

No: 5845866

The Companies Act 1985  
Public Company Limited by Shares

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**1pm plc**

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## **ARTICLES OF ASSOCIATION**

(As adopted by special resolution passed on 20 January 2010 and as amended by special resolution passed on 16 August 2013)

Incorporated in England and Wales under the Companies Act 1985, 14 June 2006

No: 5845866

THE COMPANIES ACT 1985  
PUBLIC COMPANY LIMITED BY SHARES

# ARTICLES OF ASSOCIATION

of

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## **PRELIMINARY AND INTERPRETATION**

### Exclusion of Other Regulations

1. No regulations set out in any statute or statutory instrument concerning companies shall apply as regulations or articles of association of the Company save insofar as any statutory provision overrides or disapplies these Articles.

### Interpretation

- 2.1 Unless the context otherwise requires, in these Articles the following words and phrases have the following meanings:-

<b><u>"the Act"</u></b>	the Companies Act 2006;
<b><u>"AIM"</u></b>	the Alternative Investment Market of London Stock Exchange plc
<b><u>"the Auditors"</u></b>	the auditors for the time being of the Company;
<b><u>"the Board"</u></b>	the board of directors of the Company or the directors present at a duly convened meeting of the directors at which a quorum is present;
<b><u>"Business Day"</u></b>	a day (other than a Saturday or Sunday) when banks are open for business in the City of London;
<b><u>"clear days"</u></b>	in relation to a period of notice means that period beginning on the day after the notice is given or deemed given and ending on the day before the day for which it is given or is to take effect;
<b><u>"the Company"</u></b>	1pm plc;

<b><u>"Eligible Director "</u></b>	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);
<b><u>"the Group"</u></b>	the Company and its subsidiaries and subsidiary undertakings (if any) as defined in the Act;
<b><u>"the holder"</u></b>	the person whose name is entered in the Register as the holder of those shares;
<b><u>"member"</u></b>	a member of the Company;
<b><u>"month"</u></b>	a calendar month;
<b><u>"the Office"</u></b>	the Company 's registered office for the time being
<b><u>"the Register"</u></b>	the register of members of the Company;
<b><u>"the Regulations"</u></b>	the Uncertificated Securities Regulations 2001;
<b><u>"Remuneration Committee"</u></b>	a Committee of the Board appointed by the Board composed of at least two non-executive directors who are independent of management;
<b><u>"the Seal"</u></b>	the common seal of the Company and any other official seal of the Company adopted by the Company as permitted by the Act;
<b><u>"Secretary"</u></b>	the secretary of the Company and any other person appointed to perform the duties of the secretary of the Company including a joint, temporary, assistant or deputy secretary;
<b><u>"The Stock Exchange"</u></b>	London Stock Exchange plc;
<b><u>"subsidiary"</u></b>	has the meaning given to it in the Act and includes "subsidiary undertaking" as also defined in the Act.
<b><u>"transfer instrument"</u></b>	the instrument of transfer of any share in the capital of the Company;
<b><u>"the United Kingdom"</u></b>	The United Kingdom of Great Britain and Northern Ireland.

- 2.2 References to an "Article" are to an Article in these Articles.
- 2.3 Words importing any particular gender shall include any other gender. Words importing the singular number shall include the plural and vice versa.
- 2.4 Words denoting persons shall include corporations, partnerships, firms and trusts.
- 2.5 Reference to any statute or statutory provision shall be construed as including any provision which it amends, consolidates or replaces.
- 2.6 Any words or expressions defined in the Act shall (if not inconsistent with the subject or context and unless defined otherwise in these Articles) have the same meaning in these Articles.
- 2.7 References to writing include references to printing, typewriting, lithography, photography and any other mode of presenting or reproducing words in a visible and permanent form.
- 2.8 References to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.
- 2.9 Words and expressions used in the Regulations have the same meaning when used in the Articles.

- 2.10 References to a share (or to a holding of shares) being in uncertificated form or in certificated form are references, respectively, to that share being an uncertificated unit of a security or a certificated unit of a security.
- 2.11 For the purposes of these Articles, a “dematerialised instruction” is properly authenticated if it complies with the specifications referred to in paragraph 5(3) of Schedule 1 to the Regulations.
- 2.12 The provisions of these Articles shall not apply to the extent that they are inconsistent with the holding of shares in uncertificated form.

### **LIMITED LIABILITY**

- 3 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

### **SHARE CAPITAL**

#### Rights attached to new shares

- 4 Subject to the Act and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or if no such resolution has been passed or so far as the resolution does not make specific provision, then such rights as the Board may decide (but so that no shares shall be issued at a discount).

#### Redeemable shares

- 5 Subject to the Act and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed or is to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles.

#### Allotment and issue of shares

- 6 Subject to the provisions of these Articles and the Act, the power of the Company to allot and issue shares shall be exercised by the Board and any unissued shares shall be at the disposal of the Board which may allot, issue or grant options over such shares to such person at such times and upon such terms as the Board thinks fit.

#### Share Warrants

- 7 The Directors with respect to fully paid-up shares may issue warrants ('share warrants') stating that the bearer is entitled to the shares specified, and may provide by coupons or otherwise for the payment of future dividends on the shares included in such warrants. The Directors may at any time determine and vary the conditions upon which share warrants may be issued and upon which a new share warrant or coupon may be issued in the place of one worn out, defaced or destroyed, but no new share warrant or coupon will be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed. The Directors may also at any time determine and vary the conditions upon which the bearer of a share warrant is entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings, and upon which a share warrant may be surrendered and the name of the holder entered in the register in respect of the shares specified. The holder of a share warrant shall hold such warrant subject to the conditions for the time being in force with regard to share warrants whether made before or after the issue of such warrant.

#### Underwriting commission and brokerages

- 8 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the Act and the rules of the Stock Exchange, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of shares.

#### Trusts not recognised

- 9 Except as required by law, the Company shall be entitled to treat the registered holder of any shares as their absolute owner and shall not (save as required by law or as provided by these Articles) be bound by or recognise any equity or interest in such share whether or not it shall have express or other notice of such equity or interest.

#### **CREST CO**

- 10 Pursuant to Regulation 16(2) of the Regulations:
- 10.1 title to the Company's Ordinary shares may be transferred by means of a relevant system (as defined in the Regulations); and
- 10.2 such relevant system shall include the relevant system of which Crest Co Limited is to be the Operator (as defined in the Regulations).

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

- 11 Subject to the Act, the Company may purchase all or any of its shares of any class, including any redeemable shares. Every contract providing for the purchase by the Company of its own shares shall be authorised by such resolution of the Company as may be required by the Act and if at the date of such resolution the Company has outstanding any shares which entitle the holders to convert them (at whatever time) into equity share capital of the Company by a special resolution passed at a separate class meeting of the holders of those shares of that class. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in these Articles the rights attached to any class of shares shall not be deemed to be varied by anything done by the Company pursuant to this Article.

#### **SHARE CERTIFICATES**

- 12 Every member (except a stock exchange nominee in respect of whom the Company is not by law required to complete and have a certificate ready for delivery) shall be entitled to receive one certificate for all the shares of each class registered in his name without payment.
- 12.1 Every certificate shall specify the quantity, class and distinctive number of shares in respect of which it is issued and the amounts paid up on them.
- 12.2 Every certificate for shares shall be issued under the Seal.
- 12.3 Where only some of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of the shares shall be issued to the registered holder without charge.
- 12.4 Shares of different classes may not be included in the same certificate.
- 12.5 Any 2 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.
- 12.6 The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

- 12.7 In the case of shares held jointly by several persons any such request as mentioned in this Article or Article 13 may be made by any one of the joint holders.

#### Replacement certificates

- 13 If a share certificate is lost or destroyed, it shall be renewed on such terms (if any) as to evidence and indemnity as the Board may reasonably require. Where it is worn out or defaced it shall be replaced after delivery of the existing certificate to the Company. In such cases, such certificate shall be issued without charge, save that the person to whom the new certificate is issued shall pay to the Company any exceptional out of pocket expenses incurred by the Company.

### **LIEN**

#### Lien on partly paid shares

- 14 The Company shall have a first and paramount lien on every share (not being a fully paid-up share) for all money (whether presently payable or not) payable at a fixed time or called in respect of a share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any dividend declared in respect of such share and any other amount payable in respect of it.

#### Enforcement of lien

- 15 If a sum in respect of which a lien exists is then due and is not paid within 14 clear days after written notice demanding payment of the sum has been served on the holder of any share or the person entitled to the share by reason of death or bankruptcy of the holder stating that if the notice is not complied with the share may be sold, the Company may sell such shares in such manner as the Board may decide.

#### Title to sell

- 16 To give effect to a sale, the Board may authorise some person to execute any transfer instrument to or in accordance with the directions of the purchaser. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale and he shall not be bound to see to the application of the purchase money.

#### Proceeds of sale

- 17 The net proceeds after payment of costs of a sale by the Company of any share on which it has a lien shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists so far as it is presently payable and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for any money not presently payable or any liability not likely to be presently fulfilled or discharged as existed upon the share before the sale) be paid to the holder of (or person entitled by transmission to) the share immediately before the sale.

### **CALLS ON SHARES AND FORFEITURE**

#### Making of calls

- 18 Subject to the terms of allotment the Board may from time to time make calls upon the members in respect of any money unpaid on their shares (whether on account of the nominal amount of those shares or by way of premium). However, no call shall be payable within one month after the date fixed for payment of the last preceding call. Each member shall, subject to receiving at least 14 clear days' notice specifying the time and place for payment, pay the amount called on his shares to the proper recipient at the time and place specified in the notice of call. A call may be made payable by instalments. A call may be revoked in whole or part or a time fixed for its payment postponed by the Board.

#### Time of call

- 19 A call shall be deemed to be made at the time when the resolution of the Board authorising the call is passed. A person upon whom a call is made shall remain liable for calls made on him notwithstanding the subsequent transfer of any shares in respect of which the call was made.

#### Differences in amounts paid by shares

- 20 The Board may make arrangements on the allotment of shares for a difference between the allottees or holders of such shares in the amount of calls to be paid and in the times of payment of such calls.

#### Joint holders

- 21 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

#### Interest on calls in arrears

- 22 If a call remains unpaid after it has become due and payable the person from whom the sum is due and payable shall be liable to pay interest on the unpaid amount at such rate not exceeding 15 per cent per annum as the Board shall determine from the day on which it became due and payable to the time of actual payment. The Board may waive the payment of such interest wholly or in part.

#### Instalments to be treated as calls

- 23 If by the conditions of allotment of any share, any amount is made payable at any fixed time (whether on account of the nominal amount of the shares or by way of premium) every such amount shall be payable as if it were a call duly made by the Board of which due notice had been given. All Articles relating to the payment of calls, interest, expenses and the forfeiture of shares for non-payment of calls shall apply to every such amount and the share in respect of which it is payable.

#### Payment in advance of calls

- 24 The Board may if it thinks fit receive from any member willing to advance to the Company all or any part of the money uncalled and unpaid upon any shares held by him; and the Board may pay interest on all or any of the money so advanced (until it would but for such advance become presently payable) at such rate not exceeding 15 per cent per annum as the Board may decide. No sum paid in advance of a call shall entitle any member in respect of a share to any portion of a dividend declared in respect of any period prior to the date upon which such sum would otherwise have become payable.

#### Notice requiring payment

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

#### Contents of call payment notice

- 26 A call payment notice shall fix a further time and place (not being less than 14 clear days from the date of the notice) on or before which the payment required by the call payment notice is to be made. The notice shall also state that in the event of non-payment at or before the time and at the place specified, the share in respect of which such call payment notice is served will be liable to forfeiture.

#### Forfeiture for non-compliance

- 27 If the requirements of a call payment notice are not complied with any share in respect of which such notice has been given may at any time before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect. Every such forfeiture shall extend to all dividends declared and other sums payable in respect of the forfeited share but not actually paid before such forfeiture. The Board may accept surrender of any share liable to be forfeited upon such terms and

conditions as may be agreed so that (subject to such terms and conditions) a surrendered share shall be treated as if it had been forfeited.

#### Forfeited shares the property of the Company

- 28 Subject to the Act, any forfeited share shall be the property of the Company and no voting rights shall be exercised in respect of it. The Board may sell, re-allot or otherwise dispose of such share in such manner as the Board decides, either to the person who was before the forfeiture the holder or to any other person and either with or without any past or accruing dividends and in the case of re-allotment, with or without any money paid upon it by the former holder being credited as paid up. At any time before the sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board decides. Where for the purposes of its disposal, a forfeited share is to be transferred, the Board may authorise some person to execute a transfer instrument.

#### Liability to pay calls after forfeiture

- 29 Any person any of whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall surrender the certificate for the forfeited shares to the Company for cancellation. Such person shall remain liable to pay to the Company all money which at the date of the forfeiture was then payable by him to the Company in respect of the shares with interest (if required) under Article 22.

#### Statutory declaration of forfeiture

- 30 A statutory declaration by a director or the Secretary that a share has been duly forfeited or surrendered on a date stated in the declaration shall be conclusive evidence of the facts declared stated as against all persons claiming to be entitled to the share and acquiring it. The statutory declaration shall (subject to the execution of a transfer instrument where necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration (if any) and his title to the share shall not be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of such share.

#### 31 Disclosure of Interests

- 31.1 The Board may by notice in writing (in this Article called a "Disclosure Notice") require any Member or other person appearing to be interested or appearing to have been interested in any shares in the Company to disclose to the Company in writing and within such reasonable period as is specified in the Disclosure Notice such information as the Board shall, pursuant to any provision of the Companies Acts, be entitled to require relating to interests in the shares in question and, in the event of such a failure to comply with a Disclosure Notice as is referred to in Article 31.3, the Board may, without prejudice to any other rights and remedies available to the Company in respect of such non-compliance, impose any or all of the sanctions set out in Article 31.4.

- 31.2 The Board may cause a Disclosure Notice to be given pursuant to Article 31.1 at any time and more than one such notice may be given to the same Member or other person in respect of the same shares.

- 31.3 Where a Member or other person on whom a Disclosure Notice has been served has not within the period specified in the Disclosure Notice (or such further period as the Board may in its discretion allow) supplied to the Company the information thereby required in respect of any shares (in this Article called the "Relevant Shares") the Board may impose sanctions on the registered holder of the Relevant Shares (in this Article called the "Relevant Member") in accordance with paragraph 31.4 of this Article provided that:-

31.3.1 if the Relevant Shares represent not less than 0.25 per cent in number of the issued shares of a class of shares in the capital of any class of the Company, a period of 14 days, and

31.3.2 in any other case a period of 28 days,

31.3.3 shall have elapsed from the date of the service or deemed service of the Disclosure Notice during which time the Member or other person shall have failed to supply such information and such failure shall have continued down to the date on which sanctions are imposed; and



31.3.4 The Disclosure Notice contained a statement to the effect that in the event of such failure the Board would or might impose sanctions in accordance with Article 31.4, summarising or setting out the relevant details of that Article.

31.4 The Board may impose the following sanctions:-

31.4.1 In a case falling within Article 31.3.1:-

31.4.1.1 the sanction that in respect of the Relevant Shares the Relevant Member shall have no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares or to exercise any other right in relation to any meeting of the Company or any class of its shareholders; and/or

31.4.1.2 the sanction that in respect of the Relevant Shares the Relevant Member shall have no right to receive any dividend or other moneys payable until the sanctions have ceased to apply; and/or

31.4.1.3 the sanction that the Board may decline to register any transfer of Relevant Shares other than:-

31.4.1.3.1 a transfer made in respect of a dealing (not being a put-through) on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or other recognised market on which securities of the same class as the Relevant Shares are regularly traded; or

31.4.1.3.2 a transfer made in respect of an acceptance of a take-over offer which is subject to and complies with the City Code on Take-Overs and Mergers; or

31.4.1.3.3 a transfer made pursuant to the provisions of the Companies Acts conferring powers of compulsory purchase in respect of take-over offers; and

31.4.2 in a case falling within Article 31.3.2 the sanction referred to in Article 31.4.1.1.

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

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

31.7 Any sanctions imposed pursuant to this Article shall cease to apply to any Relevant Member:-

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

31.7.2 in the event of a disposal of the Relevant Shares by any such transfer as is referred to in Article 31.4.1.3,

where the Company has withheld payment of any dividend or other moneys payable in respect of any Relevant Shares pursuant to sanctions imposed in accordance with Article 31.4.1.2, such dividend or other moneys payable shall be paid to the person who would but for such sanctions have been entitled to it or as he may direct as soon as reasonably practicable after the sanctions shall have ceased to apply, but the Company shall not be obliged to account for any interest on it whether or not such interest has been earned.

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

## **TRANSFER OF SHARES**

### Form of transfer instrument

- 32 Subject to the provisions of these Articles, any member may transfer all or any of his certificated shares by a transfer instrument or transfer in any usual form and may transfer all or any of his uncertificated shares by a properly authenticated dematerialised instruction or in either case any other form which the Board may approve.

### Execution of transfer instrument

- 33 The transfer instrument or dematerialised instruction shall be executed by or on behalf of the transferor and in the case of a partly paid up share by or on behalf of the transferee.

### Power to decline registration of transfers

- 34 The Board may in its absolute discretion and without giving any reason for doing so, decline to register any transfer of any shares which are not fully paid up and in respect of which a call has been made.
- 35 The Board may also decline to register any transfer of any share unless:-
- 35.1 the duly stamped transfer instrument or dematerialised instruction is lodged at the Office or such other place as the Board may appoint accompanied by:-
- 35.1.1 the certificate for the share to which it relates (except in the case of a transfer by a Stock Exchange nominee or a transfer of uncertificated shares);
  - 35.1.2 such other evidence as the Board may reasonably require to show the right of the transferor to execute the transfer instrument or dematerialised instruction; and
  - 35.1.3 if the transfer instrument or dematerialised instruction is executed by some other person on the transferor's behalf, the authority of that person to do so;
- 35.2 the transfer instrument or dematerialised instruction is in respect of only one class of share; and
- 35.3 in the case of a transfer to joint holders, they do not exceed 4 in number.

### Notice of non-registration

- 36 If the Board declines to register a transfer, it shall within 2 months after the date on which the transfer instrument was lodged with the Company send notice of the refusal to the transferee.

#### Register may be closed

- 37 The registration of any transfers of shares may be suspended and the Register closed at such times and for such periods as the Board may from time to time determine, not exceeding 30 Business Days in any year.

#### No fee for registration

- 38 Subject to Article 13, no fee shall be charged in respect of the registration of any transfer or other document relating to or affecting the title to any share or for making any other entry in the Register.

#### Transfer instruments to be retained by the Company

- 39 All transfer instruments and dematerialised instructions which are registered shall be retained by the Company but any transfer instrument which the Board declines to register shall (except in any case of suspected fraud) be returned to the person lodging it at the time that notice of refusal is given.

### **TRANSMISSION OF SHARES**

#### Persons recognised on death of a member

- 40 If a member dies, the survivor (where he was a joint holder) or his personal representatives (where he was a sole holder or the only survivor of joint holders), shall be the only persons recognised by the Company as having any title to his shares; but nothing in these Articles shall release the estate of a deceased member from any liability in respect of any share held by him whether solely or jointly with other persons.

#### Transmission

- 41 Upon production of such evidence as may from time to time be required by the Board, a person becoming entitled to a share by reason of the death or bankruptcy of a member may, subject to these Articles, elect either to be registered as a member in respect of such share or to have some person nominated by him registered as the holder. If the person elects to become the holder, he shall give notice in writing to the Company to that effect. If the person elects to have another person registered he shall execute a transfer instrument of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or transfer instrument as if the death or bankruptcy of the member had not occurred and the notice or transfer instrument were a transfer instrument executed by the member.

#### Limit of right before registration

- 42 A person becoming entitled to a share by reason of the death or bankruptcy of a member (shall subject to the other provisions of these Articles) be entitled to, and may give a good discharge for, the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not unless and until he is registered as a holder of the share be entitled in respect of it to receive notice of, or to exercise any right conferred by membership in relation to, meetings of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer such share and if such notice is not complied with within 60 clear days the Board may withhold payment of all dividends and other money payable in respect of such share until the notice has been complied with.

### **ALTERATION OF SHARE CAPITAL**

#### Increase, consolidation, division, sub-division and cancellation

- 43 Subject to the Act, the Company may by ordinary resolution:-
- 43.1 consolidate any of its share capital into shares of larger amount than its existing shares;

- 43.2 sub-divide any of its shares into shares of smaller amount. The resolution may determine that as between the shares resulting from the sub-division, any of them may have any preference or advantage or are subject to any restrictions as compared with any of the others; and
- 43.3 cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its nominal share capital by the amount of the shares so cancelled.
- 44 Whenever as a result of a consolidation or sub-division of shares, any members would become entitled to fractions of a share, the Board may sell the shares representing the fractions on behalf of those members for the best price reasonably obtainable to any person (including, subject to the Act, the Company) and distribute the net proceeds of sale (subject to retention by the Company of small amounts the cost of distribution of which would in the reasonable opinion of the Board be disproportionate to the amounts involved) in due proportion among those members and the Board may authorise some person to execute a transfer instrument to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale.
- 45 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any way.

## **MODIFICATION OF RIGHTS**

### 46 Rights of various classes may be altered:

- 46.1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of any shares of that class) be varied or abrogated (whether or not the Company is being wound up) either with the consent in writing of the holders of three-quarters in nominal amount of the issued shares of the affected class, or with the sanction of a special resolution passed at a separate general meeting of such holders, but not otherwise.
- 46.2 All the provisions of these Articles relating to general meetings shall apply where applicable to every such separate general meeting, except that:-
- 46.2.1 the necessary quorum at any such meeting (other than an adjourned meeting) shall be 2 persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question and at a meeting adjourned by reason of lack of quorum, one person holding shares of the class in question or his proxy;
  - 46.2.2 any holder of shares of the class in question present in person or by proxy may demand a poll; and
  - 46.2.3 the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively.
- 46.3 Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares in the capital of the Company shall be deemed to be varied or abrogated by the allotment of further shares ranking in priority to it for payment of a dividend or repayment of capital, but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking pari passu in all respects with or subsequent to those already issued (save as to the date from which such new shares shall rank for dividend).
- 46.4 This Article shall apply to the proposed variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class treated differently formed a separate class whose separate rights are to be varied.

## **GENERAL MEETINGS**

### General meetings

- 47 All general meetings other than annual general meetings shall be called general meetings.

#### Convening general meetings

- 48 The Board may convene a general meeting whenever it thinks fit. Upon a requisition of members being made in accordance with section 303 of the Act, it shall proceed to convene a general meeting within 21 days from the date on which it became subject to the requirement to be held on a date not more than 28 days after the date of the notice convening the meeting.

#### **NOTICE OF GENERAL MEETINGS**

##### Notice of meeting

- 49 An annual general meeting and a general meeting called for the passing of (save as provided by the Act) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days notice in writing. All other general meetings shall be called by at least 14 clear days notice in writing.

##### Contents of notice

- 50 The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted at it. Every notice calling an annual general meeting shall specify the meeting as such.

##### Persons to whom notice given

- 51 Subject to these Articles and to any restriction imposed on any shares or any member, a notice of general meeting shall be given to all members and directors and the Auditors.

##### Statement as to proxies in notice

- 52 In every notice calling a general meeting, a statement shall appear with reasonable prominence, that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member. If the place where proxies are to be deposited is somewhere other than the office, the statement shall state where a proxy form is to be deposited.

##### Conflicting proxies

- 53 In the event that conflicting proxies are received in respect of the same shares, the Company shall be entitled to rely upon that deposited later in time to the exclusion of the earlier one.

##### Omission to give notice

- 54 The accidental omission to give notice to any person entitled to receive notice of a general meeting under these Articles or (where forms of proxy are sent out with the notice) the accidental omission to send a form of proxy or the non-receipt by any such person of either or both shall not invalidate the proceedings at that meeting.

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

##### Quorum

- 55 Subject to Articles 46 and 56, 5 members present in person or by proxy and entitled to vote shall be a quorum for all purposes. No business shall be transacted at any general meeting unless a quorum of members is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting.

##### Lack of quorum

- 56 If within 5 minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine) after the time appointed for the meeting, a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved and in any other case it shall stand adjourned to such time and place (between 14 and 28 days later) as the chairman of the meeting may decide. At such adjourned meeting, 2 members present in person or by proxy shall be a quorum.

#### Notice of meeting adjourned for lack of quorum

- 57 The Company shall give not less than 7 clear days' notice in writing of any meeting adjourned through lack of a quorum and the notice shall state that 2 members present in person or by proxy shall be a quorum.

#### Chairman

- 58 The chairman (if any) of the Board or in his absence a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within 15 minutes after the time appointed for the meeting, or if no such person is willing to act as chairman of the meeting, the directors present shall choose one of their number to act, or if one director only is present, he shall, if willing, preside as chairman. If no director is present or if all the directors present decline to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman of the meeting.

#### Adjournment with consent of meeting

- 59 The chairman of a 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 for an indefinite period) and from place to place. No business shall be transacted at any adjourned meeting other than business left unfinished from the meeting from which the adjournment took place. Where a meeting is adjourned for an indefinite period, the time and place for the adjourned meeting shall be fixed by the Board. Where a meeting is adjourned for 30 days or more, or for an indefinite period, 7 clear days' notice in writing of the adjourned meeting shall be given in the like manner as in the case of an original meeting. Save as provided in these Articles, it shall not be necessary to give any notice of any adjourned meeting or of the business to be transacted at an adjourned meeting.

#### 60 Voting

- 60.1 At any general meeting, every resolution put to the vote shall be decided in the first instance by a show of hands unless (on or before the declaration of the result of the show of hands) a poll is properly demanded by:-

60.1.1 the chairman of the meeting; or

60.1.2 at least 5 members present in person or by proxy and entitled to vote; or

60.1.3 one or more members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

60.1.4 one or more members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

- 60.2 The demand for poll may be withdrawn at any time before the conclusion of the meeting.

- 60.3 Unless a poll is demanded, a declaration by the chairman that a resolution has been carried, or not carried, or carried unanimously, or by a particular majority and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

#### Conduct of poll

- 61 If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct. The chairman may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

#### Timing of poll

- 62 A poll demanded on the election of the chairman of a meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting directs, but in any case not more than 28 days after the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the completion of the poll.

#### Casting vote

- 63 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member or as a representative or proxy of a member.

#### Directors' attendances at general meetings

- 64 Notwithstanding that he is not a member, each director shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

### **VOTES OF MEMBERS**

#### Votes

- 65 Subject to any terms as to voting upon which any shares may be issued or may for the time being be held, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) shall have one vote on a show of hands and on a poll every member shall have one vote for every share of which he is the holder.

#### Votes on a poll

- 66 On a poll, votes may be given in person or by proxy.
- 67 In the case of joint holders of a share, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the joint holders stand in the Register in respect of the share.

#### Mental disorder

- 68 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote (whether on a show of hands or on a poll) by his receiver, trustee or other authorised person appointed by such a court. Any such receiver trustee or other person may vote by proxy on a poll. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office (or at such other place as is specified in accordance with these Articles for the deposit of forms of proxy) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised. In default the right to vote shall not be exercisable.

#### Voting and meetings where calls are unpaid

- 69 Unless the Board determines otherwise no member shall be entitled to vote at any general meeting or any separate meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to general meetings of the Company or meetings of the holders of any class of shares in the Company if any call or other sums then due from him in respect of shares in the Company have not been paid on those shares.

#### Section 794 of the Act

- 70 Nothing in these Articles shall prejudice or affect the right of the Company to apply to the court for an order under section 794 of the Act and in connection with such an application or otherwise to require information pursuant to a section 793 notice on shorter notice than the periods prescribed by Article 31.

### Objection to votes

71 If:-

71.1 any objection is raised as to the qualification of any voter at any general meeting; or

71.2 any votes have been counted which should not have been counted or which might have been rejected; or

71.3 any votes are not counted which ought to have been counted,

the objection or allegation shall not vitiate the decision on any resolution, unless the objection or allegation is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the alleged error occurs. Any objection or allegation made at such time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the objection or allegation is justified and that the decision of the meeting may have been affected. In such case, the resolution shall immediately be put to the meeting again and a further vote taken. The decision of the chairman shall be final and conclusive.

### Amendment to resolution

72 If an amendment is proposed to any resolution then being considered, 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 proposed as a special resolution, no amendment to it (other than a mere clerical amendment to correct an obvious error) may be considered or voted upon.

### Forms of proxy

73 Forms of proxy shall be in any usual form or in such other form as the Board may approve. Forms of proxy shall be sent by the Company to all persons entitled to notice of and to attend and vote at any general meeting and shall (unless the Board determines otherwise) provide for voting both for and against all resolutions to be proposed at that meeting, other than resolutions relating to the procedure of the meeting. The form of proxy shall be executed by or on behalf of the appointor and shall be deemed to confer authority to demand or concur in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given, in each case as the proxy thinks fit. A corporation may execute a form of proxy under the hand of a duly authorised officer.

### Deposit of proxies

74 A form of proxy (and any power of attorney or other written authority under which it is signed or a notarially certified copy, or a copy certified in accordance with the Powers of Attorney Act 1971, or the Enduring Powers of Attorney Act 1985 of such power or written authority) shall be deposited at the Office (or at such other place as shall be specified in the notice of meeting, or form of proxy or other document accompanying them) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the form proposed to vote or, in the case of a poll taken subsequently to the meeting or adjourned meeting, not less than 24 hours before the time appointed for taking the poll. Unless so deposited, the form of proxy shall not be treated as valid. No form of proxy shall be valid after the expiration of 12 months from the date stated in it as the date of its execution. Unless the contrary is stated on it a form of proxy shall be valid for any adjournment of the meeting as well as for the meeting to which it relates.

### Revocation of proxy

75 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous revocation of the authority of the person voting or demanding a poll, unless notice of the revocation shall have been received by the Company at the Office (or other place at which the form of proxy was required to be deposited in accordance with these Articles) at least 12 hours before the commencement of the meeting or adjourned meeting at which the form of proxy is to be used or, in the case of a poll taken on the same day as the meeting, or adjourned meeting the time appointed for taking the poll.



## **POWERS OF THE BOARD**

### Management by the Board

76 Subject to the Act, these Articles and to any direction given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. No alteration 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 shall not be limited by any special power given to the Board by any other Article.

### Local boards

77 The Board may make such arrangements as it thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the Board (other than the power to borrow and make calls) with power to sub-delegate.

### Appointment of attorney

78 The Board may from time to time by power of attorney under the Seal, appoint any person or class of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these Articles) for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions as the Board may think fit for the protection or convenience of persons dealing with such attorney and may also authorise any such attorney to sub-delegate any of the powers, authorities and discretion vested in him.

### Delegation

79 The Board may delegate any of its powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with 2 or more members shall be governed by the Articles regulating the proceedings of the Board, so far as they are capable of applying. If any such committee determines to co-opt persons other than directors on to such committee, the number of such co-opted persons shall always be less than one half of the total number of members of the committee and no resolution of the committee shall be effective, unless a majority of the members of the committee present at the meeting concerned are directors.

## **BORROWING POWERS**

### Powers exercisable by the Board

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

### Restriction on borrowing

81 Intentionally Clear

### Meaning of "borrowing"

82 For the purposes of these Articles, "borrowing" shall be deemed to include not only borrowing, but also the following, except in so far as they are taken into account otherwise:-

82.1 the nominal amount of any issued share capital and the principal amount of any debentures or borrowed money, together with any fixed or minimum premium payable on redemption of any body whether incorporated or unincorporated, the redemption or repayment of which is the subject of a guarantee or

indemnity by a member of the Group, the beneficial interest in which is not for the time being owned by a member of the Group;

82.2 the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit facility opened on behalf of and in favour of any member of the Group;

82.3 the principal amount of any debenture (whether secured or unsecured) of a member of the Group not owned by a member of the Group;

82.4 the principal amount of any preference share capital of any subsidiary not owned by a member of the Group; and

82.5 any fixed or minimum premium payable on final redemption or repayment of any borrowing or deemed borrowing

but shall be deemed not to include:-

82.6 borrowing incurred by any member of the Group for the purpose of repaying the whole or any part of any borrowings of a member of the Group for the time being outstanding within 6 months of being so borrowed, pending their application for that purpose within that period;

82.7 borrowing incurred by any member of the Group for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department fulfilling a similar function up to an amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured; and

82.8 amounts borrowed or raised which are for the time being deposited with H.M. Revenue and Customs or any other body designated by any legislation or order in connection with import deposits or any similar government scheme, to the extent that a member of the Group retains its interest in those amounts.

#### Currency conversion

83 When the aggregate amount of borrowing required to be taken into account for the purposes of these Articles on any particular day is being ascertained any money denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London or, if it would result in a lower sterling equivalent, at the rate of exchange prevailing in London 6 months before such day. For this purpose, the prevailing rate of exchange shall be taken as the middle market rate as at the close of business on the day in question or, if that is not a Business Day, on the last Business Day before the day in question.

#### Accounting conventions

84 Subject to the Act, the Company may from time to time change the accounting conventions on which its audited balance sheet or audited consolidated balance sheet is prepared.

#### Auditors' certificate

85 A certificate or report by the Auditors as to the amount of the issued share capital and sums standing to the credit of share premium account, or the amount of any borrowing, or to the effect that the limit imposed by these Articles has not been or will not be exceeded at any particular time shall be conclusive evidence of that amount or fact. For the purposes of their computation, the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless, for the purposes of these Articles the Board may act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves at any time and, if in consequence such limit is inadvertently exceeded, an amount of money borrowed equal to the excess may be disregarded until the expiration of 60 days after the day on which (by reason of a determination of the Auditors or otherwise) the Board becomes aware that such a situation has or may have arisen.

#### Lender not concerned

86 Intentionally Clear

## **NUMBER AND QUALIFICATION OF DIRECTORS**

### Number of directors

87 Unless and until otherwise determined by ordinary resolution of the Company, the directors (other than alternate directors) shall be not less than 2 in number and the maximum number of directors shall be 10.

### No share qualification

88 A director shall not be required to hold any shares of the Company by way of qualification for his office.

### No age limit

89 There shall not be any age limit for directors.

### Powers of directors where minimum breached

90 If the number of directors is reduced below the minimum number fixed in accordance with these Articles, the directors for the time being may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company, but not for any other purpose.

### Directors' eligibility for election

91 No person other than a director retiring at a general meeting (whether by rotation or otherwise) shall be appointed or re-appointed a director at any general meeting unless:-

91.1 he is recommended by the Board; or

91.2 not less than 6, nor more than 35 clear days before the day appointed for the meeting, notice executed by a minimum of 10 members qualified to vote at the meeting (not including the person to be proposed) has been given to the Secretary of the intention to propose that person for appointment or reappointment, together with notice executed by that person of his willingness to be appointed or reappointed.

## **ELECTION, APPOINTMENT AND RETIREMENT BY ROTATION**

### Election at general meetings

92 Subject to the provisions of Articles 87 to 91 inclusive, and without prejudice to the power of the Board under Articles 90 and 94, the Company may elect a person who is willing to act to be a director by ordinary resolution, either to fill a vacancy or as an addition to the existing Board and may also determine the order in which any additional directors are to retire by rotation; but so that the total number of directors shall not at any time exceed any maximum number (if any) determined in accordance with these Articles.

### Combined resolution to elect

93 A resolution for the election of 2 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. Any resolution moved in contravention of this Article shall be void.

### Board's powers of appointment

94 The Board shall have power to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed the maximum number, if any, fixed from time to time. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the directors to retire by rotation at such meeting under Articles 95 to 98 inclusive. Unless so re-elected, he shall vacate office at the conclusion of such meeting.

#### Retirement by rotation

- 95 At every annual general meeting, one-third of the directors who are subject to retirement by rotation (or, if their number is not a multiple of 3 then the number nearest to but not exceeding one-third) shall retire from office; but if there is only one director who is subject to retirement by rotation, he shall retire each year and if there are only two such directors, one shall retire each year.

#### Selection of retiring directors

- 96 Subject to the Act and the other provisions of these Articles, the directors to retire by rotation on each occasion shall be those who have been longest in office since their last appointment or reappointment. As between persons who became or were last reappointed directors on the same day, those to retire shall (unless they agree otherwise among themselves) be determined by lot. The directors to retire (both as to number and as to identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after the date of such notice, but before the close of the meeting.

#### Retiring director eligible for re-election

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

#### Deemed reappointment of retiring director

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

### **RESIGNATION AND REMOVAL OF DIRECTORS**

#### 99 Resignation of director

- 99.1 A director (not being a chief executive managing or executive director) may resign his office by notice in writing submitted to the Board.
- 99.2 A chief executive, managing or executive director may tender his resignation at a meeting of the Board; but only if the other directors resolve to accept it, shall such resignation be effective.

#### Removal of director

- 100 The Company may by ordinary resolution of which special notice has been given in accordance with section 312 of the Act, remove any director before the expiration of his period of office, notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such director. Such removal shall be without prejudice to any claim which such director may have for damages for breach of any agreement between him and the Company.

### **DISQUALIFICATION OF DIRECTORS**

- 101 The office of a director shall be vacated if the director:-
- 101.1 has a bankruptcy order made against him or makes any arrangement or composition with his creditors generally;
- 101.2 is or may be suffering from mental disorder and either:-
- 101.2.1 is admitted to hospital pursuant to an application for admission for treatment under the Mental Health Act 1983 or the Mental Health (Care and Treatment) (Scotland) Act 2003; or

- 101.2.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) for the appointment of a receiver, trustee or other person to exercise powers with respect to his property or affairs; or
- 101.3 is absent from meetings of the Board (whether or not his alternate attends) for 6 consecutive months without permission of the Board and the Board resolves that his office be vacated; or
- 101.4 by virtue of any provision of the Act is or becomes prohibited by law from being a director; or
- 101.5 is served with written notice signed by all the other directors removing him from office.

## **REMUNERATION OF DIRECTORS**

### 102 Fees and Expenses

- 102.1 The directors of the Company shall be paid such remuneration (by way of fee) for their services as may be determined by the Remuneration Committee. The directors shall also be entitled to be repaid all travelling, hotel and other expenses of travelling to and from Board meetings, committee meetings or general meetings or otherwise incurred while engaged on the business of the Company.
- 102.2 The Directors (other than those holding executive office in the Company) shall be entitled to remuneration for their services as Directors in such amount as the Directors may determine not exceeding in aggregate £100,000 per annum (or such higher amount as may from time to time be determined by the Company by ordinary resolution) and such remuneration shall be apportioned amongst them as Directors may determine.

### Remuneration for additional services

- 103 Any director who at the request of the Board performs special services or goes or resides abroad for any purpose of the Company may be paid such extra remuneration by way of salary, commission or otherwise as the Board may decide.

## **CHIEF EXECUTIVE, MANAGING AND OTHER EXECUTIVE DIRECTORS**

### Appointment of executive directors

- 104 The Board may from time to time:-
- 104.1 appoint one or more of its body to the office of chief executive, managing director, joint managing director or to any other office (except that of Auditor) or employment in the Company for such period (subject to the Act) and on such terms as it thinks fit and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose appointment is revoked may have against the Company by reason of such revocation); and
- 104.2 permit any person elected or appointed to be a director to continue in any other office or employment held by the person before he was so elected or appointed.

A director (other than a chief executive, managing director or joint managing director) holding any other executive office or employment with the Group is referred to in these Articles as "an executive director".

### 105 Retirement by rotation

- 105.1 A director holding the office of chief executive, managing director or joint managing director shall not be subject to retirement by rotation or be taken into account in deciding the number of directors to retire by rotation on any particular occasion, but shall (subject to Article 99 and the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other directors. If he ceases for any reason to be a director, he shall also cease to hold such executive position (but without prejudice to any rights or claims which he may have against the Company by reason of such cessation);
- 105.2 A chief executive, managing director or joint managing director shall cease to be exempt from retirement by rotation, but shall not cease to be a director, upon his ceasing from any cause to hold his office or employment.

## Remuneration

- 106 The remuneration of any chief executive, managing director, joint managing director or executive director (whether by way of salary, commission, participation in profits or otherwise) shall be decided by the Remuneration Committee and may be either in addition to or in lieu of any remuneration as a director.

## Powers of chief executive, managing and executive directors

- 107 The Board may entrust to and confer upon a chief executive, managing director, joint managing director or executive director any of the powers, authorities and discretion vested in or exercisable by it upon such terms and conditions and with such restrictions as it thinks fit and may from time to time revoke or vary all or any of them, but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

## **ASSOCIATED AND OTHER DIRECTORS**

- 108 The Board may from time to time appoint any person to any post with such descriptive title including that of director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local or advisory director or otherwise) as the Board may determine and may define, limit, vary and restrict the powers, authorities and discretion of persons so appointed and may fix and determine their remuneration and duties. Subject to any contract between him and the Company the Board may remove any person so appointed from such post. A person so appointed shall not be a director of the Company for any of the purposes of these Articles or of the Act and accordingly shall not be a member of the Board or of any committee of the Board (except as a co-opted member) nor shall he be entitled to be present at any meeting of the Board or of any committee except at the request of the Board or of such committee and if present at such request, he shall not be entitled to vote (except as a co-opted member of a committee).

## **DIRECTORS' GRATUITIES AND PENSIONS**

- 109 The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise for any director who has held, but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse and former spouse) or any person who is or was dependent on him and may (both before and after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

## **ALTERNATE DIRECTORS**

### Appointment and removal

- 110 Any director (other than an alternate director) may appoint another director or any other person approved by the Board and willing to act to be an alternate director and may remove an alternate director appointed by him from office.

### Rights of alternate director

- 111 An alternate director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence, but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. Notice of a meeting of the Board or a committee of the Board to an alternate director who is absent from the United Kingdom may be validly given by facsimile transmission or electronic mail.
- 112 An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but if a director retires by rotation or otherwise vacates office and is elected or deemed to have been elected at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his election.

#### Mode of appointment and removal

- 113 Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the Board.

#### Responsibility of alternate director

- 114 Save as provided otherwise in these Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the director appointing him.

### **PROCEEDINGS OF THE BOARD**

#### 115 Convening of meetings, quorum and voting

- 115.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any such meeting shall be determined by a majority of votes. In case of any equality of votes, the Chairman shall have a second or casting vote. A director may, and the Secretary on the requisition of a director shall, call a meeting of the Board. It shall be necessary to give notice of a meeting to a director who is absent from the United Kingdom.

#### Quorum

- 115.2 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number, shall be 2. A director or other person who is present at a meeting of the Board in more than one capacity (that is to say as both director and an alternate director or as an alternate for more than one director) shall not be counted as 2 or more for quorum purposes, unless at least one other director or alternate director is also present.

#### Chairman and deputy chairman

- 116 The Board may appoint a chairman and, if it thinks fit, a deputy chairman of its meetings and determine the period for which he is to hold office. If no chairman or deputy chairman is appointed or, if neither is present within 5 minutes after the time fixed for holding any meeting, the directors present may choose one of their number to act as chairman of such meeting.

#### Directors' written resolutions

- 117 A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the Board (not being less than the number of directors required to form a quorum of the Board) or by all the members of a committee for the time being, shall be as valid and effective as a resolution passed at a meeting of the Board or committee which was duly convened and held on the date specified on the written resolution or in the absence of such date the date upon which the last director signs the written resolution. A resolution signed by an alternate director need not be signed by his appointor. The resolution may consist of one document or several documents in like form, each signed by one or more directors.

#### Telephone and other remote Board Meetings

- 118 Any director (including an alternate director) may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone, video link or similar communications equipment by which all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

## Defects in appointment

- 119 All acts done by any meeting of the Board or of a committee or sub-committee of the Board or by any person acting as a director or by an alternate director shall, notwithstanding that it is discovered later that there was some defect in the appointment or continuance in office of any director, alternate director or person so acting, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a director or an alternate director and had been entitled to vote.

## **DIRECTORS' INTERESTS**

### Permitted interests

- 120 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:-
- 120.1 may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which any member of the Group is interested; and
- 120.2 may be or become a member, director, other officer or employee of a party to any transaction or arrangement with the Company or otherwise be interested in any body corporate promoted by any member of the Group or in which any member of the Group is interested;
- 120.3 shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- 120.4 may act by himself or his firm in a professional capacity for any member of the Group (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director of the Company.
- 121 Authorisation of directors' conflicts of interest
- 121.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (the "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest ("Conflict").
- 121.2 Any authorisation under this article 121 will be effective only if:
- 121.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
- 121.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- 121.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 121.3 Any authorisation of a Conflict under this article 121 may (whether at the time of giving the authorisation or subsequently):
- 121.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 121.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;



- 121.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 121.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 121.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 121.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 121.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 121.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 121.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

#### Restrictions on voting

- 122 A director shall not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has a direct or indirect interest (other than by virtue of his interests in shares or debentures or other securities of, in or otherwise through the Company) which is material, unless his interest or duty arises only because one of the following situations applies (in which case he may vote and be counted in the quorum):-
- 122.1 the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to or an obligation incurred by him for the benefit of any member of the Group;
  - 122.2 the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of any member of the Group for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - 122.3 his interest arises by virtue of his being or intending to become a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities in or of any member of the Group for subscription, purchase or exchange;
  - 122.4 the resolution relates to any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or in any other way, provided that he is not the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such company (or of any other company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of Article 120 to be a material interest in all circumstances);
  - 122.5 the resolution relates in any way to any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; or

122.6 the resolution concerns any scheme or arrangement for benefit of employees of the Company or any of its subsidiaries under which the director benefits in a similar manner to the employees and does not accord to any director any privilege or advantage not generally accorded to the employees to which such arrangement relates; or

122.7 these Articles specifically provide that the Director may vote, notwithstanding his interest.

#### Application of voting restrictions

123 For the purposes of Articles 120 to 122:-

123.1 an interest of a person who is for any purpose of the Act connected with a director shall be treated as an interest of the director and in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director may otherwise have;

123.2 a general notice given to the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested, shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

123.3 notwithstanding the foregoing, an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

#### Shareholdings of the Company

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

#### Interested director not counted in quorum

125 A director shall not be counted in the quorum present at a meeting of the Board in relation to a resolution on which he is not entitled to vote.

#### Appointments of 2 or more directors

126 Where proposals are under consideration concerning the appointment of 2 or more directors to office or employment with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately. Provided he is not precluded from voting by the proviso to Article 122.4 or for another reason each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution, except for that concerning his own appointment.

#### Determination of director's eligibility to vote

127 If a question arises at a meeting of the Board or of a committee of the Board as to the right of a director to vote, the question may be referred to the chairman of the meeting before the conclusion of that meeting and his ruling in relation to any director other than himself shall be final and conclusive.

#### Relaxation of restrictions

128 The Company may, to the extent permitted by the Act, suspend or relax to any extent either generally or in respect of any particular matter by ordinary resolution any provision of these Articles prohibiting a director from voting at a meeting of the Board or of a committee of the Board.

### **SECRETARY**

#### Appointment and removal

129 Subject to the Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such other conditions as it may think fit. Any Secretary may be removed by the Board.

### Secretary also a director

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

### **MINUTES**

- 131 The Board shall cause minutes to be made in books kept for the purpose:-
- 131.1 of all appointments of officers made by the Board;
- 131.2 of the names of the directors present at each meeting of the Board and of any committee of the Board; and
- 131.3 of all proceedings at meetings of the Company or the holders of any class of shares in the Company and of the Board and of committees of the Board.

Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated in them.

### **THE SEAL**

#### Safe custody

- 132 The Board shall provide for the safe custody of every Seal. A Seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board shall determine who may sign any instrument to which the Seal is affixed and unless otherwise so determined, it shall be signed by a director and shall be countersigned by the Secretary or by a second director or by some other person appointed by the Board for that purpose.

#### Certificates for shares and debentures

- 133 All forms of certificates for shares or debentures or any other form of security (other than letters of allotment or scrip certificates) shall be issued under the Seal, but the Board may resolve (subject to such restrictions as it may determine) either generally or in any particular case, that any signatures may be affixed to such certificates by some mechanical means or that such certificates need not bear any signature.

#### Securities seal

- 134 The Company may have:-
- 134.1 an official seal kept by virtue of section 50 of the Act; and
- 134.2 an official seal for use abroad under the provisions of the Act as and where the Board shall determine,
- and the Company may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on its use as the Board may think fit.

### **ACCOUNTING RECORDS BOOKS AND REGISTERS**

#### Keeping of records

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

#### Location and inspection of records

- 136 The accounting records shall be kept at the Office or (subject to the provisions of the Act) at such other place in England and Wales as the Board thinks fit and shall always be open to inspection by the directors of the Company. No member (other than a director) shall have any right to inspect any accounting record or book or document, except as conferred by law or authorised by the Board.

#### Laying of accounts

- 137 In accordance with the Act, the Board shall cause such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Act to be prepared and to be laid before the Company in general meeting. The Board shall in its report on the accounts, state any amount which it recommends to be paid by way of dividend.

#### Circulation of balance sheet etc.

- 138 A printed copy of every balance sheet (including every document required to be annexed by law to it) which is to be laid before the Company in general meeting and of the directors' and Auditors' reports shall, at least 21 clear days previous to such meeting, be sent to every member of the Company at his address appearing in the Register or, in the case of joint holders of any share, to one of the joint holders.

### **AUDIT**

#### Appointment and duties of Auditors

- 139 Auditors shall be appointed and their duties regulated in accordance with the Act.

#### Auditors' report

- 140 The Auditors' report to the members made pursuant to the statutory provisions as to audit, shall be read before the Company in general meeting and shall be open to inspection by any member; and in accordance with the Act, every member shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed to it) as laid before the Company in general meeting together with the Auditors' report on it.

### **AUTHENTICATION OF DOCUMENTS**

#### Persons entitled to authenticate

- 141 Any director, the Secretary or any person appointed under the authority of the Board for that purpose, shall have power to authenticate any document affecting the constitution of the Company and any resolution 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 or extracts from them as true copies or extracts. Where any books, records, documents or accounts are kept other than at the Office, the officer of the Company having their custody shall be deemed to be a person appointed under the authority of the Board to give such authentication or certificate.

#### Certified resolutions

- 142 A document purporting to be a copy of a resolution or an extract from the minutes of a meeting of the Company or of the Board or of any committee which is certified as such in accordance with Article 140, shall be conclusive evidence in favour of all persons dealing with the Company in reliance on it that such resolution has been duly passed or as the case may be that such extract is a true and accurate record of proceedings at a duly constituted meeting.

### **RECORD DATES**

- 143 Notwithstanding any other provision of these Articles, the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within 6 months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

## **DIVIDENDS**

### Declaration by the Company

- 144 Subject to the Act, the Company may by ordinary resolution declare, that out of profits available for distribution, there be paid dividends to members in accordance with their respective rights and priorities; but no dividend shall exceed the amount recommended by the Board.

### Dividends according to amounts paid up

- 145 All dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid unless otherwise provided by the rights attached to shares or their terms of issue; No amount paid on a share in advance of the date upon which a call is payable shall be treated for the purposes of this Article or Article 145 as paid up on the share.

### Dividends according to time of issue

- 146 Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets (and in particular of fully paid shares or debentures of any other company) and the Board shall give effect to such direction. Where any difficulty arises regarding such distribution, the Board may settle it as it thinks expedient. In particular it may issue fractional certificates or fix the value of specific assets for distribution. It may also determine that a cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend and may vest any such specific assets in trustees upon trust for the members entitled to the dividend as may seem expedient to the Board.

### Interim dividends

- 147 The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits available for distribution and the financial position of the Company. The Board may also pay any fixed dividend payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates wherever in the opinion of the Board such profits and the financial position of the Company justify that course. In particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay interim dividends on shares in the capital of the Company which confer deferred or non-preferential rights as well as in respect of shares which confer preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights, if at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights.

### Deductions from dividends

- 148 The Board may deduct from any dividend 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 in the Company.

### 149 Payments to person on the Register

- 149.1 Any resolution declaring a dividend on shares of any class (whether a resolution of the company in general meeting or a resolution of the Board) may direct that it shall be payable to the persons named on the Register as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed. Thereupon the dividend shall be payable to them in accordance with their respective registered holdings, but without prejudice to the rights of transferors and transferees of any such shares between themselves in respect of such dividend.

- 149.2 Save as directed in accordance with Article 149.1, all dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the Register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, notwithstanding any subsequent transfer or transmission of shares.

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

#### Late payment and forfeiture

150 No dividend or other money payable in respect of a share shall bear interest against the Company unless expressly provided otherwise by the rights attached to the share. Any dividend unclaimed for a period of 12 years after having been declared shall be forfeited and revert to the Company.

#### Method of payment

151 Any dividend or other money payable in respect of a share may be paid by cheque or warrant sent through the post to the address in the Register of the holder entitled to it and in the case of joint holders, to any one of such joint holders, or to such person and to such other address as the holder or joint holders may direct in writing. Where a direction to that effect has been received by the Company in such form as the Company considers sufficient, the Company may pay the amount distributable to such holder or joint holders to the persons specified in that direction and payment in accordance with such direction shall constitute a good discharge for the Company. Every cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the risk of the holder or joint holders entitled to it and payment of the cheque or warrant shall be a good discharge for the Company.

#### Receipts of joint holders

152 If several persons are entered in the Register as joint holders of any share, any one of them may give effectual receipts for any money payable in respect of the share.

### **SCRIP DIVIDENDS**

153 If authorised by an ordinary resolution of the Company, the Board may offer the holders of Ordinary shares the right to elect to receive additional Ordinary shares credited as fully paid instead of cash in respect of any dividend or any part of any dividend specified by the ordinary resolution. The following provisions shall apply to such an offer:-

153.1 An ordinary resolution may specify a particular dividend or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the annual general meeting which immediately follows the date of the meeting at which the ordinary resolution is passed.

153.2 The entitlement of each holder to new Ordinary shares shall be such that the relevant value of each new Ordinary share shall be as nearly as possible equal to (but not greater than) the cash amount that the holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the prices shown for the Company's Ordinary shares in the Financial Times for the last 5 days on which trading on OFEX or AIM occurred (or if the Financial Times is not available or the prices of the Company's shares are not reported there, then the closing prices for the Company's shares as derived from the OFEX Web Site for the last 5 dealing days or as certified by the Company's sponsor/financial adviser), but shall never be less than the par value of the new Ordinary shares. 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 its amount.

153.3 After determining the basis of allotment, the Board may 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.

153.4 Entitlements to fractions of a share shall be ignored and no fractions of a share will be allotted.

153.5 The Board may exclude from any offer any holders of Ordinary shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.

- 153.6 The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary shares in respect of which an election has been made ("the elected shares") and instead additional Ordinary shares shall be allotted to the holders of the elected Ordinary shares on the basis of allotment calculated as stated. For such purpose, the Board shall capitalise out of any amount for the time being standing to the credit of any reserve or fund (including share premium account, any capital reserve account and the profit and loss account) available for distribution 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 the elected shares on that basis.
- 153.7 The additional Ordinary shares when allotted shall rank pari passu in all respects with fully-paid Ordinary shares then in issue, except that they will not be entitled to participate in the relevant dividend (including the share election in lieu of dividend).

## **RESERVES**

- 154 Before recommending any dividend (whether preferential or otherwise) the Board may set aside out of the profits of the Company such sums as it thinks fit as a reserve which shall at the discretion of the Board be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied and pending such application may also at such discretion either be employed in the business of the Company or be invested in such investments as the Board may think fit. It shall not be necessary to keep any investments constituting any reserve separate or distinct from any other investments of the Company. The Board may also carry forward any profits which it may think prudent not to distribute without placing them to reserve.

## **155 CAPITALISATION OF PROFITS**

- 155.1 Upon the recommendation of the Board, the Company may resolve that it is desirable to capitalise all or any part of the profits of the Company to which this Article applies and accordingly that the Board be authorised and directed to appropriate the profits so resolved to be capitalised to the members on the record date specified in the relevant resolution or determined in accordance with it, who would have been entitled to it if distributed by way of dividend and in the same proportions.

- 155.2 Subject to any direction given by the Company, the Board shall appropriate the profits resolved to be capitalised by any such resolution and apply such profits on behalf of the members entitled to them either:-

155.2.1 in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such members respectively; or

155.2.2 in paying up in full unissued shares, debentures or obligations of the Company of a nominal amount equal to such profits for allotment and distribution credited as fully paid to and amongst such members in the proportions referred to above,

or partly in one way and partly in the other; provided that no unrealised profit shall be applied in paying up amounts unpaid on any issued shares and the only purpose to which sums standing to capital redemption reserve or share premium account shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed to members credited as fully paid.

- 155.3 The Board shall have power after passing such a resolution:-

155.3.1 to make such provision (by the issue of fractional certificates or by payment in cash or otherwise) as it thinks fit for the case of shares, debentures or obligations becoming distributable in fractions, such power to include the right for the Company to retain small amounts the cost of distribution of which would be disproportionate to the amounts involved and, if the Board thinks fit, the right not to pay up or allot fractional entitlements;

- 155.3.2 to authorise any person acting on behalf of all the members entitled to them to enter into an agreement with the Company providing (as the case may require) either:-
- 155.3.2.1 for the payment up by the Company on behalf of such members (by the application of their respective proportions of the profits resolved to be capitalised) of the amounts or any part of the amounts remaining unpaid on their existing shares; or
  - 155.3.2.2 for the allotment to such members respectively credited as fully paid of any further shares, debentures or obligations to which they may be entitled upon capitalisation

and any agreement made under such authority shall be effective and binding on all such members.

- 155.4 The Company in general meeting may resolve that any shares allotted pursuant to Article 154 to holders of partly paid Ordinary shares shall so long as such Ordinary shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends.
- 155.5 The profits of the Company to which this Article applies shall be any undivided profits of the Company not required for paying the fixed dividends on any preference shares or other shares issued on special conditions and shall also be deemed to include:-
- 155.5.1 any profits arising from appreciation in capital assets (whether realised by sale or ascertained by valuation); and
  - 155.5.2 any amounts for the time being standing to any reserve or to the capital redemption reserve or to share premium or other special account.

#### **NOTICES AND ELECTRONIC COMMUNICATIONS**

- 156 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 156.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting to an address outside the United Kingdom if sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - 156.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 156.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - 156.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website
- For the purposes of this article, no account shall be taken of any part of a day that is not a working day.
- 157 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register and notice so given shall be sufficient notice to all joint holders.
- 158 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.



### Members outside the United Kingdom

- 159 Any member whose address in the Register is not within the United Kingdom, may be served with notices by facsimile transmission or electronic mail or if he gives to the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address; but otherwise no member other than a member whose address in the Register is in the United Kingdom shall be entitled to receive any notice from the Company.

### Notices before person becomes a member

- 160 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which has been duly given to a person from whom he derives his title before his name is entered in the Register, except for any section 212 notice or any notice given under Article 31.

### Curtailed of postal services

- 161 If by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least 2 leading daily newspapers with appropriate circulations (at least one of which shall be published nationally) and such notice shall be deemed to have been duly served on all members entitled to receive it at noon on the day when the advertisements appear. In any such case, the Company shall send confirmatory copies of the notice by post if 7 days or more prior to the meeting, the posting of notices to addresses throughout the United Kingdom becomes practicable again.

## **UNTRACED SHAREHOLDERS**

### Power to sell shares

- 162 The Company shall be entitled to sell the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy at the best price reasonably obtainable if:-
- 162.1 during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 162.2 (or if published on different dates the earliest) all dividends, warrants and cheques in respect of the shares in question sent in the manner authorised by these Articles have remained uncashed and during such period at least 3 dividends in respect of the shares in question have been paid by the Company;
- 162.2 the Company shall on expiry of that 12 year period have inserted advertisements both in a leading national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person, giving notice of its intention to sell those shares;
- 162.3 the advertisements were published within 30 days of each other if not published on the same day;
- 162.4 during that 12 year period and for the period of 3 months following the date of publication of the advertisements (or if published on different dates, the later one) and prior to the exercise of the power of sale, the Company shall have not received indication either of the whereabouts or of the existence of such member or persons; and
- 162.5 the Company has given notice in writing to OFEX or AIM as appropriate of the proposed form of the advertisements its intention to make such sale.T

### Transfer of shares of untraced member

- 163 To give effect to any such sale, the Company may appoint any person to execute as transferor a transfer instrument and such transfer instrument shall be as effective as if it had been executed by the holder of or person entitled by transmission to such shares. The title of the transferee shall not be affected by any irregularity or invalidity in the proceedings prescribed by Article 162.

#### Proceeds of sale

- 164 The Company shall account to the former member or other person previously entitled for the net proceeds of a sale pursuant to Article 163 by transferring those proceeds to a separate account which (until the Company has so accounted) shall be a permanent debt of the Company.

#### No trust

- 165 No trust shall be created and no interest shall be payable in respect of such debt and the Company shall not be required to account for any money earned on the net proceeds which may 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 think fit.

#### Notices to persons entitled to a share

- 166 On supplying to the Company such evidence as the Board may reasonably require to show his title to that share and upon supplying an address within the United Kingdom for the service of notices a person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member shall be entitled to have served on or delivered to him at such address any notice or document to which the member (but for his death, mental disorder 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. Save as aforesaid, any notice or document delivered or sent by post to or left at the last registered address of any member pursuant to these Articles shall (notwithstanding that such member is then dead or bankrupt or in liquidation or that a receiver has been appointed for him under the Mental Health Act 1983 or the Mental Health (Care and Treatment) (Scotland ) Act 2003 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.

#### Notice of meeting deemed given

- 167 Subject to Articles 156 to 161 inclusive, any member present either personally or by proxy at any general meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received due notice of such meeting and of the purposes for which it was called unless he makes any defect in the service of the notice known to the Chairman at the commencement of the meeting.

#### 168 **DESTRUCTION OF DOCUMENT**

- 168.1 The Company shall be entitled to destroy:-

- 168.1.1 all transfer instruments which shall have been registered and all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfer and applications for allotment in respect of which an entry in the Register shall have been made at any time after the expiration of 6 years from the date of registration or the date on which an entry relating to them shall have been made (as the case may be);
- 168.1.2 all registered certificates for shares of the Company (being certificates for shares in the name of a transferor and in respect of which the Company has registered a transfer) and all mandates and other written directions as to the payment of dividends (being mandates or directions which have been cancelled) at any time after the expiration of one year from the date of cancellation; and
- 168.1.3 all notifications of change of name or address at any time after the expiration of one year from the date of recording them.

- 168.2 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 a transfer instrument or other document so destroyed was duly and properly made and every transfer instrument so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document mentioned above was in accordance with its particulars recorded in the books or records of the Company provided always that:-
- 168.2.1 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 to it) to which the document might be relevant;
  - 168.2.2 nothing contained in this Article shall be construed as imposing any liability upon the Company in respect of the destruction of any such document earlier than prescribed by this Article or in any other circumstances which would not attach to the Company in the absence of this Article;
  - 168.2.3 references to the destruction of any document include references to its disposal in any manner; and
  - 168.2.4 any document referred to in Articles 168.2.2 and 168.2.3 may be destroyed at a date earlier than that authorised by Article 168.1, provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Board shall take adequate precautions for guarding against falsification and for facilitating its production.

#### **WINDING UP**

- 169 If the Company commences liquidation, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by law:-
- 169.1 divide among the members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and for that purpose set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members; and
  - 169.2 vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit but no member shall be compelled to accept any shares or other assets upon which there is any liability.

#### **INDEMNITY**

- 170 Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director, Secretary, officer (other than auditor) and employee of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities incurred by him in or about the execution of his duties or in relation to them including (without prejudice to the generality of the foregoing) any liability incurred in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of any material guilt or breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.