functions of his appointor as a Director. Except as aforesaid, an alternate shall not have power to act as a Director and shall not be deemed to be a Director for the purposes of these Articles. An alternate shall be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.
- 21 6 An alternate attending a meeting as an alternate for more than one Director shall have one vote for each such Director but shall be counted only once for the purpose of determining whether a quorum is present
- 21 7 An alternate may be repaid by the Company such expenses as might properly be repaid to him if he were a Director, and he shall be entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to his appointor as such appointor may by notice In Writing to the Company from time

to time direct but, except as aforesaid, shall not in respect of such appointment be entitled to receive any remuneration from the Company

## **22 EXECUTIVE DIRECTORS**

22.1 The Board may from time to time appoint one or more of their number to be chief executive or chief executives or managing director or managing directors or to be manager or managers of any branch or department of the Company's business or to hold any other office or place of profit under the Company in conjunction with his office of Director. A Director appointed as such managing director or manager or to hold any such office or place of profit is in these Articles referred to as an "Executive Director". Any such appointment may be made for such period at such remuneration and upon such terms as to the duties to be performed and the powers to be exercised and all other matters (including without limitation membership of any scheme or fund for the provision of pensions and other benefits to or for the benefit of its employees, their wives, widows, families, dependants and personal representatives and the provision of a pension or retiring allowance apart from such membership) as the Board think fit and as the Company is from time to time empowered to provide. An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by any or all of those methods) as the Board may determine and either in addition to or in lieu of his fees as a Director of the Company.

22.2 For the purpose of any such scheme or fund, a Director, whether or not an Executive Director, shall be deemed an employee of the Company and may accordingly, if otherwise qualified under the provisions of such scheme or fund, become a member thereof, and he and his wife, widow, family, dependants or personal representatives may receive and retain all benefits to which he or they may become entitled thereunder, and the Board shall be entitled to covenant with any Director and such other person or persons accordingly. The Board may pay out of the Company's moneys, any premiums or contributions becoming payable by the Company under the provisions of any such scheme or fund in respect of Directors who are members thereof

22.3 An Executive Director shall not, while he continues to hold that office, be subject to retirement by rotation and shall not be taken into account in

determining the rotation of retirement of Directors, but he shall, subject to the provisions of any contract between him and the Company, otherwise be subject to the same provisions as to resignation and removal as the other Directors.

- 22 4 The Company may from time to time, in addition to or in substitution for any Executive Director or otherwise, appoint any persons as managers and may also appoint any persons, whether Directors or not, as trustees, agents or representatives of the Company, or to any other special office, and for such purposes as the Board think fit, and on such terms as to remuneration (in the case of Directors either in addition to their remuneration as Directors or not), either by way of salary or commission or participation in profits or otherwise or by any or all of those methods, and subject to such regulations, and with such powers, as the Board may determine

**23. APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 23 1 No person shall be disqualified from being appointed or elected or re-appointed or re-elected a Director in accordance with the provisions of these Articles by reason of his attaining or having attained the age of seventy years or any other age, nor shall any Director be liable to vacate his office by reason of his attaining or having attained the age of seventy years or any other age, and the Company shall not be subject to section 293 of the Act

- 23 2 The office of a Director shall be vacated.

- 23 2 1 If he ceases to be a Director by virtue of any provision of the Act or if he becomes prohibited by law from acting as a Director, or

- 23 2.2 If he resigns In Writing left at the Office, or if he offers In Writing to resign and the Board resolve to accept such offer; or

- 23 2.3 If he becomes bankrupt or has a receiving order made against him or makes any arrangement or compounds with his creditors generally, or

- 23.2.4 If in England or elsewhere an order is made by any court claiming jurisdiction in that behalf on the ground, however formulated, of mental disorder for his detention or for the appointment of a guardian or for the appointment of a

- receiver or other person, by whatever name called, to exercise powers with respect to his property and affairs, or
- 23.2 5 If he is absent from meetings of the Board for six months without leave and the Board resolve that his office be vacated, or
- 23.2.6 If, in the case of an Executive Director, the duration of his office expires or his appointment is revoked, or
- 23 2 7 If a notice is served upon him, signed by not less than three-quarters of the Directors (other than himself) to the effect that his office as Director shall on receipt thereof forthwith automatically be determined; provided that any such notice and determination shall be deemed to be an act of the Company and shall be without prejudice to any claim he may have for damages for breach of any agreement between him and the Company
- 23.3 At each annual general meeting of the Company such number of the Directors shall retire from office by rotation as will ensure that each Director retires once every three years; provided that no Director holding office as an Executive Director in accordance with these Articles shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire.<sup>3</sup>
- 23.4 The Directors to retire by rotation shall include, so far as necessary to obtain the number required, any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that, as between persons who became or were last re-elected Directors on the same day, those to retire shall, unless they otherwise agree amongst themselves, be determined by lot. A retiring Director shall be eligible for re-election.
- 23 5 The Company, at the meeting at which a Director retires under any provision of these Articles, may by ordinary resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected unless.

23 5 1 It is expressly resolved not to fill such office, or a resolution for the re-election of such Director is put to the meeting and lost; or

23 5 2 Such Director has given notice In Writing to the Company that he is unwilling to be re-elected; or

23.5.3 The default is due to the moving of a resolution in contravention of Article 23.6

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost, and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office, and be deemed to continue in office, without a break.

23 6 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it, and any resolution moved in contravention of this Article 23 6 shall be void.

23.7 No person other than a Director retiring at the meeting shall be eligible for appointment as a Director at any general meeting unless recommended by the Board for re-election or unless within the prescribed time before the date appointed for the meeting there has been lodged at the Office notice In Writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice In Writing signed by the person to be proposed indicating his willingness to be elected and giving those particulars of the person to be proposed which would, if he were so appointed, be required to be included in the register of Directors The prescribed time mentioned above shall be such that, between the date when the notice is served or deemed to be served and the day appointed for the meeting, there shall be not less than seven nor more than forty-two clear intervening days.

23 8 The Company may, in accordance with and subject to the provisions of the Statutes by ordinary resolution of which special notice has been given, remove



any Director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office, and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

23 9 The Company may by ordinary resolution appoint any person as an additional Director of the Company. Without prejudice thereto, the Board shall have power at any time to appoint any person as an additional Director of the Company, but the total number of Directors shall not thereby exceed the maximum number, if any, fixed by or in accordance with these Articles. Any person so appointed by the Board shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting

23 10 The appointment of any Director to the office of chairman or vice- chairman or managing director shall automatically determine if he ceases to be a Director but without prejudice to any claim he may have for damages for breach of any agreement between him and the Company. The appointment of any Director to any other executive office shall not automatically determine if he ceases to be a Director, unless the contract or resolution under which he holds office otherwise provides, in which event the determination of his executive office shall be without prejudice to any claim he may have for damages for breach of any agreement between him and the Company.

## 24 MEETINGS AND PROCEEDINGS OF DIRECTORS

24 1 Subject to these Articles, the Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors, and notice thereof shall be given to all the Directors in whatever way and by whatever means may be thought expedient or

reasonably practicable. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not in the UK at the time the notice is given.

- 24.2 The Board may from time to time delegate to any managers, trustees, agents or representatives of the Company such of the powers and discretions of the Directors as the Board may deem requisite for the efficient conduct of the business of the Company or any special business and may from time to time revoke, withdraw, alter or vary all or any of such powers and discretions.
- 24.3 The quorum necessary for the transaction of the business of the Board may be fixed from time to time by the Board and, unless so fixed at any other number, shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Directors.
- 24.4 Any questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
- 24.5 A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director and subject to section 319 of the Act on such terms as to remuneration and otherwise as the Board shall arrange. Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditor or Auditors of the Company.
- 24.6 Subject to the provisions of the Statutes no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor subject to the interest of the Director concerned being duly declared as required by Articles 20.7 and 24.8 shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

24.7 A Director may hold office as a director or other officer of or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and unless otherwise agreed shall not be liable to account to the Company for any remuneration or other benefits receivable by him as a director or officer of, or by virtue of his interest in, such other company.

24.8 Without prejudice to the requirements of the Statutes, a Director, including an alternate Director, who is in any way whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Board. In the case of a proposed contract the declaration shall be made at the meeting of the Board at which the question of entering into the contract is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract, at the next meeting of the Board held after he became so interested.

In a case where the Director becomes interested in a contract after it is made the declaration shall be made at the first meeting of the Board held after the Director becomes so interested. In a case where the Director is interested in a contract which has been made before he was appointed a Director the declaration shall be made at the first meeting of the Board held after he is so appointed. For the purposes of this Article a general notice given to the Board by a Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice be made with that company or firm, or he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him (within the meaning of section 346 of the Act) shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

In this Article the expression "contract" shall be construed as including any transaction or arrangement, whether or not constituting a contract

24.9 Subject to a Director declaring his interest in accordance with Articles 20.7 and 24.8 a Director may be interested directly or indirectly in any contract or

arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor.

- 24 10 Save as provided in this Article 24 10, a director shall not vote on, or be counted in the quorum in relation to, any resolution in which he is interested concerning any contracts, arrangement, transaction or any other proposal whatsoever to which the company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of section 346 of the Act) is to his knowledge a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters.
- 24.10 1 the giving of any guarantees, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings,
- 24 10 2 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- 24 10 3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or any underwriting or sub-underwriting of which he is to participate,
- 24 10 4 any proposal concerning any other body corporate in which he (together with the persons connected with him within the meaning of section 346 of the Act) does not to his knowledge have an interest (as the term is used in sections 198-211 of the Act) in 1% or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate;

- 24.10.5 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertaking which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- 24.10 6 any proposal concerning insurance which the company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors.
- 24.11 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested such proposals may be divided and considered in relation to each Director separately and in such cases 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.
- 24.12 The Company may by special resolution suspend or relax the provisions of Articles 24 5 to 24.11 inclusive to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article
- 24.13 The continuing Directors may act notwithstanding any vacancies, but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose only of filling such vacancies or of summoning general meetings but not for any other purpose. If there are or is no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.
- 24.14 The Board may elect from their number a chairman and a deputy chairman (or two or more deputy chairmen) and determine the period for which each is to hold office. If no chairman or deputy chairman has been appointed, or if at any meeting of the Directors no chairman or deputy chairman is present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting

- 24.15 If at any time there is more than one deputy chairman, the right in the absence of the chairman to preside at a meeting of the Directors or at any general meeting or meeting of any class of Shares shall be determined as between the deputy chairmen present, if more than one, by seniority in length of appointment or otherwise as resolved by the Board
- 24.16 A resolution In Writing signed by all the Directors then in the UK shall be as effective as a resolution duly passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form, each signed by one or more Directors.
- 24.17 The Board may delegate any of their powers and discretions (other than any powers or discretions to borrow money and make calls) to committees consisting of one or more members of their body and, if thought fit, one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the board of Directors. 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, but:
- 24.17.1 The number of co-opted members shall be less than one-half of the total number of members of the committee, and
- 24.17.2 No resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.
- 24.18 The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as they are not superseded by any regulations made by the Directors under Article 24.17.
- 24.19 All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid or that any such persons 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 the committee and had been entitled to vote

24 20 A Director may participate in any meeting of the Board or any committee of the Board by means of any conference telephone or communications equipment now known or hereafter to be devised provided that all the Directors and the Secretary participating in the meeting in this manner are able to hear and be heard by one another and participation by a Director in a meeting in this manner shall be deemed to constitute presence in person at such meeting and such meeting shall constitute a meeting of the Board or, as the case may be, of a committee of the Board.

## 25 **BORROWING POWERS OF DIRECTORS**

25 1 The Board may exercise all 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. 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 subsidiaries and subsidiary undertakings so as to secure (but as regards subsidiaries and subsidiary undertakings only insofar as by the exercise of such rights or powers of control the Board can secure) that the aggregate principal amount (including without limitation any fixed or minimum premium payable on final repayment) at any one time outstanding of all Moneys Borrowed or secured by the Company and/or any of its subsidiaries and subsidiary undertakings (exclusive of moneys outstanding in respect of borrowing by the Company from any such subsidiary or subsidiary undertaking or by any such subsidiary or subsidiary undertaking from another such subsidiary or subsidiary undertaking or from the Company) shall not at any time without the previous sanction of the Company in general meeting 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

25.2 For the purpose of Article 25.1.

25.2.1 No Moneys Borrowed shall be included in the same calculation more than once,

25.2.2 Moneys Borrowed by a subsidiary undertaking or partly-owned subsidiary (after taking into account any exclusion provided for in Article 25.1) shall be deemed to be reduced by an amount equal to the Non-Equity Proportion thereof;

25.2.3 Moneys Borrowed by the Company or a subsidiary or subsidiary undertaking from a subsidiary undertaking or partly-owned subsidiary which would fall to be excluded under Article 25.1 shall nevertheless be included to the extent of an amount equal to the Non-Equity Proportion thereof,

25.2.4 "Non-Equity Proportion" means the proportion of the equity Share capital of the subsidiary undertaking or partly-owned subsidiary which is not attributable to the Company,

25.2.5 Where the Company has guaranteed or given security for or an indemnity in respect of Moneys Borrowed by a subsidiary or subsidiary undertaking or where a subsidiary or subsidiary undertaking has guaranteed or given security for or an indemnity in respect of Moneys Borrowed by the Company or another subsidiary or subsidiary undertaking such Moneys Borrowed shall be treated as the Moneys Borrowed of whichever of such companies would cause the aggregate amount referred to in Article 25.1 to be the higher,

25.2.6 "Moneys Borrowed" includes

25.2.6.1 The nominal amount of any Share capital, and the principal amount of any Debentures or other borrowed moneys, the beneficial interest whereof is not at any material time owned by the Company or a subsidiary or subsidiary undertaking, of any person the payment or repayment whereof is guaranteed or is secured by or is subject to any indemnity given by the Company or any subsidiary or subsidiary undertaking,

25.2.6.2 The principal amount raised by acceptances under any acceptance credit granted in favour of the Company or any subsidiary or subsidiary undertaking,



25.2 6 3 The principal amount of any Debentures (whether secured or not) issued by the Company or any subsidiary or subsidiary undertaking the beneficial interest wherein is not at any material time owned by the Company or a subsidiary or subsidiary undertaking, and

25.2 6 4 The nominal amount of any Share capital (other than equity Share capital) of any subsidiary or subsidiary undertaking the beneficial interest wherein is not at any material time owned by the Company or another subsidiary or subsidiary undertaking;

But does not include.

25 2.6.5 Any moneys borrowed by the Company or a subsidiary or subsidiary undertaking for the purpose of repaying or discharging within six months the whole or any part of moneys borrowed (including without limitation any fixed or minimum premium payable on final repayment) by the Company or any subsidiary or subsidiary undertaking which fall to be taken into account as moneys borrowed pending their application for such purpose within such period,

25 2 7 All Moneys Borrowed which fall to be repaid or discharged in a currency other than sterling shall be translated into sterling on the same basis as that adopted in the latest audited consolidated balance sheet of the Company and its subsidiaries and subsidiary undertakings or, in the case of any moneys borrowed since the date of such balance sheet, at the relevant rate of exchange ruling in London at the time the same was borrowed or, in the case of any Moneys Borrowed by any company becoming a subsidiary or subsidiary undertaking since the date of such balance sheet prior to the date of it becoming a subsidiary or subsidiary undertaking on the same basis as that which would be adopted in the next audited consolidated balance sheet of the Company and its subsidiaries and subsidiary undertakings on the assumption that in the meantime there had been no alteration of the relevant rates of exchange ruling on the date of such company becoming a subsidiary or subsidiary undertaking;

25.2.8 "Adjusted Capital and Reserves" means the aggregate of:

25.2.8 1 The amount Paid up on the issued Share capital of the Company; and

25 2 8 2 The amounts standing to the credit of the reserves (including without limitation any Share premium account, capital redemption reserve, tax equalisation account and credit balance on profit and loss account and any unappropriated balance of investment grants) of the Company and its subsidiaries and subsidiary undertakings;

All as shown by a consolidation of the then latest audited balance sheets of the Company and its subsidiaries and subsidiary undertakings but

25 2.8 3 Deducting therefrom any amounts attributable to intangible assets including goodwill and the amount of any debit balance on profit and loss account,

25.2.8.4 Excluding therefrom any amounts set aside for taxation, other than for tax equalisation, and amounts attributable to any Non-Equity Proportion in respect of any subsidiary or subsidiary undertaking;

25 2 8 5 Deducting therefrom any amount distributed or proposed to be distributed to persons other than the Company or a subsidiary or subsidiary undertaking out of profits accrued prior to the date of and not provided for in the said audited balance sheets, and

25 2 8 6 Making such adjustment as may be appropriate to reflect any variation in the amount of such Paid up Share capital or the amounts standing to the credit of such reserves other than profit and loss account since the date of the relevant balance sheets or which would result from any transaction for the purpose of which the amount of adjusted capital and reserves is being computed or any transaction to be carried out contemporaneously therewith and so that for this purpose, if any issue or proposed issue of Shares for cash has been underwritten, then such Shares shall be deemed to have been issued and that part of any subscription moneys to which the underwriting commitment extends shall be deemed to have been paid up at the date on which the issue of such Shares was underwritten, and

25 2 9 Reference to subsidiaries and subsidiary undertakings are to subsidiaries and subsidiary undertakings from time to time of the Company

25.3 No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed, and no debt incurred or

security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded

## **26. GENERAL POWERS OF DIRECTORS**

26.1 The business and affairs of the Company shall be managed by the Board (and in particular unless otherwise directed by a special resolution in such a way as to ensure, so far as possible, that the Company qualifies as a venture capital trust within the meaning of section 842AA Income and Corporation Taxes Act 1988) who may exercise all such powers (including without limitation those set out in the memorandum of association, and the power conferred by section 719 (1) of the Act) of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Statutes, and to such regulations, being not inconsistent with such regulations or provisions, as may be prescribed by ordinary resolution, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article 26.1 shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

26.2 The Board shall have power at any time and from time to time, as they may see fit and in whatever manner may seem expedient, upon the sale or transfer of the whole or any part of the Company's undertaking or business, to exercise all or any of the powers of the Company contained in the memorandum of association to make any payment or payments to or for the benefit of, or otherwise provide for, all or any of the employees of the undertaking or business, or part thereof, so sold or transferred or of the wives, widows, families, dependants or personal representatives of all or any of such employees.

26.3 The Board may establish any local boards or agencies for managing any of the affairs of the Company, either in the UK or elsewhere, and may appoint any persons to be members of such local boards or any managers or agents and may fix their remuneration and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors with power

to sub-delegate and may authorise the members of any local boards or any of them to fill any vacancies therein and to act notwithstanding vacancies, and 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 annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

- 26.4 The Board may by power of attorney or otherwise 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 these Articles) and for such period and subject to such conditions as they 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 (subject as aforesaid) all or any of the powers, authorities and discretions vested in him.
- 26.5 Subject to and to the extent permitted by the Statutes, the Company, or the Board on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Board may make and vary such regulations as they may think fit respecting the keeping of any such register.
- 26.6 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, 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 (including without limitation in the case of cheques or warrants some method of mechanical signature) as the Board may from time to time determine.

## 27 **SECRETARY**

The Secretary, being a person suitably qualified in accordance with the requirements of the Statutes, shall be appointed by the Board on such terms and for such period as they may think fit. Any Secretary so appointed may at any

time be removed from office by the Board but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit, two or more persons may be appointed jointly as Secretary.

**28. AUTHENTICATION OF DOCUMENTS**

28.1 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 Board and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts

28.2 A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Board or of any general meeting or meeting of any class of Shares which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

**29. THE SEAL**

29.1 The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad, and such powers shall be vested in the Board

29.2 The Board shall provide for the safe custody of the Seal, which shall not be used without their authority.

29.3 Every instrument to which the Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors, or by some other person appointed by the Board for the purpose, except that any certificate or other document of title for any Shares or Debentures or other securities, or for any option in respect thereof, need not be so signed; and no such instrument or certificate or other document of title need be issued under the Seal.

29 4 The Board shall have power from time to time to destroy the Seal and substitute a new Seal therefor.

30 **DIVIDENDS**

30 1 The Board shall so far as is prudent so to do (and subject always to the provisions of the Statutes), distribute to members all the accumulated and realised revenue and capital profits of the Company as soon as practicable rather than reinvesting those profits in further venture capital investments which would qualify as qualifying holdings for the purposes of Schedule 28B of the Income and Corporation Taxes Act 1988.

30.2 The Company may by ordinary resolution declare dividends, but no such dividend shall exceed the amount, if any, recommended by the Board

30 3 The Board may pay interim dividends if it appears to them that they are so justified by the profits of the Company available for distribution. If at any time the Share capital is divided into different classes, the Board may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on Shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Board may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Board act in good faith, they shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by reason of any lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.

30.4 Unless and to the extent that the rights attached to any Shares or the terms of issue thereof 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 30.4 only, no amount paid on a Share in advance of calls shall be treated as Paid on the Share.

- 30 5 No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes
- 30 6 Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date, the profits and losses thereof 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 or losses of the Company. Subject as aforesaid, if any Shares or securities are purchased cum 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 it or any part thereof
- 30.7 No dividend or other moneys payable on or in respect of any Share shall bear interest as against the Company.
- 30 8 The Board may retain any dividend or other moneys payable on or in respect of any Share on which the Company has a lien and may apply it or them in or towards satisfaction of the debt, liability or engagement in respect of which the lien exists.
- 30.9 The Board may deduct from any dividend or other moneys payable to any member on or in respect of a Share all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to Shares
- 30.10 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 hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person becomes a member in respect of such Shares or transfers them
- 30 11 Subject to the relieving provisions of sections 131 and 132 of the Act, if the Company issues Shares at a premium, whether for cash or otherwise, the Board shall transfer a sum equal to the aggregate amount or value of the premiums to an account to be called "Share premium account", and any amount standing to the credit of such account shall not be applied in the payment of dividends
- 30 12 Without prejudice to Article 30 16, 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 member, or the person entitled to the Share in consequence of the death or bankruptcy of the holder, and delivered to the Company and if or to the extent that it is accepted as such or acted upon by the Company

- 30.13 If cheques, warrants, or orders for dividends or other sums payable in respect of shares sent by the Company to the persons entitled thereto are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries fail to establish any new address to be used for the purpose, the Company shall not be obliged to send any dividends or other monies payable in respect of that share due to that person until he notifies the Company of an address to be used for that purpose.
- 30 14 The payment by the Board of any unclaimed dividend or other moneys payable on or in respect of any Share into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
- 30 15 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, or in any one or more of such ways including without limitation, where so resolved by the Company, an option in favour of the prospective recipient to choose any one or more of such ways in accordance with the terms of the said option, and the Board shall give effect to such resolution Where any difficulty arises in regard to such distribution, the Board may settle it as they think expedient and in particular but without limitation may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board
- 30 16 Any dividend or other monies payable in cash on or in respect of any Share may be paid by cheque, warrant bank transfer or by financial instrument or by other means, sent direct to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the Share or



are entitled in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may In Writing direct. Such payment may be sent through the post or by equivalent means of delivery or by such other means, including without limitation by electronic media, as the Board may think fit. Every such cheque, warrant, financial instrument or other form of payment shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the Share in consequence of the death or bankruptcy of the holder may direct, and payment of the cheque, warrant, financial instrument or other form of payment by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque, warrant or financial instrument shall be sent at the risk of the person entitled to the money represented thereby. If on two consecutive occasions cheques, warrants or financial instruments in payment of dividends or other monies payable on or in respect of any Share have been sent through the post in accordance with this Article 30 16 but have been returned undelivered or left uncashed during the periods for which they are valid, the Company need not thereafter despatch further cheques, warrants or financial instruments in payment of dividends or other monies payable on or in respect of the Share in question until the member or other person entitled thereto has communicated with the Company and supplied In Writing to the Transfer Office a new registered address or address within the UK for the service of notices

- 30 17 If two or more persons are registered as joint holders of any Share, or are entitled jointly to any Share in consequence of the death or bankruptcy of the holder, any one or more of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the Share.
- 30 18 The Board may with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to any member, or where the issued Share Capital is divided into different classes, the holders of Ordinary Shares, the right to elect to receive Ordinary Shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by ordinary resolution. The following provisions shall apply.

- 30 18 1 the said resolution may specify a particular dividend or may specify all or any dividends declared within a specified period or periods;
- 30 18 2 the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder 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 of the Ordinary Shares on the London Stock Exchange, as derived from the Daily Official List, for the day on which the Ordinary Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as the Board may determine on such basis as it considers to be fair and reasonable. 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 the amount;
- 30 18 3 no fractions of a Share shall be allotted The Board may make such provisions as it thinks fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals and retentions are applied to the allotment by way of bonus or cash subscription on behalf of such member of fully paid Ordinary Shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlement,
- 30 18 4 the Board shall, after determining the basis of allotment, notify the holders of Ordinary Shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which elections must be lodged in order to be effective;
- 30.18.5 the Board may exclude from any offer any holders of Ordinary Shares where the Board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them or in respect of such shares;

- 30 18.6 the Board may establish or vary from time to time a procedure for election mandates in respect of future rights of election and may determine that every duly effected election in respect of Ordinary Shares shall be binding on every successor in title to the holder thereof;
- 30 18.7 the dividend (or part of the dividend in respect of which a right for election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been duly made (the "elected Ordinary Shares") and instead additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purposes the Board may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of elected Ordinary Shares on that basis. A Board resolution capitalizing any part of such reserve or fund or profits shall have the same effect as if such capitalization had been declared by ordinary resolution of the Company in accordance with Article 31 and in relation to any such capitalization the Board may exercise all the powers conferred on them by Article 31 without need of such ordinary resolution,
- 30 18.8 the additional Ordinary Shares so allotted shall rank par passu in all respects with each other and with the fully paid Ordinary Shares in issue on the record date for the dividend or other distribution or other entitlement which has been declared, paid or made by reference to such record date; and
- 30.18 9 the Board may terminate, suspend, or amend any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend at any time and generally may implement any scrip dividend scheme on such terms and conditions as the Board may from time to time determine and take such other action as the Board may deem necessary or desirable from time to time in respect of any such scheme

### 31 CAPITALISATION OF PROFITS AND RESERVES

- 31.1 The Board may, before recommending any dividend, but having regard to section 842AA (2) (f) Income and Corporation Taxes Act 1988, carry to reserve out of the profits of the Company such sums as it thinks fit. All sums standing to reserve may be applied from time to time, at the discretion of the Board, for any purpose to which the profits of the Company may properly be applied, and pending such application may, at the like discretion, be employed in the business of the Company or be invested in such investments as the Board think fit. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund such special funds or any parts of any special funds into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, (but having regard to section 842AA (2) (f) Income and Corporation Taxes Act 1988) carry forward any profits which they may think prudent not to distribute.
- 31.2 The Board may with the authority of an ordinary resolution.
- 31.2.1 Subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's Share premium account or capital redemption reserve or revaluation reserve, and
- 31.2.2 Appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively or in paying up in full unissued Shares or Debentures of a nominal amount equal to that sum and allot the Shares or Debentures credited as fully paid to those members, or as they may direct, in those proportions or partly in one way and partly in the other provided that:
- 31.2.2.1 the Share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article 31.2, be applied only in paying up unissued Shares to be allotted to members fully Paid.

- 31.2.2.2 in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment thereof;
- 31.2.3 resolve that any Shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such Shares remain partly paid, rank for dividends only to the extent that such partly paid Shares rank for dividends;
- 31.2.4 make such provisions by the issue of fractional certificates (or by ignoring fractions or accruing the benefit thereof to the Company rather than to the holders of the Ordinary Shares concerned) or by payments in cash or otherwise as it thinks fit in the case of Shares or debentures becoming distributable in fractions;
- 31.2.5 authorise any person to enter on behalf of all the holders of Ordinary Shares concerned to enter into an agreement with the Company providing for either
- 31.2.5.1 the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation; or
- 31.2.5.2 the payment up by the Company on behalf of such holders by the application thereto of their respective proportion of the reserves or profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares
- (any agreement made under such authority being effective and binding on all such holders); and
- 31.2.6 generally do all acts and things required to give effect to such resolution

## **32. DISTRIBUTION OF REALISED PROFITS**

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) of the Act) shall be prohibited otherwise than by way of the redemption or purchase of any of the Company's own shares in accordance with section 160 or section 162 of the Act. 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 of or other dealing with any capital asset in excess of the book value thereof and all other monies 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 provisions of the Act, the Board may determine 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 provisions of the Act, any expenses, loss, liability (or provision therefor) which the Board consider to relate to a capital item or which the Board otherwise consider appropriate to be debited to the capital reserve, shall be carried to the debit of the 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 the credit of any revenue reserves 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 distribution (as defined by section 263 (2) of the Act) or be applied in paying dividends on any shares of the Company. In any other period 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 in section 263 (2) of the Act) or be applied in paying dividends on any shares of the Company.

**33. RECORD DATE**

Notwithstanding any other provision of these Articles, but subject to the Statutes the Company or the Board may by resolution specify any date as the record date being the date at the close of business (or such other time as the Board may

determine) on which persons registered as the holders of Shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular, and such record date may be on or at any time before the date on which it is paid or made or (in the case of any dividend, distribution, interest, allotment or issue) at any time after it is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect thereof of transferors and transferees of any such Shares or other securities

**34. MINUTES AND BOOKS**

34 1 The Board shall cause minutes to be made in books to be provided for the purpose of

34.1.1 All appointments of officers made by the Board,

34.1 2 The names of the Directors present at each meeting of the Board, and

34 1 3 All resolutions and proceedings at all meetings of the Company and of any class of members and of the Board,

And any such minutes, if signed by any person purporting to be the chairman of the meeting to which they relate or of the next following meeting or by any person appointed by the Board to sign them in the place of either such chairman, shall be received as conclusive evidence of the facts therein stated.

34 2 The Board shall duly comply with the provisions of the Statutes in regard to the keeping of registers, indexes, minute books, books of account and other books

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

34 4 The Company shall be entitled to destroy the following documents at the following times:

- 34.4.1 Registered instruments of transfer at any time after the expiry of six years from the date of registration thereof;
- 34.4.2 Allotment letters at any time after the expiry of six years from the date of issue thereof;
- 34.4.3 Dividend mandates or any variation or cancellation thereof or any notifications of change of address at any time after the expiry of two years from the date of recording thereof,
- 34 4 4 Cancelled Share certificates at any time after the expiry of one year from the date of the cancellation thereof, and
- 34 4.5 Cancelled option certificates relating to any Shares and notices of exercise in respect thereof at any time after the expiry of one year from the date of cancellation of the relevant certificate,
- 34 4.6 Any other document on the basis of which an entry in the register of members is made, after six years from the date on which an entry was first made in the register of members in respect of it

Provided that the Company may destroy any such type of document at a date earlier than that authorised by this Article if a copy of such document is retained on microfilm or by other similar means which such copy is retained until the expiration of the period applicable to the destruction of the original of such document

- 34 5 It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of any document so destroyed was duly and properly made in accordance with the recorded particulars thereof in the books or records of the Company; provided that:
  - 34 5.1 The foregoing provisions shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant, and
  - 34.5.2 Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where Article 34.4 is not complied with; and



34 5.3 References herein to the destruction of any document include references to the disposal thereof in any manner

## 35 ACCOUNTS

35 1 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Board may think fit, and shall always be open to inspection by the officers. Subject as aforesaid, no member (other than a Director or the Secretary) or other person shall have any right of inspecting any account or book or document except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Board or by ordinary resolution

35 2 The Board shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a general meeting of the Company such financial statements, balance sheets, group accounts, if any, and reports as may be necessary.

35 3 Copies of all financial statements to be laid before a general meeting of the Company (including without limitation every document required by law to be comprised therein or attached or annexed thereto) and of all reports of the auditors relating thereto and of all Directors' reports shall not less than twenty-one days before the date of the meeting be delivered or sent by post to all members and to all holders of Debentures and to every other person entitled to receive notices of general meetings under the provisions of the Statutes or of these Articles; provided that this Article 35.3 shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, or to any member to whom summary financial statements are sent pursuant to Article 35 4, but any member or holder of Debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

35 4 Copies of summary financial statements may, notwithstanding Article 35.3, be sent to members, instead of the documents therein mentioned, in accordance with the Statutes.

## 36 AUDITORS

36.1 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

36.2 Subject to the Statutes, all acts done by any person acting as auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified

36.3 The auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors

### 37. NOTICES

37.1 Any notice or document (including without limitation a Share certificate) may be served on or delivered to any member either personally or by sending it through the post in a prepaid envelope addressed to him at his registered address, or (if he has no registered address within the UK) to the address, if any, within the UK supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register, any such notice or document may be posted either in the UK or in the territory in which such branch register is maintained. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiry of twenty-four hours after the time when the envelope containing it is posted (by whatever class of post), and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed and stamped and duly posted

37.2 A member present, either in person or by proxy, at any general meeting or any meeting of the holders of any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called

37.3 Any notice given to that one of the joint holders of a Share whose name stands first in the register of members in respect of the Share shall be sufficient notice

- to all the joint holders in their capacity as such. For such purpose, a joint holder having no registered address in the UK and not having supplied an address within the UK for the service of notices shall be disregarded.
- 37.4 A person entitled to a Share in consequence of the death or bankruptcy of a member, upon supplying such evidence as the Board may reasonably require to show his title to the Share, and upon supplying also an address within the UK for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member, but for his death or bankruptcy, would have been entitled, 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. Except as aforesaid, any notice or document delivered or sent by post to or left at the address of any member in pursuance of these Articles shall, notwithstanding that such member may then be dead or bankrupt or in liquidation, and whether or not the Company may have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Share registered in the name of such member as sole or first-named joint holder.
- 37.5 A member who (having no registered address within the UK) has not supplied an address within the UK for the service of notices shall not be entitled to receive notices from the Company. If on three consecutive occasions notices have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, he shall not thereafter be entitled to receive notices from the Company until he has communicated with the Company and supplied in Writing to the Transfer Office a new registered address or address within the UK for the service of notices.
- 37.6 If at any time by reason of the suspension or curtailment of postal services within the UK the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least one national daily newspaper with appropriate circulation, and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case, the Company shall send confirmatory

copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the UK again becomes practicable

37.7 Nothing in this Article 37 shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner

**38. WINDING-UP AND DURATION OF THE COMPANY**

38 1 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.

38 2 If the Company is wound up (whether the liquidation is voluntary, under supervision or by the court), the liquidator may, with the authority of an extraordinary resolution, divide among the members in specie or kind the whole or any part of its assets, and whether or not those assets may consist of property of one kind or of property of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property 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 any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority may think fit, and the winding-up 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. Subject to the terms of issue, in any winding-up, Shares which are not fully Paid shall entitle the holder only to participate in any surplus assets according to the amounts Paid up on such Shares

38 3 In addition but not in limitation to the provisions of Article 38.1 and 38 2, in order for the future of the Company to be considered by the members, the Board shall at the tenth annual general meeting of the Company and thereafter at five yearly intervals, invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitised) and as soon as practicable following that meeting shall convene an extraordinary general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require

## **39. INDEMNITY**

- 39.1 Subject to and so far as may be consistent with the Statutes, every Director, auditor, Secretary and other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities (including without limitation interest) incurred by him in the execution or discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office including without limitation 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 are 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 to him by the court
- 39.2 Without prejudice to Article 39 1, the Board shall have power to effect and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of any Relevant Company or who are or were at any time trustees of any pension fund or employees' Share scheme in which employees of any Relevant Company are or were at any time interested including without limitation insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, power or offices in relation to any Relevant Company or any such pension fund or employees' Share scheme.
- 39.3 "Relevant Company" means the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or any such holding company or any of the predecessors of the Company or any such holding company has or had at any time any interest, whether direct or indirect, or which is or was at any time in any way allied to or associated with the Company, or any subsidiary or subsidiary undertaking of the Company or of such other body.

## **40. POWER TO INSURE**

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