

Company No. 3902895

**THE COMPANIES ACTS 1985, 1989 AND 2006**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

of

**DELTEX MEDICAL GROUP PLC**

Incorporated on 6 January 2000

As adopted by special resolution passed on 28 April 2010

Signed: .....

Chairman: Mr N Keen



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## PRELIMINARY

### 1. INTERPRETATION

#### 1.1 In the Articles:

<b>“Act”</b>	means, unless the context otherwise requires, the Companies Act 2006, including any statutory modification or re-enactment for the time being in force;
<b>“address”</b>	means, in relation to electronic communications, any number or address used for the purpose of such communications;
<b>“AIM”</b>	means the Alternative Investment Market of the London Stock Exchange;
<b>“Articles”</b>	means these Articles of Association as amended from time to time;
<b>“auditors”</b>	means the auditors of the Company;
<b>“board”</b>	means the board of directors of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present;
<b>“business day”</b>	means a day (not being a Saturday or Sunday) on which clearing banks are open for business in London;
<b>“certificated”</b>	means, in relation to a share, a share which is recorded in the register as being held in certificated form;
<b>“clear days”</b>	means, in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>“company”</b>	includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Act;
<b>“director”</b>	means, unless the context otherwise requires, a

	director of the Company;
<b>“electronic communication”</b>	means any document, information or communication sent or supplied in electronic form within the meaning of section 1168 of the Act ;
<b>“entitled by transmission”</b>	means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law;
<b>“executed”</b>	includes, in relation to a document, execution under hand or under seal or by another method permitted by law;
<b>“financial institution”</b>	has the meaning set out in section 778(2) of the Act;
<b>“holder”</b>	means, in relation to a share, the member whose name is entered in the register as the holder of that share;
<b>“member”</b>	means, unless the context otherwise requires, a member of the Company;
<b>“office”</b>	means the registered office of the Company;
<b>“paid”, “paid up” and “paid-up”</b>	include credited as paid or paid up;
<b>“register”</b>	means, unless the context otherwise requires, the register of members kept pursuant to section 113 of the Act and, where the context requires, any register maintained by the Company of persons holding any renounceable right of allotment of a share;
<b>“relevant investment exchange”</b>	means any recognised investment exchange or overseas investment exchange (as defined in the Financial Services and Markets Act 2000) on which shares in the capital of the Company are normally traded;

<b>“seal”</b>	means, unless the context otherwise requires, the common seal of the Company (if any) or any official or securities seal that the Company may have or may be permitted to have under the Act;
<b>“secretary”</b>	means the secretary of the Company and includes any assistant or deputy secretary and a person appointed by the board to perform the duties of the secretary;
<b>“Uncertificated Securities Regulations”</b>	means the Uncertificated Securities Regulations 2001, including any modification, re-enactment or substitute regulations for the time being in force;
<b>“uncertificated”</b>	means, in relation to a share, a share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of a relevant system;

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.

- 1.2** Words and expressions to which a particular meaning is given by the Act in force when these Articles (or any part of them) are adopted have the same meaning in these Articles, except where the word or expression is otherwise defined in Article 1.1. The expressions “Operator”, “participating issuer”, “participating security” and “relevant system” have the same meaning as in the Uncertificated Securities Regulations.
- 1.3** All references in these Articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Regulations. The giving of such instructions shall be subject to:
- 1.3.1 the facilities and requirements of the relevant system;
  - 1.3.2 the extent permitted by the Uncertificated Securities Regulations; and
  - 1.3.3 the extent permitted by or practicable under the rules and practices from time to time of the Operator of the relevant system.
  - 1.3.4 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose.
  - 1.3.5 The headings in the Articles do not affect the interpretation of the Articles.

**2. REGULATIONS NOT TO APPLY**

No regulations contained in any statute or subordinate legislation, including the regulations contained in “*The Companies (Model Articles) Regulations 2008 (SI 2008/3229)*” or in Table A in the schedule to the “*Companies (Tables A to F) Regulations 1985*” (as amended), apply as the regulations or Articles of Association of the Company.

**3. LIABILITY OF MEMBERS**

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

**4. CHANGE OF NAME**

The Company may change its name by resolution of the board.

**SHARE CAPITAL**

**5. ALLOTMENT**

**5.1** The Company may at any time pass an ordinary resolution which authorises the Directors to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("relevant securities") and, upon the passing of the ordinary resolution, the Directors shall be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities provided that:

5.1.1 the maximum amount of relevant securities that may be allotted under such authority shall be the amount specified in the ordinary resolution or, if no amount is specified, an amount equal to one third of the aggregate nominal amount of the Company's ordinary share capital in issue at the time the resolution is passed; and

5.1.2 any such authority shall, unless it is (prior to its expiry) revoked, varied or renewed, expire either on the date immediately prior to the fifth anniversary of the date on which the ordinary resolution is passed or on such earlier date specified in the ordinary resolution. The Company shall be entitled, before the authority expires, to make an offer or agreement that would or might require relevant securities to be allotted after such expiry.

**5.2** Subject to the provisions of this Article 5.2 and where the Directors have general authority under Article 5.1, the Company may pass a special resolution authorising the Directors to allot equity securities (as defined in section 560 of the Act) for cash. Upon the passing of the special resolution the Directors shall be authorised to allot such equity securities for cash as if section 561(1) of the Act did not apply to any such allotment, provided that the power shall be limited to:

5.2.1 allotments made for the purpose of, or in connection with an offer (by any person) of equity securities to the holders of the issued ordinary shares in the capital of the Company, where the securities respectively attributable to the interests of such holders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by such holders. Such allotments may be made subject to such exclusions or other arrangements as the Directors consider appropriate, necessary or expedient to deal with any fractional entitlements or with any legal or practical difficulties arising under the laws of any territory or the requirements of any regulatory body or recognised investment exchange or otherwise; and

5.2.2 the allotment (otherwise than pursuant to Article 5.2.1) of equity securities. The number of equity securities allotted must have an aggregate nominal value not exceeding the sum specified in the special resolution. If no sum is specified, the special resolution shall be ineffective for the purposes of this Article 5.2.2.

**5.3** The power to allot equity securities in accordance with this Article 5.2 shall expire on the date specified in the special resolution save that the Company will be



entitled, before the date of expiry, to make an offer or agreement that would or might require equity securities to be allotted after such expiry.

**6. POWER TO ATTACH RIGHTS**

Subject to the Act and to the rights attached to existing shares, new shares may be allotted or issued with or have attached to them such special rights or restrictions as the Company may by ordinary resolution decide, or, if no resolution is passed or so far as the resolution does not make specific provision, as the board may decide.

**7. REDEEMABLE SHARES**

Subject to the Act and to the rights attached to existing shares, shares may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed, and the directors may determine the terms, conditions and manner of redemption of any such shares.

**8. VARIATION OF RIGHTS**

**8.1** Subject to the Act, the rights attached to a class of shares may be varied whether or not the Company is being wound up (i) in such manner (if any) as may be provided by those rights, or (ii) in the absence of provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with the Articles, but not otherwise.

**8.2** The rights attached to a class of shares are not, unless otherwise expressly provided in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking pari passu with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Act.

**9. NOT USED**

**10. COMMISSION**

The Company may exercise all powers conferred or permitted by the Act of paying commission or brokerage. Subject to the Act, commission or brokerage may be satisfied by the payment of cash or the allotment of fully- or partly-paid shares or the grant of an option to call for an allotment of shares or by any combination of these methods.

**11. TRUSTS NOT RECOGNISED**

Except as ordered by a court of competent jurisdiction or as required by law, the Company may not recognise a person as holding a share on trust and is not bound by or otherwise compelled to recognise (even if it has notice of it) an equitable, contingent, future, partial or other claim to or interest in a share other than an absolute right in the holder to the whole of the share.

## **12. UNCERTIFICATED SHARES**

- 12.1** Subject to the Act, the board may resolve that a class of shares is to become a participating security and that a class of shares shall cease to be a participating security.
- 12.2** Uncertificated shares of a class are not to be regarded as forming a separate class from certificated shares of that class.
- 12.3** A member may, in accordance with the Uncertificated Securities Regulations, change a share of a class which is a participating security from a certificated share to an uncertificated share and from an uncertificated share to a certificated share.
- 12.4** The Company may give notice to a member requiring the member to change uncertificated shares to certificated shares by the time stated in the notice. The notice may also state that the member may not change certificated shares to uncertificated shares. If the member does not comply with the notice, the board may authorise a person to change the uncertificated shares to certificated shares in the name and on behalf of the member.
- 12.5** While a class of shares is a participating security, these Articles apply to an uncertificated share of that class only to the extent that they are consistent with:
- 12.5.1 the holding of shares of that class in uncertificated form;
  - 12.5.2 the transfer of title to shares of that class by means of a relevant system; and
  - 12.5.3 the Uncertificated Securities Regulations.

## **SHARE CERTIFICATES**

### **13. RIGHT TO CERTIFICATE**

- 13.1** Subject to the Act, the Uncertificated Securities Regulations, the rules of any relevant system and these Articles, a person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the register as a holder of a certificated share is entitled, without charge, to receive within two months of allotment or lodgement of a transfer to him of those shares or within two months after the relevant Operator instruction is received by the Company (or within any other period as the terms of issue of the shares provide) one certificate for all the certificated shares of a class registered in his name or, in the case of certificated shares of more than one class being registered in his name, to a separate certificate for each class of shares.
- 13.2** Where a member (other than a financial institution) transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of certificated shares retained by him.
- 13.3** The Company is not bound to issue more than one certificate for certificated shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.
- 13.4** A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares and shall otherwise comply with the requirements of any relevant investment exchange. It shall be issued in such manner as the board may approve, having regard to the terms of allotment or issue of the shares.

### **14. REPLACEMENT CERTIFICATES**

- 14.1** Where a member holds two or more certificates for shares of one class, the board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for certificated shares of that class.
- 14.2** At the request of a member, the board may cancel a certificate and issue two or more in its place (representing certificated shares in such proportions as the

member may specify), on surrender of the original certificate and on payment of such reasonable sum as the board may decide.

- 14.3** Where a certificate is worn out, defaced, lost or destroyed, the board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity and to payment of any exceptional out-of-pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity as the board may decide, and on surrender of the original certificate (where it is worn out or defaced).

## **LIEN**

### **15. COMPANY'S LIEN ON SHARES NOT FULLY PAID**

- 15.1** The Company has a first and paramount lien on every share (other than a fully-paid share) registered in the name of a member (whether solely or jointly with another person) for an amount payable in respect of the share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared or other amounts payable in respect of the share.

- 15.2** The board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this Article. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

### **16. ENFORCEMENT OF LIEN BY SALE**

- 16.1** For the purpose of enforcing the lien, the board may sell shares subject to the lien in such manner as it may decide, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 clear days after the service of a notice in writing (stating, and demanding payment of, the amounts and giving notice of the intention to sell in default of payment) on the member concerned (or to a person entitled by transmission to the shares).

- 16.2** To give effect to a sale, the board may authorise a person to transfer the shares in the name and on behalf of the holder of or the person entitled by transmission to the shares, or to cause the transfer of such shares, to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the sale.

### **17. APPLICATION OF PROCEEDS OF SALE**

The net proceeds of a sale effected under Article 16, after payment of the costs of the sale, shall be applied by the Company in or towards satisfaction of the amount in respect of which the lien exists. Any residue shall (on surrender to the Company for cancellation of any certificate for the shares sold, or the provision of an indemnity as to any lost or destroyed certificate required by the board and subject to a like lien for amounts not presently payable as existed on the shares before the sale) be paid to the member or a person entitled by transmission to the shares immediately before the sale.

## **CALLS ON SHARES**

### **18. CALLS**

Subject to the terms of allotment or issue, the board may make calls on members in respect of amounts unpaid on the shares or a class of shares held by them respectively (whether in respect of nominal value or a premium) and not payable on a date fixed by or in accordance with the terms of allotment or issue. Each member shall (on receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called as required by the notice. A call may be made payable by instalments and may, at any time before receipt by the Company of an amount due, be revoked or postponed in whole or in part as the board may decide. A call is deemed made at the time when the resolution of the board authorising it is passed. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made. The joint holders of a share are jointly and severally liable for payment of a call in respect of that share.

### **19. POWER TO DIFFERENTIATE**

The board may make arrangements on the allotment or issue of shares for a difference between the allottees or holders in the amounts and times of payment of a call on their shares.

### **20. INTEREST ON CALLS**

If the whole of the amount called is not paid on or before the date fixed for payment, the person by whom it is payable shall pay interest on the unpaid amount at such rate as may be fixed by the terms of allotment or issue of the share or, if no rate is fixed, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide, from and including the date fixed for payment until but excluding the date of actual payment and all costs, charges and expenses incurred by the Company by reason of the non-payment. The board may waive payment of the interest in whole or in part.

### **21. PAYMENT IN ADVANCE**

The board may, if it thinks fit, receive from a member all or part of the amounts uncalled and unpaid on shares held by him. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made. The Company may pay interest on the amount paid in advance, or on so much of it as from time to time exceeds the amount called on the shares in respect of which the payment in advance has been made, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide.

### **22. AMOUNTS DUE ON ALLOTMENT OR ISSUE TREATED AS CALLS**

An amount which becomes payable in respect of a share on allotment or issue or on a date fixed pursuant to the terms of allotment or issue (whether in respect of nominal value or a premium) or as an instalment of a call is deemed to be a call. In case of non-payment, the provisions of the Articles as to payment of interest and costs, charges and expenses, forfeiture or otherwise apply as if that amount has become payable by virtue of a call.

## **FORFEITURE**

### **23. NOTICE IF CALL NOT PAID**

If a member fails to pay the whole of a call or an instalment of a call on or before the date fixed for payment, the board may serve notice on the member or on a person entitled by transmission to the share in respect of which the call was made demanding payment, on a date not less than 14 clear days from the date of the notice, of the amount of the call outstanding and any interest that may have accrued on it and all costs, charges and expenses incurred by the Company by reason of the non-payment. The notice shall state (i) the place where payment is to be made, and (ii) that if the notice is not complied with the share in respect of which the call was made will be liable to be forfeited.

### **24. FORFEITURE FOR NON-COMPLIANCE**

If the notice referred to in Article 23 is not complied with, a share in respect of which it is given may, at any time before payment required by the notice has been made, be forfeited by a resolution of the board. The forfeiture includes all dividends declared or other amounts payable in respect of the forfeited share and not paid before the forfeiture.

### **25. NOTICE AFTER FORFEITURE**

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share but no forfeiture is invalidated by an omission to give notice. An entry of the fact and date of forfeiture shall be made in the register.

### **26. DISPOSAL OF FORFEITED SHARES**

**26.1** Until cancelled in accordance with the Act, a forfeited share and all rights attaching to it are deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before the forfeiture the holder or to another person, on such terms and in such manner as the board may decide. Where for this purpose a forfeited share is to be transferred, the board may authorise a person to transfer or cause the transfer of the share to the transferee. The Company may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.

**26.2** The board may before a forfeited share has been cancelled, sold, re-allotted or otherwise disposed of annul the forfeiture on such conditions as it thinks fit.

**26.3** A statutory declaration by a director or the secretary that a share has been forfeited on the date stated in the declaration is conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. The declaration (subject if necessary to the transfer of the share) constitutes good title to the share and the person to whom the share is disposed of is not bound to see to the application of the consideration (if any). His title to the share is not affected by an irregularity in or invalidity of the proceedings connected with the forfeiture or disposal.

### **27. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

A person whose share has been forfeited ceases on forfeiture to be a member in respect of it and shall surrender to the Company for cancellation any certificate for the forfeited share or shares. He remains liable to pay, and shall immediately pay to the Company, all calls, interest, costs, charges and expenses owing in respect of the share at the time of forfeiture, with interest, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment or issue of the share or, if no rate is fixed, at the rate (not exceeding, without the sanction of the

Company given by ordinary resolution, 20 per cent. per annum) as the board may decide. The board may if it thinks fit enforce payment without allowance for the value of the share at the time of forfeiture or for consideration received on disposal.

**28. SURRENDER**

The board may accept the surrender of a share liable to be forfeited and in that case references in the Articles to forfeiture include surrender.

**UNTRACED SHAREHOLDERS**

**29. POWER OF SALE**

**29.1** The Company may sell the share of a member or of a person entitled by transmission if:

29.1.1 during a period of not less than 12 years before the date of publication of the advertisements referred to in Article 29.1.3 (or, if published on two different dates, the first date) (the "relevant period") at least three cash dividends have become payable in respect of the share;

29.1.2 throughout the relevant period no cheque, warrant or money order has been presented by the holder of, or the person entitled by transmission to, the share to the paying bank, no payment made by the Company by any other means permitted by Article 120.2 has been claimed or accepted and, so far as any director of the Company at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the share;

29.1.3 on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the share shown in the register;

29.1.4 the Company has not, so far as the board is aware, during a further period of three months after the date of the advertisements referred to in Article 29.1.3 (or the later advertisement if the advertisements are published on different dates) and before the exercise of the power of sale received a communication from the holder of, or person entitled by transmission to, the share; and

**29.2** where a power of sale is exercisable over a share pursuant to Article 29.1 (a "Sale Share"), the Company may at the same time also sell any additional share issued in right of such Sale Share or in right of such an additional share previously so issued provided that the requirements of Articles 29.1.2 to 29.1.5 (as if the words "throughout the relevant period" were omitted from Article 29.1.2 and the words "on expiry of the relevant period" were omitted from Article 29.1.3) shall have been satisfied in relation to the additional share.

**29.3** To give effect to a sale pursuant to Articles 29.1 or 29.2, the board may authorise a person to transfer the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share, or to cause the transfer of such share, to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity or invalidity in the proceedings connected with the sale of the share.

**30. APPLICATION OF PROCEEDS OF SALE**

The Company shall account to the member or other person entitled by transmission to the share for the net proceeds of sale by carrying any amount received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. Any

amount carried to the separate account may either be employed in the business of the Company or invested as the board may think fit. No interest is payable on that amount and the Company is not required to account for money earned on it.

## **TRANSFER OF SHARES**

### **31. METHOD OF TRANSFER**

- 31.1** A member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in another form approved by the board, and the instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee.
- 31.2** A member may transfer all or any of his uncertificated shares in accordance with the Uncertificated Securities Regulations.
- 31.3** The transferor of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

### **32. RIGHT TO REFUSE REGISTRATION**

- 32.1** Subject to this Article and Article 64, shares of the Company are free from any restriction on transfer. Subject to Article 64 and the requirements of any relevant investment exchange, the board may, in its absolute discretion and without giving a reason, refuse to register the transfer of a certificated share which is not fully paid or the transfer of a certificated share on which the Company has a lien. In exceptional circumstances, if required by any relevant investment exchange, the board may refuse to register the transfer of certificated shares provided that such refusal would not disturb the market in those shares or prevent dealings in the share from taking place on an open and proper basis.
- 32.2** Subject to Article 64 and the requirements of any relevant investment exchange, the board may also, in its absolute discretion and without giving a reason, refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied:
- 32.2.1** it is in respect of only one class of shares;
  - 32.2.2** it is in favour of a single transferee or renounee or not more than four joint transferees or renounees;
  - 32.2.3** it is duly stamped (if required); and
  - 32.2.4** it is delivered for registration to the office or such other place as the board may decide, accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a financial institution where a certificate has not been issued, or in the case of a renunciation) and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

**32.3** If the board refuses to register the transfer of a certificated share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. Subject to Article 137, the Company may retain all instruments of transfer which are registered.

**32.4** Subject to the requirements of any relevant investment exchange, the Company shall register a transfer of title to any uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form in accordance with the Uncertificated Securities Regulations, but so that the board may refuse to register such a transfer in favour of more than four persons jointly or in any other circumstance permitted by the Uncertificated Securities Regulations.

**32.5** If the board refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it shall, within two months after the date on which the transfer instruction relating to such transfer was received by the Company, send notice of the refusal to the transferee.

### **33. FEES ON REGISTRATION**

The Company may not charge a fee for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document or instructions relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

### **34. SUSPENSION OF REGISTRATION AND CLOSING OF REGISTER**

Subject to the Act and the requirements of any relevant investment exchange, the registration of transfers may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may decide and either generally or in respect of a particular class of shares. Unless otherwise permitted by the Uncertificated Securities Regulations, the Company may not close any register relating to a participating security without the consent of the Operator of the relevant system.

## **TRANSMISSION OF SHARES**

### **35. ON DEATH**

**35.1** The Company may recognise only the personal representative or representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held jointly by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.

**35.2** Nothing in the Articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him.

### **36. ELECTION OF PERSON ENTITLED BY TRANSMISSION**

**36.1** A person becoming entitled by transmission to a share may, on production of any evidence the board may require as to his entitlement, elect either to be registered as a member or to have a person nominated by him registered as a member.

**36.2** If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall:

**36.2.1** if it is a certificated share, execute an instrument of transfer of the share to that person; or

**36.2.2** if it is an uncertificated share:

(a) procure that instructions are given by means of a relevant system to effect transfer of the share to that person; or



- (b) change the share to a certificated share and execute an instrument of transfer of the share to that person.

**36.3** All the provisions of the Articles relating to the transfer of certificated shares apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event giving rise to a transmission of entitlement had not occurred.

**36.4** The board may give notice requiring a person to make the election referred to in Article 36.1. If that notice is not complied with within 60 days, the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

### **37. RIGHTS ON TRANSMISSION**

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may, however, give a good discharge for dividends and other amounts payable in respect of the share and, subject to Articles 36 and 120, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however, before he is registered as the holder of the share entitled in respect of it to receive notice of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

### **38. FRACTIONS**

**38.1** If, as the result of consolidation and division or sub-division of shares, members become entitled to fractions of a share, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, the board may (treating holdings of a member of uncertificated shares and certificated shares of the same class as if they were separate holdings, unless the board decides otherwise):

**38.1.1** sell fractions of a share to a person (including, subject to the Act, to the Company) and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company); or

**38.1.2** subject to the Act, allot or issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or subdivision, leaves a whole number of shares (such allotment or issue being deemed to have been effected immediately before consolidation or subdivision, as the case may be).

**38.2** To give effect to a sale pursuant to Article 38.1.1 the board may authorise a person to transfer or to cause the transfer of the shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale.

**38.3** If shares are allotted or issued pursuant to Article 38.1.2, the amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to Article 127. In relation to the capitalisation the board may exercise all

the powers conferred on it by Article 127 without an ordinary resolution of the Company.

## **GENERAL MEETINGS**

### **39. CONVENING OF GENERAL MEETINGS**

The board may convene a general meeting whenever it thinks fit. The board must convene a general meeting immediately on receipt of a requisition from members in accordance with the Act and in default a meeting may be convened by requisitionists as provided in the Act. At a meeting convened on a requisition or by requisitionists no business may be transacted except that stated by the requisition or proposed by the board. A general meeting may also be convened in accordance with Article 89.

#### **39.1 The notice of meeting shall specify:**

39.1.1 whether the meeting is an annual general meeting or a general meeting;

39.1.2 the place, the date and the time of the meeting;

39.1.3 in the case of special business, the general nature of that business;

39.1.4 if the meeting is convened to consider a special or an extraordinary resolution, the intention to propose the resolution as such; and

39.1.5 with reasonable prominence, that a member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

#### **39.2 The notice of meeting shall be given to those persons specified in section 310 of the Act and to the auditors.**

#### **39.3 The board may determine that persons entitled to receive notices of meeting are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being sent.**

#### **39.4 The notice of meeting may also specify a time (which, if the Company is a participating issuer, shall not be more than 48 hours before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.**

### **40. OMISSION TO SEND NOTICE**

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

Where a notice of meeting published on a web site in accordance with Article 132.2 is by accident published in different places on the web site or published for part only if of the period from the date of the notification given under Article 132.2.2 until the conclusion of the meeting to which the notice relates, the proceedings at such meeting are not thereby invalidated.

### **41. POSTPONEMENT OF GENERAL MEETINGS**

If the board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another time and place. When a meeting is so postponed, notice of the

time and place of the postponed meeting shall be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting is not required.

#### **42. SPECIAL BUSINESS**

All business transacted at a general meeting is deemed special except the following business at an annual general meeting:

- 42.1.1 the receipt and consideration of the annual accounts, the directors' report and auditors' report on those accounts;
- 42.1.2 the appointment of directors and other officers in place of those retiring by rotation or otherwise ceasing to hold office;
- 42.1.3 the declaration of dividends; and
- 42.1.4 the appointment of the auditors (when special notice of the resolution for appointment is not required by the Act) and the fixing, or determination of the manner of the fixing, of their remuneration.

### **PROCEEDINGS AT GENERAL MEETINGS**

#### **43. QUORUM**

**43.1** No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with the Articles, which is not treated as part of the business of the meeting.

**43.2** The quorum for a general meeting is two members present in person or by proxy and entitled to vote. For this purpose, all persons appointed a proxy or corporate representative of the same member shall be deemed to be one member.

#### **44. PROCEDURE IF QUORUM NOT PRESENT**

**44.1** If a quorum is not present within twenty minutes (or such longer time as the chairman decides) from the time fixed for the start of the meeting, the meeting, if convened by or on the requisition of members, is dissolved. In any other case it stands adjourned to such time (being not less than 10 or more than 28 clear days later) and place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been specified, the meeting stands adjourned to such time (being not less than 10 nor more than 28 clear days later) and place as the chairman (or, in default, the board) decides.

**44.2** At an adjourned meeting the quorum is one member present in person or by proxy and entitled to vote. If a quorum is not present within five minutes from the time fixed for the start of the meeting, the adjourned meeting is dissolved.

**44.3** Save where the time and place for the adjourned meeting has been specified for the purpose in the notice convening the meeting as referred to in **Article 44.1** (in which case notice of the adjourned meeting need not be given), the Company shall give not less than seven clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

**45. CHAIRMAN**

**45.1** The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at a general meeting. If there is no chairman or deputy chairman, or if at a meeting neither is present within five minutes after the time fixed for the start of the meeting or neither is willing to act, the directors present shall select one of their number to be chairman. If only one director is present and willing to act, he shall be chairman. In default, the members present in person and entitled to vote shall choose one of their number to be chairman.

**45.2** The chairman may take such action as he thinks fit to promote the orderly conduct of the business of the meeting as specified in the notice of meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting is final, as is his determination as to whether any matter is of such a nature.

**46. RIGHT TO ATTEND AND SPEAK**

**46.1** A director is entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares or debentures whether or not he is a member.

**46.2** The chairman may invite any person to attend and speak at any general meeting of the Company whom the chairman considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

**47. POWER TO ADJOURN**

**47.1** The chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn a meeting from time to time and from place to place or for an indefinite period.

**47.2** Without prejudice to any other power which he may have under the provisions of the Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to: (i) secure the proper and orderly conduct of the meeting; (ii) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or (iii) ensure that the business of the meeting is properly disposed of.

**48. NOTICE OF ADJOURNED MEETING**

- 48.1** Whenever a meeting is adjourned for 28 days or more or for an indefinite period pursuant to Article 47, at least seven clear days' notice specifying the place, date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of the Articles or the terms of allotment or issue of the shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances it is not necessary to give notice of a meeting adjourned pursuant to Article 47 or of the business to be transacted at the adjourned meeting.
- 48.2** The board may determine that persons entitled to receive notice of an adjourned meeting in accordance with this Article are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being sent.
- 48.3** The notice of an adjourned meeting given in accordance with this Article may also specify a time (which, if the Company is a participating issuer, shall not be more than 48 hours before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

**49. BUSINESS AT ADJOURNED MEETING**

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

**50. ACCOMMODATION OF MEMBERS AT MEETING**

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

**51. SECURITY**

The board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that may be taken into the meeting place. The chairman of the meeting, the secretary, any director and any other person authorised by the board or the chairman of the meeting shall have authority to: (i) refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions; and (ii) eject from a meeting any person who causes the proceedings to become disorderly.

## VOTING

### 52. METHOD OF VOTING

52.1 At a general meeting, a resolution put to the vote of the meeting is decided by a show of hands unless (before or on the declaration of the result of the show of hands) a poll is properly demanded.

52.2 Subject to the Act, a poll may be demanded on any question by:

52.2.1 the chairman of the meeting;

52.2.2 not less than five members present in person or by proxy and entitled to vote;

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

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

A demand by a proxy is deemed to be a demand by the member appointing the proxy.

52.3 Unless a poll is demanded and the demand is not withdrawn, a declaration by the chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### 53. PROCEDURE ON A POLL

53.1 If a poll is properly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.

53.2 A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time and place as the chairman decides, either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand).

53.3 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

53.4 The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand has not been made.

53.5 The demand for a poll (other than on the election of the chairman or on a question of adjournment) does not prevent the meeting continuing for the transaction of business other than the question on which a poll has been demanded.

53.6 On a poll, votes may be given in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way, whether present in person or by proxy.

### 54. VOTES OF MEMBERS

54.1 Subject to special terms as to voting on which shares have been allotted or issued, or a suspension or abrogation of voting rights pursuant to the Articles, at a general meeting every member present in person or by proxy has on a show of hands one

vote and every member present in person or by proxy has on a poll one vote for every ordinary share of which he is the holder.

**54.2** 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 vote or votes of the other joint holder or holders, and seniority is determined by the order in which the names of the holders stand in the register.

**54.3** A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator bonis or other authorised and appointed person may, on a poll, vote by proxy if evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is delivered to the office (or to another place specified in accordance with the Articles for the delivery of instruments of proxy) within the time limits prescribed by the Articles for the delivery of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

## **55. RESTRICTION ON VOTING RIGHTS FOR UNPAID CALLS ETC**

Unless the board otherwise decides, no member is entitled in respect of a share held by him to be present or to vote, either in person or by proxy, at a general meeting or at a separate meeting of the holders of class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, if a call or other amount due and payable in respect of the share is unpaid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of the non-payment.

## **56. VOTING BY PROXY**

**56.1** Any member may appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote at a meeting of members or of any class of members.

**56.2** A member may appoint more than one proxy in respect of the same meeting or adjourned meeting but in this respect the following shall apply:

**56.2.1** any appointment of more than one proxy in respect of the same meeting or adjourned meeting shall be effective provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the appointing member;

**56.2.2** subject to the preceding paragraph 56.2.1, when two or more valid but different forms of proxy or electronic communications appointing a proxy are delivered or received in respect of the same share for use at the same meeting or adjourned meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other(s) as regards that share. If the Company is unable to determine which was last delivered or received, none of them shall be treated as valid in respect of that share.

**56.3** On a vote on a resolution on a show of hands at a general meeting, a proxy has one vote for and one vote against the resolution if:

**56.3.1** the proxy has been duly appointed by more than one member entitled to vote on the resolution; and

**56.3.2** the proxy has been instructed by, or exercises his discretion given by, one or more of those members to vote for the resolution and has been instructed by, or exercises his discretion given by, one or more other of those members to vote against it.

- 56.4** An instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the board) executed under the hand of the appointor or his duly constituted attorney or, if the appointor is a company, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign.
- 56.5** Subject to the Act, the board may accept an instrument of proxy delivered by electronic means, on such terms and subject to such conditions as it considers fit. An instrument of proxy delivered electronically is not subject to the requirements of Article 56.1. The board may require the production of any evidence it considers necessary to determine the validity of such an instrument.
- 56.6** Unless the contrary is stated in it, an instrument of proxy is deemed to confer authority to demand or join in demanding a poll, to speak at the meeting, and to vote on a resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.
- 56.7** A proxy need not be a member.
- 56.8** Delivery of an instrument of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- 56.9** An instrument of proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. An instrument of proxy is valid for 12 months from the date of execution or, in the case of an instrument of proxy delivered electronically, for the duration specified by the board.
- 56.10** Subject to the Act and the requirements of any relevant investment exchange the Company may send an instrument of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting. If sent the instrument shall provide for two-way voting on all resolutions set out in the notice of meeting.

**57. DELIVERY OF PROXY**

An instrument of proxy, including an instrument of proxy delivered electronically and accepted by the board in accordance with Article 56.2, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, shall be:

- 57.1.1** in the case of an instrument in writing, delivered to the office, or another place in the United Kingdom specified in the notice convening the meeting or in an instrument of proxy or other accompanying document sent by the Company in relation to the meeting or, in the case of an instrument of proxy delivered electronically, delivered in accordance with the terms and conditions specified by the board, not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote;
- 57.1.2** in the case of an instrument of proxy contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:
- (a) in the notice convening the meeting; or
  - (b) in any form of instrument of proxy sent out by the Company in relation to the meeting; or
  - (c) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

received at such address not less than 48 hours before the time for holding the meeting at which the person named in the instrument of proxy proposes to vote;

- 57.1.3** in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is



demanded, delivered as required by Article 57.1.1 not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or

- 57.1.4 in the case of a meeting adjourned for less than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the secretary or to a director.

An instrument of proxy not delivered in accordance with this Article is invalid.

**58. WHEN VOTES BY PROXY VALID ALTHOUGH AUTHORITY REVOKED**

A vote cast or poll demanded by a proxy or authorised representative of a company is valid despite termination of his authority unless notice of termination is received by the Company at the office (or other place specified for delivering the instrument of proxy or where the instrument of proxy was contained in an electronic communication at the address at which the instrument was received) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or adjourned meeting at which the vote is cast or the poll demanded or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for use on the holding of the poll at which the vote is cast.

**59. CORPORATE REPRESENTATIVE**

- 59.1 Subject to the provisions of the Act, a company which is a member may, by resolution of its directors or other governing body, authorise a person (or persons) to act as its representative at a meeting or at a separate meeting of the holders of a class of shares (the "representative"). The representative(s) is/are entitled to exercise on behalf of the company (in respect of that part of the company's holding of shares to which the authorisation relates) those powers that the company could exercise if it were an individual member. The company is for the purposes of the Articles deemed to be present in person at a meeting if the representative(s) is/are present. All references to attendance and voting in person shall be construed accordingly. A director, the secretary or other person authorised for the purpose by the secretary may require the representative(s) to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

**60. OBJECTIONS TO AND ERROR IN VOTING**

No objection may be made to the qualification of a voter or to the counting of, or failure to count, a vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. An objection properly made shall be referred to the chairman and only invalidates the result of the voting if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman is conclusive and binding on all concerned.

**61. AMENDMENTS TO RESOLUTIONS**

No amendment to a resolution duly proposed as a special resolution (other than an amendment to correct a patent error) may be considered or voted on. No amendment to a resolution duly proposed as an ordinary resolution (other than an amendment to correct a patent error) may be considered or voted on unless either (i) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office, or (ii) the chairman in his absolute discretion decides that the amendment may be considered or voted on. If an amendment proposed to a resolution under

consideration is ruled out of order by the chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

**62. MEMBERS' WRITTEN RESOLUTIONS**

A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present is as effective as if it had been passed at a general meeting duly convened and held. The resolution in writing may consist of several instruments in the same form each duly executed by or on behalf of one or more members. If the resolution in writing is described as a special resolution, it has effect accordingly.

**63. CLASS MEETINGS**

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as a general meeting, except that:

- 63.1.1 no member, other than a director, is entitled to notice of it or to attend unless he is a holder of shares of that class;
- 63.1.2 no vote may be given except in respect of a share of that class;
- 63.1.3 the quorum at the meeting is two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of that class;
- 63.1.4 the quorum at an adjourned meeting is one person holding shares of that class present in person or by proxy; and
- 63.1.5 a poll may be demanded in writing by a member present in person or by proxy and entitled to vote at the meeting and on a poll each member has one vote for every share of that class of which he is the holder.

**64. FAILURE TO DISCLOSE INTERESTS IN SHARES**

**64.1**

Subject to the requirements of any relevant investment exchange, where notice is served by the Company under this Article or section 793 of the Act (a "section 793 notice") on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "default shares", which expression includes any shares allotted or issued after the date of the section 793 notice in respect of those shares) to give the Company the information required within the prescribed period from the date of the section 793 notice, the following sanctions apply, unless the board otherwise decides:

- 64.1.1 the member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and
- 64.1.2 where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:
  - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member is not entitled to elect, pursuant to Article 126, to receive shares instead of a dividend; and
  - (b) no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer or:
    - (i) the member is not himself in default in supplying the information required; and
    - (ii) the member proves to the satisfaction of the board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

- 64.2** For the purpose of enforcing the sanction in Article 64.1.2(a), the board may give notice to the member requiring the member to change default shares held in uncertificated form to certificated form by the time stated in the notice. The notice may also state that the member may not change any default shares held in certificated form to uncertificated form. If the member does not comply with the notice, the board may authorise a person to change default shares held in uncertificated form to certificated form in the name and on behalf of the member.
- 64.3** The sanctions under Article 64.1 cease to apply seven days after the earlier of:
- 64.3.1 receipt by the Company of notice of an excepted transfer, but only in relation to the shares transferred; and
- 64.3.2 receipt by the Company, in a form satisfactory to the board, of all the information required by the section 793 notice.
- 64.4** Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of Article 64.1 or 70.2.
- 64.5** For the purposes of this Article 64:
- 64.5.1 a person, other than the member holding a share, is treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;
- 64.5.2 “**interested**” is construed as it is for the purpose of section 793 of the Act;
- 64.5.3 reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it, and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- 64.5.4 the “**prescribed period**” means 14 days;
- 64.5.5 an “**excepted transfer**” means, in relation to shares held by a member:
- (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974(1) of the Act); or
- (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or
- (c) a transfer which is shown to the satisfaction of the board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
- 64.6** For the purposes of this Article 64 where the section 793 notice is served, if required by any relevant investment exchange a member failing to comply with this Article shall not be entitled to vote at shareholders meetings for a period of time beginning at the date on which his or her shareholdings shall become known to the issuer and ending on the date which is later of;
- 64.6.1 six months thereafter; or
- 64.6.2 the day following the next annual shareholders meeting.
- The provisions of this Article 64.6 shall supplement the provisions of Article 64.1 in situations where the acquisition or disposal of shares of the Company exceeds or

falls below the threshold of 5% or any multiple of 5% of all outstanding voting shares of the Company.

- 64.7** The provisions of this Article are in addition and without prejudice to the provisions of the Act.

## **APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

### **65. NUMBER OF DIRECTORS**

Unless and until otherwise decided by the Company by ordinary resolution the number of directors must not be less than two and must not be more than ten.

### **66. POWER OF THE COMPANY TO APPOINT DIRECTORS**

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed any maximum number fixed in accordance with the Articles.

### **67. POWER OF THE BOARD TO APPOINT DIRECTORS**

Without prejudice to the power of the Company to appoint a person to be a director pursuant to the Articles, the board may appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed any maximum number fixed in accordance with the Articles. A director appointed in this way may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that meeting. He is not required, and is not taken into account in determining the number of directors who are, to retire by rotation at the meeting.

### **68. APPOINTMENT OF EXECUTIVE DIRECTORS**

Subject to the Act, the board may appoint one or more of its body to hold employment or executive office (including, without limitation, that of managing director) with the Company for such term (subject to the Act) and on any other conditions the board thinks fit. The board may revoke or terminate an appointment, without prejudice to a claim for damages for breach of contract or otherwise.

### **69. ELIGIBILITY OF NEW DIRECTORS**

- 69.1** No person other than a director retiring (by rotation or otherwise) may be appointed or reappointed a director at a general meeting unless:

69.1.1 he is recommended by the board; or

69.1.2 not less than seven nor more than 42 days before the date fixed for the meeting, notice has been given to the Company by a member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall (a) state the particulars which would, if the proposed director were appointed or reappointed, be required to be included in the Company's register of directors, (b) be accompanied by notice given by the proposed director of his willingness to be appointed or reappointed, and (c) be lodged at the office.

- 69.2** A director need not be a member.

### **70. VOTING ON RESOLUTION FOR APPOINTMENT**

A resolution for the appointment of two or more persons as directors by a single resolution is void unless an ordinary resolution that the resolution for appointment

is proposed in this way has first been agreed to by the meeting without a vote being given against it.

**71. RETIREMENT BY ROTATION**

At each annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office. If there are fewer than three directors who are subject to retirement by rotation, one shall retire from office. If any one or more directors were last appointed or reappointed three years or more prior to the meeting or were last appointed or reappointed at the third immediately preceding annual general meeting, he or they shall retire from office and shall be counted in obtaining the number required to retire at the meeting.

**72. DIRECTORS SUBJECT TO RETIREMENT**

Subject to the Act and the Articles, the directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a director who wishes to retire and not offer himself for reappointment, and, second, those directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the director to retire shall, in default of agreement between them, be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined on the basis of the composition of the board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the directors after that time but before the close of the meeting.

**73. POSITION OF RETIRING DIRECTOR**

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

**74. DEEMED REAPPOINTMENT**

At a general meeting at which a director retires by rotation the Company may fill the vacancy and, if it does not do so, the retiring director is, if willing, deemed reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

**75. NO RETIREMENT ON ACCOUNT OF AGE**

No person is incapable of being appointed or reappointed a director by reason of his having reached any particular age and no director is required to vacate his office at any time because he has reached the age of 70 or another age.

**76. REMOVAL BY ORDINARY RESOLUTION**

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove a director before the expiry of his period of office (without prejudice to a claim for damages for breach of contract or otherwise) and may (subject to the Articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. A person appointed in this way is treated, for the purposes of determining the time at which he or another director is to retire, as if he had become a director on the date on which the person in whose place he is appointed was last appointed or reappointed a director.

**77. VACATION OF OFFICE BY DIRECTOR**

- 77.1** Without prejudice to the provisions for retirement (by rotation or otherwise) contained in the Articles, the office of a director is vacated if;
- 77.1.1 he resigns by notice delivered to the secretary at the office or tendered at a board meeting;
  - 77.1.2 where he has been appointed for a fixed term, the term expires;
  - 77.1.3 he ceases to be a director by virtue of a provision of the Act, is removed from office pursuant to the Articles or becomes prohibited by law from being a director;
  - 77.1.4 he becomes bankrupt or compounds with his creditors generally;
  - 77.1.5 he is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health and the board resolves that his office be vacated;
  - 77.1.6 both he and his alternate director appointed pursuant to the provisions of the Articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated; or
  - 77.1.7 he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors (without prejudice to a claim for damages for breach of contract or otherwise).
- 77.2** A resolution of the board declaring a director to have vacated office under the terms of this Article is conclusive as to the fact and grounds of vacation stated in the resolution.
- 77.3** If the office of a director is vacated for any reason, he shall cease to be a member of any committee of the board.

**ALTERNATE DIRECTORS**

**78. APPOINTMENT**

- 78.1** A director (other than an alternate director) may by notice delivered to the secretary at the office or tabled at a meeting of the board, or in any other manner approved by the board, appoint as his alternate director:
- 78.1.1 another director, or
  - 78.1.2 another person approved by the board and willing to act.
- No appointment of an alternate director who is not already a director is effective until his consent to act as a director in the form prescribed by the Act has been received at the office or tabled at a meeting of the board.
- 78.2** An alternate director need not be a member and is not counted in reckoning the number of directors for the purpose of Article 65.

**79. REVOCATION OF APPOINTMENT**

A director may by notice delivered to the secretary at the office or tabled at a meeting of the board revoke the appointment of his alternate director and, subject to the provisions of Article 78, appoint another person in his place. If a director ceases to hold the office of director or if he dies, the appointment of his alternate director automatically ceases. If a director retires but is reappointed or deemed reappointed at the meeting at which his retirement takes effect, a valid appointment of an alternate director which was in force immediately before his retirement continues to operate after his reappointment as if he has not retired. The appointment of an alternate director ceases on the happening of an event which, if he were a director otherwise appointed, would cause him to vacate office.

**80. PARTICIPATION IN BOARD MEETINGS**

An alternate director is, if he gives the Company an address in the United Kingdom at which notices may be served on him or an address at which notices may be served on him by electronic communications, entitled to receive notice of all meetings of the board and all committees of the board of which his appointor is a member and, in the absence from those meetings of his appointor, to attend and vote at the meetings and to exercise all the powers, rights, duties and authorities of his appointor. A director acting as alternate director has a separate vote at meetings of the board and committees of the board for each director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

**81. RESPONSIBILITY**

A person acting as an alternate director is an officer of the Company, is alone responsible to the Company for his acts and defaults, and is not deemed to be the agent of his appointor.

**REMUNERATION, EXPENSES AND PENSIONS**

**82. DIRECTORS' FEES**

**82.1** Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the directors (but not alternate directors) for their services as directors such amount of aggregate fees as the board decides (in respect of the Non-Executive directors such fees shall not exceed £310,000 per annum or such larger amount as the Company may by ordinary resolution decide). The aggregate fees shall be divided among the Non-Executive directors in such proportions as the board decides or, if no decision is made, equally. A fee payable to a director pursuant to this Article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the Articles and accrues from day to day.

**82.2** Subject to the Act, to the Articles and the requirements of any relevant investment exchange, the board may arrange for part of a fee payable to a director under this Article to be provided in the form of fully-paid shares in the capital of the Company. The amount of the fee payable in this way shall be at the discretion of the board and shall be applied in the purchase or subscription of shares on behalf of the relevant director. In the case of a subscription of shares, the subscription price shall be deemed to be the closing middle-market quotation for a fully-paid share of the Company of that class as traded on AIM (or such other quotation derived from such other source as the board may deem appropriate) on the day of subscription.

**83. ADDITIONAL REMUNERATION**

A director who, at the request of the board, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the board may decide.

**84. EXPENSES**

A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director including, without limitation, expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures.

**85. REMUNERATION AND EXPENSES OF ALTERNATE DIRECTORS**

An alternate director is not entitled to a fee from the Company for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him under Article 84 had he been a director.

**86. DIRECTORS' PENSIONS AND OTHER BENEFITS**

**86.1** The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for a person who is or has at any time been a director of: (i) the Company; (ii) a company which is or was a subsidiary undertaking of the Company; (iii) a company which is or was allied to or associated with the Company or a subsidiary undertaking of the Company; or (iv) a predecessor in business of the Company or of a subsidiary undertaking of the Company, (or, in each case, for any member of his family, including a spouse or former spouse, or a person who is or was dependent on him). For this purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may arrange for this to be done by the Company alone or in conjunction with another person.

**86.2** A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under Article 86.1 and is not obliged to account for it to the Company.

**87. REMUNERATION OF EXECUTIVE DIRECTOR**

The salary or other remuneration of a director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the board, and may be in addition to or instead of a fee payable to him for his services as director pursuant to the Articles.

**POWERS AND DUTIES OF THE BOARD**

**88. POWERS OF THE BOARD**

Subject to the Act, the memorandum of association of the Company and the Articles and to directions given by special resolution of the Company, the business of the Company is managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association or of the Articles and no direction given by the Company invalidate a prior act of the board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of the Articles giving specific powers to the board do not limit the general powers given by this Article.

**89. POWERS OF DIRECTORS BEING LESS THAN MINIMUM REQUIRED NUMBER**

If the number of directors is less than the minimum prescribed by the Articles or decided by the Company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office



(subject to the Articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

**90. POWERS OF EXECUTIVE DIRECTORS**

The board may delegate to a director holding executive office (including, without limitation, a managing director) any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, without limitation, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. The board may at any time revoke the delegation or alter its terms and conditions.

**91. DELEGATION TO COMMITTEES**

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to a committee consisting of one or more persons (whether a member or members of the board or not) as it thinks fit. A committee may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the board or of the committee). The board may retain or exclude its right to exercise the delegated powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter any terms and conditions or discharge the committee in whole or in part. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the board (including, without limitation, the power to pay fees, remuneration, additional remuneration, expenses and pensions and other benefits pursuant to Articles 82 to 87) and that power, authority or discretion has been delegated by the board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

**92. AGENTS**

The board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, without limitation, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation.

**93. ASSOCIATE DIRECTORS**

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word "director" or attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word "director" in the designation or title of an office or employment does not imply that the person is, or is deemed to be, or is empowered to act as, a director for any of the purposes of the Act or the Articles.

**94. EXERCISE OF VOTING POWERS**

Subject to Article 97, the board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

**95. PROVISION FOR EMPLOYEES**

The board may exercise the powers conferred on the Company by the Act to make provision for the benefit of a person employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family, including a spouse or former spouse, or any person who is or was dependent on him) in connection with the cessation or the transfer to a person of the whole or part of the undertaking of the Company or the subsidiary undertaking.

**96. REGISTERS**

Subject to the Act, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas, local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register.

**97. BORROWING POWERS**

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

**97.2** The board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to ensure (as regards subsidiary undertakings, to the extent possible) that the aggregate principal amount outstanding in respect of moneys borrowed by the group does not at any time without the previous sanction of an ordinary resolution of the Company exceed a sum equal to 4 times the adjusted capital and reserves.

**97.3** in this Article:

**97.3.1** “**adjusted capital and reserves**” means a sum equal to the aggregate of:

- (a) the amount paid up on the allotted share capital of the Company; and
- (b) the amount standing to the credit or debit of the consolidated reserves;  
all as shown in the relevant balance sheet but after:
- (c) making all adjustments which are, in the opinion of the board, necessary or appropriate to take account of:

- (i) a variation in the amounts referred to in Articles 97.3.1(a) and 97.3.1(b) since the date of the relevant balance sheet arising out of the allotment of shares in the capital of the Company; for this purpose if a proposed allotment of shares by the Company for cash has been underwritten, those shares are deemed to have been allotted and the amount (including any premium) of the subscription moneys payable in respect of those shares (not being moneys payable later than six months after the date of allotment) are deemed to have been paid up to the extent underwritten on the date on which the issue of those shares was underwritten (or, if the underwriting was conditional, the date on which it became unconditional); and
- (ii) other changes in circumstances since the date of the relevant balance sheet;

**97.3.2** “**group**” means:

- (a) the Company;
  - (b) all undertakings which are included in the consolidated group accounts in which the relevant balance sheet is comprised and which would be so included if group accounts were prepared at the relevant time (and if that time were the end of the Company's financial year);and
  - (c) all undertakings which are not included in the consolidated group accounts in which the relevant balance sheet is comprised but which would be so included if group accounts were prepared at the relevant time (and if that time were the end of the Company's financial year);
- 97.3.3 **“group undertaking”** means the Company or another undertaking in the group;
- 97.3.4 **“moneys borrowed”** means all moneys borrowed including, without limitation:
- (a) the nominal amount of and the amount of any premium paid in respect of any allotted share capital (not being equity share capital) of a group undertaking other than the Company not beneficially owned, directly or indirectly, by another group undertaking;
  - (b) any amount raised by acceptance under an acceptance credit facility;
  - (c) any amount raised under a note purchase facility;
  - (d) the amount of any liability in respect of a lease or hire purchase contract which would, in accordance with generally accepted accounting standards in the United Kingdom, be treated as a finance or capital lease;
  - (e) the amount of any liability in respect of a purchase price for assets or services the payment of which is deferred for a period of more than 90 days; and
  - (f) any amount raised under another transaction (including, without limitation, a forward sale or purchase agreement) having the commercial effect of a borrowing;
  - (g) borrowings by one group undertaking from another, including the principal amount of any loan capital (whether secured or unsecured) and the nominal amount of any allotted or issued share capital (not being equity share capital) of a group undertaking beneficially owned, directly or indirectly, by another group undertaking;
  - (h) borrowings for the purpose of financing a contract to the extent that the price receivable under the contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by another person fulfilling a similar function;
  - (i) borrowings for the purpose of, and to be applied within six months of being made in, repaying the whole or part of borrowings that constitute moneys borrowed for the purposes of this Article, pending their application for that purpose within that period; and
- and in calculating moneys borrowed for the purposes of this Article, there shall be deducted:
- (j) an amount equal to the aggregate of:
    - (i) all cash in hand and cash deposits repayable on demand with any bank or financial institution (not itself a group undertaking); and

- (ii) investments which are readily convertible into known amounts of cash with notice of 48 hours or less; in each case beneficially owned, directly or indirectly, by a group undertaking and whether denominated in sterling or in a currency other than sterling;
  - (k) **“relevant balance sheet”** means the consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings comprised in the latest group accounts prepared and approved by the board and on which the auditors have made their report pursuant to the Act.
- 97.3.5 When the amount of moneys borrowed to be taken into account for the purposes of this Article on a particular day is being calculated, moneys denominated or repayable in a currency other than the currency in which the relevant balance sheet is prepared (the “balance sheet currency”) shall be converted for the purpose of calculating the balance sheet currency equivalent either:
- (a) at the rate of exchange specified in a forward purchase contract, currency option, back-to-back loan, swap or other arrangement taken out or entered into to reduce the risk associated with fluctuations in rates of exchange in respect of repayment of those moneys (a “hedging agreement”); or
  - (b) if those moneys were borrowed on or before the date of the relevant balance sheet and repayment of those moneys has not been covered by a hedging agreement, at the more favourable to the Company of:
    - (i) the rate of exchange used for the conversion of that currency in the relevant balance sheet, or
    - (ii) the middle-market rate of exchange quoted by The Royal Bank of Scotland PLC at the close of business in London on the business day immediately preceding the day on which the calculation falls to be made; or
  - (c) if those moneys were borrowed after the date of the relevant balance sheet and repayment of those moneys has not been covered by a hedging agreement, at the more favourable to the Company of:
    - (i) the middle-market rate of exchange quoted by The Royal Bank of Scotland PLC at the close of business in London on the date of the relevant balance sheet, or
    - (ii) the middle-market rate of exchange quoted by The Royal Bank of Scotland PLC at the close of business in London on the business day immediately preceding the day on which the calculation falls to be made,
- 97.4 When calculating moneys borrowed for the purposes of this Article, where a group undertaking has issued and paid-up equity share capital that is not owned, directly or indirectly, by a group undertaking (“external capital”):
- 97.4.1 the relevant percentage of any borrowings from that group undertaking by another group undertaking may not be excluded pursuant to Article 97.3.4(g);
  - 97.4.2 the relevant percentage of any borrowings made by that group undertaking that constitute moneys borrowed for the purposes of this Article shall be deducted; and
  - 97.4.3 the relevant percentage of any items falling within Article 103.3.4(j) beneficially owned, directly or indirectly, by that group undertaking may not be deducted;

and for the purpose of this Article "**relevant percentage**" means a percentage equal to the percentage that the external capital forms of the whole of the issued and paid-up equity share capital of that group undertaking.

**97.5** A report of the auditors as to the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed for the purposes of this Article is conclusive and binding on all concerned. Nevertheless the board may at any time act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed. If in consequence the limit on moneys borrowed set out in this Article is inadvertently exceeded, the amount of moneys borrowed equal to the excess may be disregarded for 90 days after the date on which by reason of a determination of the auditors or otherwise the board becomes aware that this situation has or may have arisen.

**97.6** No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this Article is invalid or ineffectual except where express notice that the limit has been or will be exceeded has been given to the lender or recipient of the security at the time when the debt is incurred or security given. No lender or other person dealing with the Company is concerned to see or enquire whether the limit is observed.

**98. REGISTER OF CHARGES**

The Company shall keep a register of charges in accordance with the Act and the fee to be paid by a person other than a creditor or member for each inspection of the register of charges is the maximum sum prescribed by the Act or, failing which, decided by the board.

**99. A DIRECTOR'S INTERESTS IN CONTRACTS WITH THE COMPANY**

**99.1** A director may hold any other office or employment with the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms as the Directors may determine.

**99.2** Subject to the provisions of the Companies Act as defined in section 2 of the Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company (the "Statutes"), a director or intending director may enter into any contract, arrangement, transaction or proposal with the Company relating to the tenure of any other office or employment referred to in Article 99.1.

**99.3** Any contract, arrangement, transaction or proposal entered into pursuant to Article 99.2 or authorised by the Directors under Article 101 cannot be avoided and a director is not liable to account to the Company for any benefit realised from any such contract, arrangement, transaction or proposal by reason of either holding office as a director or because of the fiduciary relationship established by that office if the director has declared his interest in accordance with the Statutes.

- 100. RESTRICTIONS ON A DIRECTOR'S POWER TO VOTE WHERE HE HAS AN INTEREST**
- 100.1** Save as provided in this Article 100, or by the terms of any authorisation given by the Directors under Article 101 a director shall not vote as a director in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal in which he has any interest which conflicts or may conflict with the interests of the Company as defined in Article 101 (other than an interest in shares or debentures or other securities of or otherwise in or through the Company). If he does vote his vote shall not be counted. A director shall not be counted in the quorum present at the meeting in relation to any resolution of the Directors or of a committee of the Directors on which he is debarred from voting.
- 100.2** For the purposes of Article 100 interests of a person connected with the director are aggregated with the director's interest but interests in shares or debentures or other securities of or connected with the Company are to be disregarded.
- 100.3** Provided that a director has no other interest save for that referred to in this Article 100 he shall be entitled to vote as a director and be counted in the quorum in respect of any resolution of the Directors or of a committee of the Directors relating to any of the following matters:
- 100.3.1 the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or
- 100.3.2 the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or
- 100.3.3 the granting of any indemnity or provision of funding pursuant to Article 138 unless the terms of such arrangement confer upon such director a benefit not generally available to any other director; or
- 100.3.4 an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or as an underwriter or sub-underwriter; or
- 100.3.5 any matters involving or relating to any other company in which he or any person connected with him has a direct or indirect interest (whether as an officer or shareholder or otherwise), provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third 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 this Article to be a material interest in all circumstances); or
- 100.3.6 an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or
- 100.3.7 the purchase and/or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.
- 100.4** A director shall not vote as a director or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or employment with the Company or any company in which the Company is interested including fixing or varying the terms, or the termination of, his appointment.
- 100.5** Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of 2 or more directors to offices or

employment with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned (if not debarred from voting under the proviso to Article 100.3.5) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

**100.6** If any question arises at any meeting as to the materiality of a director's interest or the entitlement of any director to vote and the director does not voluntarily agree to abstain from voting, the question shall be referred to the chairman of the meeting and his ruling in relation to any director (other than himself) will be final and conclusive unless the nature or extent of the director's interests has not been fairly disclosed. If any such question arises in respect of the chairman, it shall be determined by the Directors (other than the chairman). The Directors' resolution will be final and conclusive unless the nature or extent of the chairman's interest has not been fairly disclosed.

## **101. DIRECTORS' AUTHORISATION OF SITUATIONS IN WHICH A DIRECTOR HAS AN INTEREST**

**101.1** The Directors may, subject to the provisions of this Article 101 and Article 102, at any time authorise a director to be involved in a situation in which the director has or may have a direct or indirect interest which conflicts or may conflict with the interests of the Company ("a conflict of interest") provided that:

101.1.1 in the case of a proposed appointment of a person as a director, the Directors authorise the conflict of interest before or at the time the director is appointed to office;

101.1.2 in the case of any other director the Directors authorise the conflict of interest at the time the conflict is declared to them in accordance with Article 102;

101.1.3 the director subject to the conflict of interest or any other interested director shall not vote and shall not be counted in the quorum in respect of the authorisation given under this Article 101 and if he or any other interested director does vote, those votes shall not be counted;

101.1.4 the Directors may in their absolute discretion impose such terms or conditions on the grant of the authorisation as they think fit and in doing so the Directors will act in such a way in good faith they consider will be most likely to promote the success of the Company;

101.1.5 a director will not be in breach of his duty under sections 172,174 and 175 of the Act or the authorisation given by this Article 101 by reason only that he receives confidential information from a third party relating to the conflict of interest which has been authorised by this Article 101 and either fails to disclose it to the Directors or fails to use it in relation to the Company's affairs and neither will he be in breach of his duty under the said section 175 for anything done or omitted to be done by him in accordance with the provisions of Articles 99 and 100; and

101.1.6 where approval to a transaction which falls within Chapter 4 of Part 10 of the Act is given by members in accordance with that Chapter further authorisation for that transaction by the Directors under this Article 101 is not necessary.

**101.2** For the purposes of this Article 101, 'conflict of interest' includes a conflict of interest and a conflict of duty and a conflict of duties.

## **102. DECLARATION OF DIRECTOR'S INTERESTS IN CONTRACTS**

A director who is in any way, whether directly or indirectly and whether for himself or through a person connected with him, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company

and where relevant as a consequence of any situation arising from a conflict of interest within the meaning of Article 101, shall declare the nature of his interest in accordance with the Statutes.

## **PROCEEDINGS OF DIRECTORS AND COMMITTEES**

### **103. BOARD MEETINGS**

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

### **104. NOTICE OF BOARD MEETINGS**

A director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by word of mouth or by electronic communication to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. A director absent or intending to be absent from the United Kingdom may request that notices of board meetings during his absence be sent in writing to him or by electronic communication to an address given by him to the Company for that purpose. If no request is made it is not necessary to give notice of a board meeting to a director who is absent from the United Kingdom.

### **105. QUORUM**

The quorum necessary for the transaction of business may be decided by the board and until otherwise decided is two directors present in person or by alternate director. A duly convened meeting of the board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board.

### **106. CHAIRMAN OF BOARD**

The board may appoint one of its body as chairman to preside at every board meeting at which he is present and one or more deputy chairman or chairmen and decide the period for which he is or they are to hold office (and may at any time remove him or them from office). If no chairman or deputy chairman is elected, or if at a meeting neither the chairman nor a deputy chairman is present within five minutes of the time fixed for the start of the meeting, the directors and alternate directors (in the absence of their appointors) present shall choose one of their number to be chairman. If two or more deputy chairmen are present, the senior of them shall act as chairman, seniority being determined by length of office since their last appointment or reappointment or deemed reappointment. As between two or more who have held office for an equal length of time, the deputy chairman to act as chairman shall be decided by those directors and alternate directors (in the absence of their appointors) present. A chairman or deputy chairman may hold executive office or employment with the Company.

### **107. VOTING**

Questions arising at a meeting of the board are determined by a majority of votes. In case of an equality of votes the chairman has a second or casting vote.

### **108. PARTICIPATION BY TELEPHONE**

A director or his alternate director may participate in a meeting of the board or a committee of the board through the medium of conference telephone, video



teleconference or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the board or a committee of the board is for the purposes of the Articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is 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,

**109. RESOLUTION IN WRITING**

A resolution in writing executed by all directors for the time being entitled to receive notice of a board meeting and not being less than a quorum or by all members of a committee of the board for the time being entitled to receive notice of a committee meeting and not being less than a quorum is as valid and effective for all purposes as a resolution passed at a meeting of the board (or committee, as the case may be). The resolution in writing may consist of several documents in the same form each executed by one or more of the directors or members of the relevant committee. The resolution in writing need not be signed by an alternate director if it is signed by his appointor and a resolution signed by an alternate director need not be signed by his appointor.

**110. PROCEEDINGS OF COMMITTEES**

**110.1** Proceedings of any committee of the board consisting of two or more members shall be conducted in accordance with terms prescribed by the board (if any). Subject to those terms and Article 110.2, proceedings shall be conducted in accordance with applicable provisions of the Articles regulating the proceedings of the board.

**110.2** Where the board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed directors, it is not necessary to give notice of a meeting of that committee to directors other than the director or directors who form the committee.

**111. MINUTES OF PROCEEDINGS**

**111.1** The board shall cause minutes to be made in books kept for the purpose of:

111.1.1 all appointments of officers and committees made by the board and of any remuneration fixed by the board; and

111.1.2 the names of directors present at every meeting of the board, committees of the board, the Company or the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.

**111.2** If purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, minutes are receivable as prima facie evidence of the matters stated in them.

**112. VALIDITY OF PROCEEDINGS OF BOARD OR COMMITTEE**

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director, alternate director or member of a committee are, notwithstanding that it is afterwards discovered that there was a defect in the appointment of a person or persons acting, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, as valid as if every such person had been duly

appointed, and was duly qualified and had continued to be a director, alternate director or member of a committee and entitled to vote.

## **SECRETARY AND AUTHENTICATION OF DOCUMENTS**

### **113. SECRETARY**

**113.1** Subject to the Act, the board shall appoint a secretary or joint secretaries and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including, without limitation, remuneration) as it thinks fit. The board may remove a person appointed pursuant to this Article from office and appoint another or others in his place.

**113.2** Any provision of the Act or of the Articles requiring or authorising a thing to be done by or to a director and the secretary is not satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

### **114. AUTHENTICATION OF DOCUMENTS**

A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including, without limitation, the memorandum of association and the Articles) and resolutions passed by the Company or holders of a class of shares or the board or a committee of the board and books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts.

## **SEALS**

### **115. SAFE CUSTODY**

The board shall provide for the safe custody of every seal.

### **116. APPLICATION OF SEALS**

A seal may be used only by the authority of a resolution of the board or of a committee of the board. The board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share certificate, on which the seal may be printed) either generally or in relation to a particular instrument or type of instrument. The board may also decide, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical means. Unless otherwise decided by the board:

**116.1** share certificates and certificates issued in respect of debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed; and

**116.2** every other instrument to which a seal is affixed shall be signed by one director in the presence of a witness.

## **DIVIDENDS AND OTHER PAYMENTS**

### **117. DECLARATION OF DIVIDENDS**

Subject to the Act and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the board.

**118. INTERIM DIVIDENDS**

Subject to the Act, the board may declare and pay such interim dividends (including, without limitation, a dividend payable at a fixed rate) as appear to it to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on shares with preferred rights, unless at the time of payment a preferential dividend is in arrears. If the board acts in good faith, it does not incur any liability to the holders of shares conferring preferred rights for a loss they may suffer by the lawful payment of an interim dividend on shares ranking after those with preferred rights.

**119. ENTITLEMENT TO DIVIDENDS**

**119.1** Except as otherwise provided by the rights attached to, or the terms of issue of, shares:

119.1.1 a dividend shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this Article as paid up on the share; and

119.1.2 dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

**119.2** Except as otherwise provided by the rights attached to shares, dividends may be declared or paid in any currency. The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

**120. METHOD OF PAYMENT**

**120.1** The Company may pay any dividend, interest or other amount payable in respect of a share:

120.1.1 in cash;

120.1.2 by cheque, warrant or money order made payable to or to the order of the person entitled to the payment (and may, at the Company's option, be crossed "account payee" where appropriate);

120.1.3 by a bank or other funds transfer system to an account designated in writing by the person entitled to the payment;

120.1.4 if the board so decides, by means of a relevant system in respect of an uncertificated share, subject to any procedures established by the board to enable a holder of uncertificated shares to elect not to receive dividends by means of a relevant system and to vary or revoke any such election; or

120.1.5 by such other method as the person entitled to the payment may in writing direct.

**120.2** The Company may send a cheque, warrant or money order by post: (i) in the case of a sole holder, to his registered address; (ii) in the case of joint holders, to the registered address of the person whose name stands first in the register; (iii) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with Article 140; or (iv) in any case, to a person and address that the person or persons entitled to the payment may in writing direct.

**120.3** Where a share is held jointly or two or more persons are jointly entitled by transmission to a share: (i) the Company may pay any dividend, interest or other amount payable in respect of that share to any one joint holder, or any one person

entitled by transmission to the share, and in either case that holder or person may give an effective receipt for the payment; and (ii) for any of the purposes of this Article 124, the Company may rely in relation to a share on the written direction or designation of any one joint holder of the share, or any one person entitled by transmission to the share.

**120.4** Every cheque, warrant or money order sent by post is sent at the risk of the person entitled to the payment. If payment is made by bank or other funds transfer, by means of a relevant system or by another method at the direction of the person entitled to payment, the Company is not responsible for amounts lost or delayed in the course of making that payment.

**120.5** Without prejudice to Article 64, the board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the board may reasonably require.

**121. DIVIDENDS NOT TO BEAR INTEREST**

No dividend or other amount payable by the Company in respect of a share bears interest as against the Company unless otherwise provided by the rights attached to the share.

**122. CALLS OR DEBTS MAY BE DEDUCTED FROM DIVIDENDS ETC**

The board may deduct from a dividend or other amounts payable to a person in respect of a share amounts due from hire to the Company on account of a call or otherwise in relation to a share.

**123. UNCLAIMED DIVIDENDS ETC.**

Any unclaimed dividend, interest or other amount payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. A dividend unclaimed for a period of 12 years from the date it was declared or became due for payment is forfeited and ceases to remain owing by the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

**124. UNCASHED DIVIDENDS**

If, in respect of a dividend or other amount payable in respect of a share, on any one occasion:

124.1.1 a cheque, warrant or money order is returned undelivered or left uncashed, or

124.1.2 a transfer made by a bank or other funds transfer system is not accepted, and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to that person until he notifies the Company of an address or account to be used for that purpose. If the cheque, warrant or money order is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, the Company may exercise this power without making any such enquiries.

**125. PAYMENT OF DIVIDENDS IN SPECIE**

Without prejudice to Article 64, the board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Where a difficulty arises in connection with the distribution, the board may settle it as it thinks fit and in particular, without limitation, may: (i) issue fractional certificates (or ignore fractions); (ii) fix the value for distribution of the specific assets (or any part of

them); (iii) decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution; and (iv) vest assets in trustees on trust for the persons entitled to the dividend as seems expedient to the board.

## **126. PAYMENT OF SCRIP DIVIDENDS**

**126.1** Subject to the Act, but without prejudice to Article 64, the board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or ordinary shares in either case credited as fully paid ("new shares") instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the board may in its absolute discretion deem necessary or expedient to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory.

**126.2** Where a resolution under Article 126.1 is to be proposed at a general meeting and the resolution relates in whole or in part to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting.

**126.3** A resolution under Article 126.1 may relate to a particular dividend or to all or any dividends declared or paid within a specified period, but that period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed.

**126.4** The board shall determine the basis of allotment of new shares so that, as nearly as may be considered convenient without involving rounding up of fractions, the value of the new shares (including a fractional entitlement) to be allotted (calculated by reference to the average quotation, or the nominal value of the new shares, if greater) equals (disregarding an associated tax credit) the amount of the dividend which would otherwise have been received by the holder (the "relevant dividend"). For this purpose the "average quotation" of each of the new shares is the average of the middle-market quotations for a fully-paid share of the Company of that class derived from the Official List of the UK Listing Authority (or such other average value derived from such source as the board may deem appropriate) on the business day on which the relevant class of shares is first quoted "ex" the relevant dividend (or such other date as the board may deem appropriate to take account of any subsequent issue of shares by the Company) and the four subsequent business days or shall be as determined by or in accordance with the resolution under Article 126.1. A certificate or report by the auditors as to the value of the new shares to be allotted in respect of any dividend shall be conclusive evidence of that amount.

**126.5** The board may make any provision it considers appropriate in relation to an allotment made or to be made pursuant to this Article (whether before or after the passing of the resolution under Article 126.1, including, without limitation:

126.5.1 the giving of notice to holders of the right of election offered to them;

126.5.2 the provision of forms of election (whether in respect of a particular dividend or dividends generally);

126.5.3 determination of the procedure for making and revoking elections;

126.5.4 the place at which, and the latest time by which, forms of election and other relevant documents must be lodged in order to be effective; and

126.5.5 the disregarding or rounding up or down or carrying forward of fractional entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the holders concerned).

**126.6** The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made (the "elected shares"); instead new shares are allotted to the

holders of the elected shares on the basis of allotment calculated as in Article 126.4. For that purpose, the board may resolve to capitalise out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares. A resolution of the board capitalising part of the reserves has the same effect as if the board had resolved to effect the capitalisation with the authority of an ordinary resolution of the Company pursuant to Article 127. In relation to the capitalisation the board may exercise all the powers conferred on it by Article 127 without an ordinary resolution of the Company.

- 126.7** The new shares rank *pari passu* in all respects with each other and with the fully-paid shares of the same class in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other distribution or entitlement which has been declared or paid by reference to that record date.

## **127. CAPITALISATION OF PROFITS**

- 127.1** Subject to the Act, the board may, with the authority of an ordinary resolution of the Company:

127.1.1 resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;

127.1.2 appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of ordinary shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

- (a) paying up the amounts (if any) for the time being unpaid on shares held by them respectively, or
- (b) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

127.1.3 make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);

127.1.4 authorise a person to enter (on behalf of all the members concerned) an agreement with the Company providing for either;

- (a) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or
- (b) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves

resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,  
an agreement made under the authority being effective and binding on all those members; and  
127.1.5 generally do all acts and things required to give effect to the resolution.

## **128. RECORD DATES**

Notwithstanding any other provision of the Articles, but subject to the Act and rights attached to shares, the Company or the board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

## **ACCOUNTS**

### **129. KEEPING AND INSPECTION OF ACCOUNTS**

**129.1** The board shall ensure that accounting records are kept in accordance with the Act.

**129.2** The accounting records shall be kept at the office or, subject to the Act, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) has the right to inspect an accounting record or other document except if that right is conferred by the Act or he is authorised by the board or by an ordinary resolution of the Company.

### **130. ACCOUNTS TO BE SENT TO MEMBERS ETC.**

**130.1** In respect of each financial year, a copy of the Company's annual accounts, directors' report and auditors' report on those accounts shall be sent by post or delivered to:

130.1.1 every member (whether or not entitled to receive notices of general meetings),

130.1.2 every holder of debentures (whether or not entitled to receive notices of general meetings), and

130.1.3 every other person who is entitled to receive notices of general meetings, not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Act. This Article does not require copies of the documents to which it applies to be sent or delivered to:

(i) a member or holder of debentures of whose address the Company is unaware, or

(ii) more than one of the joint holders of shares or debentures.

**130.2** Where permitted by the Act, a summary financial statement derived from the Company's annual accounts and the directors' report and auditors' report in the form and containing the information prescribed by the Act may be sent or delivered to a person in place of the documents required to be sent or delivered by Article 130.1.

**130.3** Any documents required or permitted to be sent by the Company to a person pursuant to this Article 130 shall be treated as sent if:

130.3.1 sent by electronic communication to an address for the time being notified to the Company by that person for that purpose; or

130.3.2 published on a web site, provided that the following conditions are met:

(a) the Company and that person have agreed that such documents may be accessed by him on a web site (instead of their being sent by post or otherwise delivered to him);

- (b) that person is notified, in a manner for the time being agreed for the purpose between him and the Company, of.
    - (i) the publication of the documents on a web site;
    - (ii) the address of that web site;
    - (iii) the place on that web site where the documents may be accessed; and
    - (iv) how they may be accessed.
- 130.4** Documents treated in accordance with Article 130.3.2 as sent to any person are to be treated as sent to him not less than 21 clear days before the date of a meeting if, and only if:
- 130.4.1 the documents are published on the web site throughout a period beginning at least 21 clear days before the date of the meeting and ending with the conclusion of the meeting; and
  - 130.4.2 the notification given for the purposes of Article 130.3.2.2 is given not less than 21 clear days before the date of the meeting,
- 130.5** Nothing in Article 130.4 shall invalidate the proceedings of a meeting where any documents that are required to be published as mentioned in Article 134.4.1 are by accident published in different places on the web site or published for a part, but not all, of the period mentioned in that Article.

## NOTICES

### **131. NOTICES TO BE IN WRITING OR IN ELECTRONIC COMMUNICATION**

A notice to be given to or by a person pursuant to the Articles shall be in writing or in an electronic communication to an address for the time being notified for that purpose to the person giving the notice except that a notice convening a meeting of the board or of a committee of the board need not be in writing or electronic communication.

### **132. SERVICE OF NOTICES AND OTHER DOCUMENTS ON MEMBERS**

- 132.1** A notice or other document may be given to a member by the Company:
- 132.1.1 either personally; or
  - 132.1.2 by sending it by post in a pre-paid envelope addressed to the member at his registered address; or
  - 132.1.3 by leaving it at that address (or at another address notified for the purpose) in an envelope addressed to the member; or
  - 132.1.4 by giving it by electronic communication to an address for the time being notified to the Company by the member for that purpose; or
  - 132.1.5 by any other means authorised in writing by the member concerned.
- 132.2** A notice of general meeting may, instead of being sent to the member in any of the ways specified in Article 132.1, be given to a member by the Company by publishing the notice on a web site, provided that the following conditions are met;
- 132.2.1 the member and the Company have agreed that notices of general meetings may be accessed by him on a web site instead of being sent to the member in one of the ways specified in Article 132.1; and
  - 132.2.2 the member is given a notification, in the manner agreed for the time being between the member and the Company, containing the following information;
    - (a) the fact that the notice has been published on the web site;
    - (b) the address of the web site;
    - (c) the place on the web site where the notice may be accessed and how it may be accessed;
    - (d) a statement that it concerns a notice of general meeting served in accordance with the Act;
    - (e) the place, date and time of the general meeting; and



- (f) whether the general meeting is to be an annual or general meeting.

A notice given under Article 132.2 is deemed to be given at the time of the notification under Article 132.2.2.

**132.3** In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding and notice given in this way is sufficient notice to all joint holders,

**132.4** If a member (or, in the case of joint holders, the person first named in the register) has a registered address outside the United Kingdom but has notified the Company of an address in the United Kingdom at which notices or other documents may be given to him or an address to which notices may be given by electronic communication, he is entitled to have notices given to him at that address, but otherwise no such member or person is entitled to receive a notice or other document from the Company.

**133. NOTICE BY ADVERTISEMENT**

If by reason of the suspension or curtailment of postal services in the United Kingdom the Company is unable effectively to convene a general meeting by notices sent by post to those members who have not notified an address for electronic communications pursuant to Article 132.1.4, the board may, in its absolute discretion and as an alternative to any other method of service permitted by the Articles, resolve to convene a general meeting by a notice advertised in at least one United Kingdom national newspaper. In this case the Company shall send confirmatory copies of the notice by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

**134. EVIDENCE OF SERVICE**

- 134.1** A notice or other document addressed to a member at his registered address or address for service in the United Kingdom is, if sent by post, deemed to be given within 24 hours if pre-paid as first class post and within 48 hours if pre-paid as second class post after it has been posted, and in proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre-paid and posted.
- 134.2** Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.
- 134.3** A notice contained in an electronic communication sent in accordance with the Articles other than a notice given under Article 132.2 (to which the provisions of that Article apply) is deemed to be given at the expiration of 48 hours after the time it was sent.
- 134.4** A notice or document not sent by post but left at a registered address or address for service in the United Kingdom is deemed to be given on the day it is left.
- 134.5** Where notice is given by newspaper advertisement, the notice is deemed to be given to all members and other persons entitled to receive it at noon on the day when the advertisement appears or, where notice is given by more than one advertisement and the advertisements appear on different days, at noon on the last of the days when the advertisements appear.
- 134.6** A notice or other document served or delivered by the Company by any other means authorised in writing by the member concerned is deemed to be served when the Company has taken the action it has been authorised to take for that purpose.
- 134.7** A member present in person or by proxy at a meeting or of the holders of a class of shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.

**135. NOTICE BINDING ON TRANSFEREES ETC.**

A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 793 of the Act) which, before his name is entered in the register, has been properly served on a person from whom he derives his title.

**136. NOTICE IN CASE OF ENTITLEMENT BY TRANSMISSION**

Where a person is entitled by transmission to a share, the Company may give a notice or other document to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by similar designation) at an address in the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this Article is sufficient notice to any other person interested in the share.

**MISCELLANEOUS**

**137. DESTRUCTION OF DOCUMENTS**

- 137.1** The Company may destroy:
- 137.1.1 a share certificate which has been cancelled at any time after one year from the date of cancellation;
- 137.1.2 a mandate for the payment of dividends or other amounts or a variation or cancellation of a mandate or a notification of change of name or address

at any time after two years from the date the mandate, variation, cancellation or notification was recorded by the Company;

137.1.3 an instrument of transfer of shares (including a document constituting the renunciation of an allotment of shares) which has been registered at any time after six years from the date of registration; and

137.1.4 any other document on the basis of which any entry in the register is made at any time after six years from the date an entry in the register was first made in respect of it.

**137.2** It is presumed conclusively in favour of the Company that every share certificate destroyed was a valid certificate validly cancelled, that every instrument of transfer destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company, but:

137.2.1 the provisions of this Article apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document is relevant to a claim;

137.2.2 nothing contained in this Article imposes on the Company liability in respect of the destruction of a document earlier than provided for in this Article or in any case where the conditions of this Article are not fulfilled; and

137.2.3 references in this Article to the destruction of a document include reference to its disposal in any manner.

## **138. WINDING UP**

On a voluntary winding up of the company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the company, whether or not the assets consist of property of one kind or of different kinds, and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine. For this purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

## **139. INDEMNITY OF OFFICERS AND POWER TO PURCHASE INSURANCE**

**139.1** Subject to the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every person who is or was a director, alternate director or secretary of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred:

139.1.1 defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part; or

139.1.2 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.

- 139.2** Subject to the Act, the board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was:
- 139.2.1 a director, alternate director, secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect); or
  - 139.2.2 trustee of a retirement benefits scheme or other trust in which a person referred to in Article 139.2.1 is or has been interested,
- indemnifying him against liability for negligence, default, breach of duty or breach of trust or other liability which may lawfully be insured against by the Company.