

Company number 9306149

THE COMPANIES ACT 2006  
PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

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of  
SOBC Holdings Plc

  
26<sup>th</sup> November 2014

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**THE COMPANIES ACT 2006**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

of

**SOBC Holdings Plc**

**(the Company)**

**(adopted by special resolution passed on 26 November 2014)**

**PART 1 Interpretation and objects**

**1 Preliminary**

- 1.1 No regulations or articles of association set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies (including the regulations in the Companies (Model Articles) Regulations 2008 (SI 2008/3229)) shall apply as the articles of association of the Company. The following shall be the articles of association of the Company.
- 1.2 Words and expressions used in the Articles are defined in Article 2. Unless defined in Article 2 (and unless the context requires otherwise), other words or expressions contained in the Articles bear the same meaning as in the Act.
- 1.3 A reference in the Articles to any statute or statutory provision includes a reference to any subordinate legislation made under it from time to time and shall, unless the context requires otherwise, include any statutory modification or re-enactment of any statute or statutory provision for the time being in force.
- 1.4 Any phrase in the Articles introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

**2 Defined terms**

In the Articles, unless the context requires otherwise:

**A Ordinary Share** means an ordinary Share of 1 pence nominal value each in the share capital of the Company having the rights attached thereto as set out in the Articles;

**Accepting Shareholder** has the meaning given to it in Article 77.5;

**accepting shareholder** has the meaning given to it in Article 78.6;

**Act** means the Companies Act 2006;

**acting in concert** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);

**Address** has the meaning when used in relation to electronic communications given to it by section 1259 of the Act;

**Articles** means these articles of association as altered from time to time (and a reference to an **Article** is a reference to a provision set out in this document, as amended from time to time);

**Audited Accounts** mean the audited consolidated financial statements of the Company and each of its subsidiaries for a financial period ending on the relevant accounts date (including the balance sheet, profit and loss account, notes to the accounts, auditors' report, Directors' report) and all other reports, statements and narrative information attached to them;

**Auditors** means the auditors for the time being of the Company or, in the case of joint auditors, any of them;

**B Ordinary Share** means an ordinary Share of 1 pence nominal value each in the share capital of the Company having the rights attached thereto as set out in the Articles;

**Bad Leaver** means an Executive Director who ceases to be a Director of the Company and is not a Good Leaver;

**Board** means the board of Directors comprising Executive Directors and Non-Executive Directors of the Company in each case from time to time;

**Business** means the business of insurance and reinsurance and such other expansion, development or evolution of such business as carried out by the Company and its Group from time to time;

**Business Day** means a day other than a Saturday or Sunday or a bank holiday or public holiday in England and Wales;

**Certificated Share** means a Share which is recorded in the relevant register of Shares as being held in certificated form;

**clear days** means in relation to a period of notice that period excluding the day when the notice is served or deemed to be served and the day on which it is given or on which it is to take effect;

**Company** means SOBC Holdings Plc (company number 9306149);

**Default Offer** means the offer made by a Defaulting Shareholder to all of the non-defaulting Shareholders as described in Article 77.1;

**Default Price** has the meaning given to it in Article 77.2;

**Default Shares** has the meaning given to it in Article 77.2;

**Defaulting Shareholder** means a Shareholder who commits or suffers an Event of Default;

**Deferred Share** means a deferred share of 1 pence nominal value each in the capital of the Company having the rights attached thereto as set out in the Articles;

**Directors** means the Executive Directors and Non-Executive Directors of the Company in each case from time to time appointed pursuant to the Articles and, where the context requires, shall also include an alternate of a Director, and **Director** means any one of them;

**distribution recipient** means, in respect of a Share in respect of which a dividend or other sum is payable:

- (a) the holder of the Share; or
- (b) if the Share has two or more joint holders, whichever of them is named first in the Register; or
- (c) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the person who is entitled to his Share by reason of such death or bankruptcy or the holder or otherwise by operation of law;

**document** includes, unless otherwise specified, any document sent or supplied in electronic form;

**electronic form** has the meaning given in section 1168 of the Act;

**electronic means** has the meaning given in section 1168 of the Act;

**electronic signature** means anything in electronic form which the Directors require to be attached to or otherwise associated with an electronic communication for the purpose of ensuring the authenticity or integrity of the communication;

**Eligible Director** means a Director who is or would be entitled to vote on the matter at a meeting of the Board (but excluding any Director whose vote is not to be counted in respect of the particular matter);

**Encumbrance** means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, guarantee, trust, right of set off or other third party right or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind, howsoever created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) having similar effect;

**Event of Default** means in relation to a Shareholder where:

- (a) it commits a breach of the Articles and either:
  - (i) the breach is not capable of being remedied; or
  - (ii) the Defaulting Shareholder does not remedy that breach:
    - (A) in respect of any breach relating to payment within five Business Days of receiving a Notice from any non-defaulting Shareholder requiring it to remedy that breach; or
    - (B) in respect of any other breach, as soon as possible and in any event within 15 Business Days of it receiving a Notice from any non-defaulting Shareholder requiring it to remedy that breach;
- (b) it is insolvent or unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986;
- (c) it sells, assigns, transfers or otherwise disposes of, or grants any option or other contractual right over or attempts to do the same to any of or in respect of any of its Shares or any legal or beneficial interest in its Shares in breach of the Articles; or
- (d) it is prosecuted and found guilty of an offence under sections 1, 2, 6 or 7 of the Bribery Act 2010, or is in breach of any sanction requirements, or is in breach of any relevant laws or regulations which the Directors determine in their absolute discretion may give rise to any regulatory difficulties or

problems including in relation to the involvement of the Shareholder (or any person on whose behalf the Shareholder is holding any Shares) with the Company and its Group;

**Executive Director** means any Director appointed to the Board of the Company in accordance with Article 31.1;

**Executive Shares** has the meaning given to it in Article 78.2;

**Experts** mean a firm of accountants appointed in accordance with Article 79 to determine the Fair Price;

**Fair Price** means the price per Share determined in writing by the Experts on the following bases and assumptions:

- (a) other than in connection with the Deferred Shares, valuing each of the relevant Shares as a proportion of the total value of all the issued Shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the relevant Shares;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
- (d) the relevant Shares are sold free of all Encumbrances; and
- (e) reflecting any other factors which the Experts reasonably believe should be taken into account;

**Family Member** means in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) a spouse, civil partner (as defined in the Civil Partnerships Act 2004), widow or widower, child or grandchild over the age of 18 (including step or adopted or illegitimate child and their issue);

**Family Trust** means as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Family Members of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons), and, for these purposes, to the fullest extent permitted by law, a personal pension scheme (as defined under Section 1 of the Pension Schemes Act 1993), including a self-invested personal pension scheme, shall be a Family Trust;

**fully paid** in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company;

**FSMA** means the Financial Services and Markets Act 2000;

**General Meeting** means any annual or general meeting of the Company;

**Good Leaver** means an Executive Director who ceases to be an employee and/or Director of the Company by reason of:

- (a) retirement with the agreement of the Company;
- (b) death;
- (c) termination of that person's employment with the Company due to unfair dismissal or redundancy or wrongful dismissal;
- (d) illness or disablement of that person giving rise to permanent incapacity to continue in employment or as a Director as certified by a qualified medical practitioner; or
- (e) adverse personal circumstances as determined by the Directors in their absolute discretion;

**Group** means, in relation to any company or other body corporate, any holding company or parent undertaking of the company or body corporate and any subsidiary or subsidiary undertaking of such holding company or parent undertaking and any subsidiary or subsidiary undertaking of the company or body corporate from time to time and **Group Company** means any one of them;

**hard copy form** has the meaning given in section 1168 of the Act;

**holder** in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares or, in the case of a Share in respect of which a Share Warrant has been issued (and not cancelled), the person in possession of that warrant;

**insolvent** means a person who:

- (a) is deemed unable to pay his debts within the meaning of Section 268 of the Insolvency Act 1986 (**IA 1986**);
- (b) is the subject of an application for an interim order under Section 253 of IA 1986;
- (c) is the subject of a bankruptcy order;
- (d) has a receiver or manager, fixed charge receiver or any other type of receiver, manager, interim manager or interim trustee appointed over the whole or any part of his assets;
- (e) proposes any scheme of arrangement, compromise, composition or other form of arrangement with any of his creditors (whether or not approved or sanctioned);
- (f) has any distress or execution levied on any of his assets; or
- (g) becomes subject to any proceedings analogous to those listed in subparagraphs (a) to (f) inclusive in any jurisdiction outside of England and Wales;

**instrument** means a document in hard copy form;

**Leaver** has the meaning given to it in Article 78.2;

**Leaver Notice** has the meaning given to it in Article 78.2;

**Member** means the person whose name is entered in the Register as the holder of any Share or, where the context permits, the persons whose names are entered in the Register as joint holders of that Share;

**Non-Executive Director** means any Director appointed to the Company in accordance with Article 31.2;

**Non-Executive Director Reserved Matters** has the meaning given in Article 15;

**Offer Period** has the meaning given to it in Article 74.4;

**offer period** has the meaning given to it in Article 78.6;

**Office** means the registered office of the Company from time to time;

**Official List** means the list of securities that have been admitted to listing which is maintained by the Financial Conduct Authority (FCA) in accordance with section 74(1) of FSMA;

**Operator** means Euroclear UK and Ireland Limited or such other person as may for the time being be approved by HM Treasury as operator under the Uncertificated Securities Regulations;

**Original Shareholder** has the meaning given to it in Article 73.1;

**Ordinary resolution** has the meaning given in section 282 of the Act;

**Ordinary Share** means an A Ordinary Share or a B Ordinary Share of the Company from time to time and Ordinary Shares means A Ordinary Shares and/or B Ordinary Shares as the context may require;

**paid** means paid or credited as paid;

**Participating Security** means a Share, class of Share, renounceable right of allotment of a Share or other security, title to units of which are permitted to be transferred by means of a Relevant System in accordance with the Uncertificated Securities Regulations;

**partly paid** in relation to a Share means that part of that Share's nominal value or any premium at which it was issued has not been paid to the Company;

**Permitted Condition** means a condition requiring the grant of a bona fide consent, clearance, approval or permission necessary to enable the relevant person to be able to complete a transfer of Shares under (1) its constitutional documents or pursuant to any relevant law or regulation (2) the rules or regulations of any stock exchange on which it or its holding company is quoted or listed or (3) the requirements of any governmental, statutory or regulatory authority or body in those jurisdictions where that person carries on business;

**Permitted Transfer** means a transfer of Shares made in accordance with Article 72;

**Permitted Transferee** has the meaning given to it in Article 73.1;

**Recognised Clearing House** means a recognised clearing house within the meaning of the Financial Services and Markets Act 2000 (as amended) acting in relation to a recognised investment exchange (as defined therein);

**Register** means the register of Members of the Company;

**relevant officer** means any Director or other officer or former Director or other officer of the Company or an associated company but excluding any person engaged by the Company or an associated company as auditor;

**Relevant Price** has the meaning given in Article 78.6;

**Relevant System** means a computer-based system and related procedures, as defined in the Uncertificated Securities Regulations, which enable title to units of a security to be evidenced and transferred without a written instrument;

**Sale** means:

- (h) the completion of an agreement for the sale of more than 50% of the Ordinary Shares (or more than 50% of the Shares of any member of the Company's Group) (inclusive of those already owned by the buyer or persons connected to, or acting in concert with, the buyer); or
- (i) the acceptance of an offer as a result of which the offeror becomes entitled or bound to acquire more than 50% of the Ordinary Shares (or more than 50% of the Shares of any member of the Company's Group) (inclusive of those already owned by the buyer or persons connected to, or acting in concert with, the offeror) in accordance with the Companies Act 2006;

**Sale Shares** has the meaning given in Article 74.2;

**Seal** means any common seal of the Company or any official seal kept by the Company;

**Secretary** means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary including (subject to the provisions of the Act) a joint, temporary, deputy or assistant secretary;

**section 793 notice** has the meaning given to it in Article 139.1;

**section 793 Shares** has the meaning given to it in Article 139.1;

**Selling Member** has the meaning given to it in Article 74.1;

**Selling Shareholder** has the meaning given to it in Article 75.1;

**Shareholder** means a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury;

**Shares** means shares (of any class) in the capital of the Company and **Share** shall be construed accordingly;

**Share Warrant** means any warrant issued by the Company in respect of its Shares;

**special resolution** has the meaning given in section 283 of the Act;

**Statutes** means the Act and every other statute or subordinate legislation for the time being in force concerning companies and affecting the Company;

**Stock Exchange** means the London Stock Exchange plc;

**Subsidiary** has the meaning given in section 1159 of the Act;

**Transfer Notice** has the meaning given to it in Article 74.2;

**United Kingdom** means Great Britain and Northern Ireland;

**UKLA** means the United Kingdom listing authority which is the Financial Conduct Authority (FCA) when performing its functions under Part VI of FSMA;

**Uncertificated Proxy Instructions** has the meaning given in Article 131.2;

**Uncertificated Securities Regulations** means the Uncertificated Securities Regulations 2001 (including any modifications thereof or any regulation in substitution therefor made under section 784 of the Act and for the time being in force);

**Uncertificated Share** means a security title which is recorded in the relevant register of securities as being held in uncertificated form and title to which may be transferred by means of a Relevant System;

**working day** has the meaning given in section 1173 of the Act; and

**writing, in writing or written** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form, made available on a website or otherwise.

### 3 **Objects**

Nothing in these Articles shall constitute a restriction on the objects of the Company to do (or omit to do) any act and, in accordance with section 31(1) of the Act, the Company's objects are unrestricted.

## **PART 2 Directors**

### **Directors' powers and responsibilities**

#### 4 **Directors' general authority**

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

#### 5 **Members' reserve power**

5.1 The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

5.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

#### 6 **Delegation of power of the Board and committees**

6.1 Subject to the Articles, the Board may by simple majority delegate any of the powers which are conferred on them under the Articles:

(a) to such person or committee;

(b) by such means (including by power of attorney);

(c) to such an extent;

(d) in relation to such matters or territories; and

(e) on such terms and conditions,

as they think fit.

6.2 If the Board so specifies, any such delegation may authorise further delegation of the Board's powers by any person to whom they are delegated.

6.3 The Board may revoke any delegation in whole or part, or alter its terms and conditions.

6.4 Committees to which the Board delegates any of its powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Board.

6.5 The Board may make rules of procedure for all or any committees which prevail over rules derived from the Articles if they are not consistent with them.

## 7 **Board's borrowing powers**

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

## 8 **Power of attorney**

The Board may by power of attorney or otherwise appoint any person or persons to be the attorney or the agent of the Company and may delegate to any such person or persons any of its powers, authorities and discretions (with power to sub-delegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit. The Board may revoke any such powers in whole or in part, or alter its terms and conditions.

## **Decision-making by Directors**

### 9 **Regulation of meetings of the Board**

9.1 Subject to the provisions of these Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

9.2 The Board shall not take any decision or act on a matter that is a Reserved Matter without seeking the relevant consent in favour thereof (by way of a simple majority) of the Non-Executive Directors.

### 10 **Calling a meeting of the Board**

10.1 Any Director may and the Secretary on the requisition of a Director shall call a meeting of the Board by giving notice of the meeting to the Directors.

10.2 Notice of any meeting of the Board must indicate:

- (a) its proposed date and time;
  - (b) where it is proposed to take place; and
  - (c) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 10.3 Notice of meeting of the Board must be given to each Director, but need not be in writing.
- 10.4 Notice of a meeting of the Board need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company before or not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## 11 Participation in meetings of the Board

- 11.1 Subject to the Articles, Directors participate in a meeting of the Board, or part of a meeting of the Board, when:
- (a) the meeting has been called and takes place in accordance with the Articles; and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 11.2 In determining whether Directors are participating in a meeting of the Board, it is irrelevant where any Director is or what the form of communication used is (whether in use when these Articles are adopted or developed subsequently), provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting.
- 11.3 If all the Directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, at the place where the chairman (or other Director chairing the meeting) is.

## 12 Quorum for meetings of the Board

- 12.1 The quorum for meetings of the Board may be determined by the Board and until so determined shall be three Directors, of whom two at least shall be Executive Directors (or their alternates) and one at least an Non-Executive Director (or his alternate). For the avoidance of all doubt, where there are no Non-Executive Directors, the quorum for meetings of the Board shall be two Executive Directors. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion for the time being vested and exercisable by the Board.
- 12.2 Subject to the Articles, at a meeting of the Board, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.3 If a quorum is not present at two consecutive meetings, the quorum at the third meeting shall constitute one Director.

### 13 Chairing meetings of the Board

13.1 Subject to the Articles, the Directors may appoint a Director to chair at every meeting of the Board at which he is present. The person so appointed for the time being is known as the **chairman**.

13.2 The Directors may terminate the chairman's appointment at any time.

13.3 If:

- (a) the Directors have not appointed a chairman;
- (b) the chairman is not willing to chair the meeting or is not participating in a meeting of the Board within ten minutes of the time at which it was to start; or
- (c) the chairman is not an Eligible Director in respect of any matter to be discussed at the meeting,

the Directors participating in the meeting of the Board must appoint one of themselves (who is an Eligible Director in respect of the matters to be discussed at the meeting) to chair it.

13.4 Subject to the Articles, if the chairman ceases to hold office as a Director during his/her term, the Shareholder who nominated him/her shall nominate another Director as chairman for the remainder of the term of the chairman who ceased to hold office.

### 14 Voting at meetings of the Board: general rules

14.1 Subject to the Articles, a decision is taken at a meeting of the Board by a majority of the votes of the Eligible Directors who are participating, and each Eligible Director participating in a meeting of the Board has one vote.

14.2 Subject to Article 14.3, if a question arises at a meeting of the Board (or of a committee established by the Board) as to the right of a Director (or committee member) to participate in the meeting of the Board (or part of the meeting) for voting or quorum purposes or otherwise in accordance with the Articles, the question may, before the conclusion of the meeting of the Board, be referred to the chairman (or other person chairing the meeting) whose ruling in relation to any person other than himself is to be final and conclusive.

14.3 If there is an equality of votes on any matter then the matter shall be treated as voted down and not carried. The chairman or other Director chairing the meeting does not have a casting vote.

14.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman (or other person chairing the meeting), the question is to be decided by a decision of the Directors (or committee members) at that meeting, for which purpose the chairman (or other person chairing the meeting) is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

### 15 Non-Executive Directors' Reserved Matters

The following matters shall require a vote in favour by the Non-Executive Directors (acting by simple majority) before any such decision can be taken or matter acted upon:

- (a) any material transaction involving an acquisition or disposal of any member of the Group or all or a material part of the business of any member of the Group or the acquisition or disposal of an asset with net worth in excess of ten percent of the Group's total net assets (other than in each case by or to another member of the Group);
- (b) the entry by any member of the Group into a joint venture or partnership (other than in the ordinary course of that member's business);
- (c) the incurring by any member of the Group of any material borrowing or other material indebtedness; and
- (d) any proposed material change in the nature of the Business or cessation of any material business operation of any member of the Group (other than in the ordinary course of that member's business)

and for the purpose of the above any reference to material shall mean material in the context of the Group as a whole at the relevant time.

## 16 **Resolution in writing**

A resolution in writing executed by all the Directors for the time being entitled to receive notice of a meeting of the Board, or in case of a resolution of a committee of the Board, by all the members of that committee of the Board shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee, as the case may be). Such a resolution:

- (a) may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including by means of fax transmissions;
- (b) need not be signed by an alternate Director if it is signed by the Director who appointed him; and
- (c) if signed by an alternate Director need not also be signed by his appointor.

## 17 **Minutes of proceedings**

17.1 The Board shall ensure that the Company keeps minutes in writing for the purpose of:

- (a) all appointments of officers and committees made by the Board; and
- (b) all orders, resolutions and proceedings at every meeting of the Company, of the Board and of any committee of the Board.

17.2 Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting or the secretary, shall be prima facie evidence of the matters stated in such minutes without the need for any further proof.

## 18 **Validity of proceedings**

All acts done by a meeting of the Board, or of a committee of the Board, or by any person acting as a Director, alternate Director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, 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, be as valid as if every such person had been

duly appointed, and was duly qualified and had continued to be a Director, alternate Director or member of a committee of the Board.

19 **Exercise by the Board of voting powers**

The Board may exercise the voting powers conferred by the Shares in any company held or owned by the Company or exercisable by them as Directors of such other company in such manner in all respects as they think fit including the exercise thereof in favour of any resolution appointing themselves or any of them Directors or officers of such company, or voting or providing for the payment of remuneration, pension contributions or other benefits to the Directors or officers of such company.

20 **Powers of Directors being less than minimum number**

If the number of Directors is less than the minimum for the time being prescribed by these Articles, the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a General Meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two members may summon a General Meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional Director so appointed will hold office only until the dissolution of the annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting.

**Directors' interests**

21 **General**

21.1 For the purposes of Articles 21 to 24 inclusive (which shall apply equally to alternate Directors), a reference to:

21.1.1 a **relevant situation** means any matter which relates to a situation in which a Director has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest);

21.1.2 a **conflict of interest** includes a conflict of interest and duty and a conflict of duties;

21.1.3 general duties means the general duties a Director owes to the Company under sections 171 to 177 of the Act;

21.1.4 an interest of a person who is connected (which word shall have the meaning given to it by section 252 of the Act) with a Director shall be treated as an interest of the Director; and

21.1.5 a **contract** includes references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not consulting a contract.

21.2 Subject to the Statutes, the Company may by ordinary resolution suspend or relax the provisions of Articles 21 to 24 inclusive to any extent or ratify any contract not properly authorised by reason of a contravention of any of the provisions of Articles 21 to 24 inclusive.

## 22 Directors' conflicts of interest

- 22.1 The Board may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 22.2 A Director seeking authorisation in respect of a Conflict shall declare to the Board the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.
- 22.3 Any authorisation under this Article will be effective only if:
- (a) the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director and any other interested Director; and
  - (c) the matter is agreed to without the Interested Director voting or would be agreed to if the Interested Director's and any other interested Director's vote is not counted.
- 22.4 Any authorisation of a Conflict under this Article must be recorded in writing (but the authority shall be effective whether or not the terms are so recorded) and may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
  - (c) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - (d) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - (e) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 22.5 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.

- 22.6 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 22.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director) to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 22.8 No authority under this Article is required in respect of a conflict of interest arising in relation to a transaction or arrangement with the Company, but this is without prejudice to a Director's obligation to declare any interest under Article 23.

### **23 Transactions or arrangements with the Company**

- 23.1 Subject to the provisions of the Statutes and compliance with the provisions of this Article, a Director notwithstanding his office:
- (a) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (b) may hold any other office or employment with the Company (except that of auditor of the Company or of a subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange, either in addition to or instead of any remuneration provided for by any other Article; and
  - (c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested.
- 23.2 Where a Director is in any way (directly or indirectly) interested in a proposed transaction or arrangement with the Company, he:
- (a) shall declare the nature and extent of his interest to the Directors before the Company enters into the transaction or arrangement; and
  - (b) may in accordance with section 177 of the Act make the declaration at a meeting of the Directors or give it to the Directors by notice in writing, by general notice or by any other means.
- 23.3 Except to the extent that an interest has been declared in accordance with Article 23.2, where a Director is in any way (directly or indirectly) interested in a transaction or arrangement that has been entered into by the Company, he:
- (a) shall as soon as is reasonably practicable declare the nature and extent of his interest to the Board; and
  - (b) must make the declaration at a meeting of the Directors or give it to the Directors by notice in writing or by general notice in accordance with section 182 of the Act.
- 23.4 In the case of Articles 23.2 and 23.3:

- (a) a Director need not declare an interest:
  - (i) if it cannot be reasonably regarded as likely to give rise to a conflict of interest;
  - (ii) if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
  - (iii) if, or to the extent that, it concerns the terms of his service contract that have been or are to be considered by a meeting of the Board or by a committee of the Board appointed for the purpose under these Articles.

23.5 If a declaration made under either Article 22 or Article 23 proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

## 24 **Liability to account**

A Director shall not by reason of his office be liable to account to the Company for any remuneration, profit or other benefit derived as a result of:

- (a) any relevant situation authorised under Article 22 (subject to any restrictions or conditions to which such authorisation was subject); or
- (b) any interest permitted under Article 23,

and no transaction or arrangement shall be liable to be avoided on the grounds of a Director having an interest or benefit authorised or permitted under these Articles.

## 25 **Permitted interests and voting**

25.1 A Director shall not vote at a meeting of the Board or of a committee of Directors or otherwise participate in the decision-making process in relation to any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which conflicts, or may conflict, with the interests of the Company unless:

- (a) the matter arises from a relevant situation which has been authorised by the Directors under Article 22 and the authorisation does not restrict the Director from voting on resolutions concerning that matter;
- (b) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (c) the Director's conflict of interest arises only from one of the following situations:
  - (i) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiaries;
  - (ii) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (iii) his interest arises by virtue of his subscribing or agreeing to subscribe for any Shares, debentures or other securities of the Company or any of its subsidiaries, or by virtue of his being or intending to become a

participant in the underwriting or sub-underwriting of an offer of any such Shares, debentures or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange; or

- (iv) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by HM Revenue & Customs for taxation purposes.

25.2 A Director cannot vote or be counted in the quorum on a resolution relating to his own appointment or the settlement or variation of the terms of his appointment to an office or place of profit with the Company or any other company in which the Company has an interest.

25.3 A company shall be deemed to be one in which the Director has an interest (a **Relevant Interest**) if and so long as (but only if and so long as) he is to his knowledge (either directly or indirectly) the holder of or beneficially interested in one per cent or more of any class of the equity share capital of that company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to members of that company. In relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise. Where a company in which a Director has a Relevant Interest is interested in a contract, he also shall be deemed interested in that contract.

25.4 Where the Directors are considering proposals about the appointment, or the settlement or variation of the terms or the termination of the appointment of two or more Directors to other offices or places of profit with the Company or any company in which the Company has an interest, a separate resolution may be put in relation to each Director and in that case each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to an office or place of profit with the company or any other company in which the Company has an interest and the Director seeking to vote or be counted in the quorum has a Relevant Interest in it.

25.5 If a question arises at a Board meeting about whether a Director (other than the chairman of the meeting) has an interest which is likely to give rise to a conflict of interest, or whether he can vote or be counted in the quorum, and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman's ruling about the relevant Director is final and conclusive, unless the nature and extent of the Director's interests have not been fairly disclosed to the Directors. If the question arises about the chairman of the meeting, the question must be directed to the Directors. The chairman cannot vote on the question but can be counted in the quorum. The Directors' resolution about the chairman is final and conclusive, unless the nature and extent of the chairman's interests have not been fairly disclosed to the Directors.

25.6 Where a Director finds himself in a situation in which he has an interest which conflicts, or possibly may conflict, with the interests of the Company, the general duties will not be infringed by anything done (or omitted to be done) in accordance with the following provisions. The Director may, for as long as he reasonably believes the situation subsists:

- (a) absent himself from meetings of the Board or from the discussion of any matter at a meeting;

- (b) make such arrangements as he sees fit for relevant Board papers not to be sent to him; and/or
- (c) behave in any other way authorised by any guidance which may from time to time be issued by the Board.

26 **Confidential information**

Where a Director obtains (otherwise than as result of his office as a Director of the Company) information in respect of which he owes a duty of confidentiality to another person he shall not be obliged to disclose such information (in circumstances in which he would otherwise be so obliged) if it relates to:

- (a) a relevant situation authorised pursuant to Article 22 (unless any restrictions or conditions to which such authorisation is subject provide otherwise); or
- (b) an interest permitted under Article 23,

and any failure on the part of that Director to disclose or use any such information in performing his duties as a Director of the Company will not constitute a breach by him of the general duties. This Article is without prejudice to any equitable principle or rule of law which may excuse a Director from disclosing information.

27 **Third party benefits**

The acceptance of a benefit by a Director from a third party (within the meaning of section 176 of the Act) will not constitute a breach of that section if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest. For the purposes of this Article, the Directors may from time to time prescribe an amount (a de minimis amount) below which, in their view, the amount or value of a benefit is such that it cannot reasonably be regarded as likely to give rise to a conflict of interest.

28 **Chairman's ruling conclusive on Director's right to vote**

If any question arises at a meeting of the Board or of a committee of the Directors as to the right of a Director (other than the chairman of the Board) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting. The chairman's ruling in relation to the Director concerned shall be final and conclusive unless the nature and extent of the interest of the Director which is relevant for making the ruling or considering the resolution (so far as it is known to him) has not been fairly disclosed to the meeting.

29 **Directors' resolution conclusive on chairman's right to vote**

If any question arises at a meeting of the Board or of a committee of the Directors as to the right of the chairman of the Board to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the chairman), whose majority vote shall be final and conclusive unless the nature and extent of the interest of the chairman which is relevant for making the ruling or considering the resolution (so far as it is known to him) has not been fairly disclosed to the meeting.

## **Appointment of Directors**

### **30 Number of Directors**

- 30.1 Unless otherwise determined by the Company by ordinary resolution and subject to the Act, the number of Directors shall be not less than three, being at least one Executive Director and at least one Non-Executive Director. In the event that no Non-Executive Directors have been appointed by the Company, the number of Directors shall be not less than two, being two Executive Directors. There shall not be a maximum number of Executive Directors but there shall be a maximum number of three Non-Executive Directors.
- 30.2 A Director shall not be required to hold any Shares of the Company by way of qualification.

### **31 Methods of appointing and removing Directors**

- 31.1 An Executive Director may be appointed or removed from office by ordinary resolution of the holders of A Ordinary Shares or by a simple majority vote of the Board (other than the Executive Director who is the subject of the decision).
- 31.2 A Non-Executive Director may be appointed or removed from office by ordinary resolution of the holders of B Ordinary Shares or by a simple majority vote of the Non-Executive Directors (other than the Non-Executive Director who is the subject of the decision).
- 31.3 The removal of a Director under Articles 31.1 or 31.2 shall be without prejudice to any claim for damages which that Director may have for breach of any contract of service between him and the Company.
- 31.4 The right to appoint and to remove Executive Directors under Article 31.1 shall be a class right attaching to A Ordinary Shares.
- 31.5 The right to appoint and to remove Non-Executive Directors under Article 31.2 shall be a class right attaching to B Ordinary Shares.
- 31.6 Subject to the provisions of the Act, and to the rest of this Article 31, the Board may from time to time appoint one or more of its body to hold any employment or executive office on such terms and for such period as it may determine. The Board may revoke or terminate any such appointment without prejudice to any claim for breach of contract between the Director and the Company.

### **32 No multiple appointment**

A resolution for the appointment of two or more persons as Directors by a single resolution shall not be proposed at any General Meeting unless a resolution that it shall be so proposed has first been agreed to by that meeting unanimously. Any resolution proposed in contravention of this Article shall be void.

### **33 Effective time of appointment or removal**

The appointment or removal of a Director under Article 31 takes effect from the date the Company receives the relevant notice, or any later date specified in that notice.

### **34 Termination of Director's appointment**

A person ceases to be a Director as soon as:

- (a) that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
- (b) he or she becomes insolvent;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- (f) notification is received by the Company from the Director that the Director is resigning from office as Director, and such resignation has taken effect in accordance with its terms.

## **Alternate Directors**

### **35 Appointment and removal of alternate Directors**

35.1 Any Director (**appointor**) (other than an alternate Director) may appoint as an **alternate Director** any suitable person to act as his alternate, who shall:

- (a) exercise that Director's powers; and
- (b) carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the alternate Director's appointor.

35.2 Where the person appointed as an alternate is already a Director in his own right, he shall also act as a Director (and may vote) separately and additionally in his own right.

35.3 Any appointment or removal of an alternate Director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors and has immediate effect (subject to any necessary approval and unless otherwise specified).

35.4 The notice must:

- (a) identify the proposed alternate Director; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate Director that he is willing to act as the alternate Director of the Director giving the notice.

### **36 Rights and responsibilities of alternate Directors**

36.1 Except as the Articles specify otherwise, alternate Directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;

- (c) are subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors.

36.2 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration (if any) of the alternate Director's appointor as such appointor may direct by notice in writing made to the Company. An alternate Director is however entitled to the payment by the Company of such expenses as might properly be paid to him if he were a Director.

### **37 Alternate Directors and decisions of the Directors**

37.1 Subject to the Articles, an alternate Director may act as alternate Director for more than one Director and has the same rights in relation to any decision of the Directors as the alternate Director's appointor.

37.2 Subject to the Articles, an alternate Director is entitled to take part for all purposes (including quorum and voting purposes) in a decision of the Directors in respect of which his appointor:

- (a) is not taking part; and
- (b) is an Eligible Director.

37.3 If an alternate Director's appointor is not an Eligible Director in relation to a decision of the Directors, this does not preclude the alternate Director from taking part on behalf of another appointor who is (and on his own behalf if he is) an Eligible Director in relation to that decision.

37.4 An alternate Director is not entitled to take part in a decision of the Directors if he (whether a Director or not) would not qualify as an Eligible Director in relation to that decision.

37.5 No person taking part in a decision of the Directors may (whether in his capacity as Director or alternate Director) be counted as more than one Director for the purposes of determining whether the quorum requirement is satisfied in relation to that decision.

37.6 Subject to the Articles, an alternate Director who acts as alternate Director for more than one Director has one vote for each appointor, in addition to his own vote if he is also a Director.

### **38 Termination of alternate directorship**

An alternate Director's appointment as an alternate Director terminates:

- (a) when the alternate Director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence in relation to the alternate Director of any event which, if it occurred in relation to the alternate Director's appointor, would result in the termination of the appointor's appointment as a Director;
- (c) on the death of the alternate Director's appointor; or
- (d) when the appointment as a Director of the alternate Director's appointor terminates.

## 39 **Directors' remuneration**

- 39.1 Directors may undertake any services for the Company that the Board decides.
- 39.2 Directors (other than alternate Directors) are entitled to such remuneration as the Board determines:
- (a) for their services to the Company as Directors, and
  - (b) for any other service which they undertake for the Company.
- 39.3 Subject to these Articles, a Director's remuneration may:
- (a) take any form; and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- 39.4 Unless the Board decides otherwise, Directors' remuneration accrues from day to day.
- 39.5 Unless the Board decides otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

## 40 **Directors' expenses**

- 40.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
- (a) meetings of the Board or committees of the Board;
  - (b) General Meetings; or
  - (c) separate meetings of the holders of any class of Shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

## 41 **Remuneration of Executive Directors**

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of these Articles may be either a fixed sum of money, or may in whole or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Articles.

## 42 **Company Secretary**

- 42.1 Subject to the provisions of the Act the Board shall appoint a Secretary (or joint Secretaries) and shall have the power to appoint one or more persons to be an assistant or deputy secretary for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.
- 42.2 Any provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done

by or to the same person acting both as Director and as, or in place of, the Secretary.

### **PART 3 Shares and distributions**

#### **43 Share capital and limited liability**

- 43.1 The Company does not have an authorised share capital.
- 43.2 The liability of the Members of the Company is limited to the amount, if any, unpaid on the Shares in the Company held by them.
- 43.3 The share capital of the Company at the date of these Articles is divided into A Ordinary Shares, B Ordinary Shares and Deferred Shares, which shall constitute separate classes of Shares.
- 43.4 The Company may increase its share capital in accordance with section 617 of the Act.
- 43.5 The Company may reduce its share capital by special resolution confirmed by the court in accordance with Chapter 10 of Part 17 of the Act.

#### **44 Rights attaching to Shares**

- 44.1 Except as otherwise provided in these Articles, the rights attaching to the Ordinary Shares are as follows:
- (a) each Ordinary Share is entitled to one vote in any circumstances;
  - (b) each Ordinary Share is entitled *pari passu* to dividend payments or any other distribution; and
  - (c) each Ordinary Share is entitled *pari passu* to participate in a distribution arising from a winding up of the company.
- 44.2 In addition to the rights set out in Article 44.1, the rights attaching to A Ordinary Shares comprise the right to appoint and remove Executive Directors pursuant to Article 31.1.
- 44.3 In addition to the rights set out in Article 44.1, the rights attaching to B Ordinary Shares comprise the right to appoint and remove Non-Executive Directors pursuant to Article 31.2.
- 44.4 The right attaching to Deferred Shares shall be the right to sell the shares to the Company at nominal value, and shall not confer any right to participation in the Company dividends or other distribution of Company assets, nor any right to vote or be counted in the quorum of any Members' meeting.
- 44.5 Except as otherwise provided in these Articles, on the transfer of any Share as permitted by these Articles:
- (a) a Share transferred to a non-Shareholder shall remain of the same class as before the transfer; and
  - (b) a Share transferred to a Shareholder shall automatically be redesignated on transfer as a Share of the same class as those Shares already held by the Shareholder (assuming such Shareholder is only holding one class of share).
- 44.6 If no Shares of a class remain in issue following a redesignation under this Article, these Articles shall be read as if they do not include any reference to that class or

to any consents from, or attendance at any meeting or votes to be cast by, Shareholders of that class or Directors appointed by that class.

#### 45 **Deferred Shares**

45.1 If after three months following the date of adoption of these Articles, the number of A Ordinary Shares shall be more than the number of B Ordinary Shares, the Company shall convert a number of A Ordinary Shares (being the Surplus Shares) into Deferred Shares in accordance with Article 45.2, which shall result in the aggregate number of A Ordinary Shares being equal to the aggregate number of B Ordinary Shares and each holder of A Ordinary Shares shall hold, when aggregated with the existing holders of A Ordinary Shares, the same proportion of the total number of A Ordinary Shares in issue as before the Surplus Shares were converted into Deferred Shares.

45.2 To calculate the number of A Ordinary Shares which the Company is required to convert into Deferred Shares as a result of Article 45.1, the following formula shall be used:

No. of A Ordinary Shares of X – (No. of A Ordinary Shares of X / 5,004,000 \* Aggregate No. of B Ordinary Shares)

45.3 The creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after that creation or issue to appoint any person to execute or give on behalf of the holder of those Shares a transfer of them to such person or persons as the Company may determine.

#### 46 **Powers to issue different classes of Shares**

46.1 Without prejudice to any special rights attached to any existing Shares or class of Shares, any Share in the capital of the Company may be issued with such rights or such restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

46.2 Subject to any rights attached to any existing Shares or classes of Shares, Shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholders on such terms and conditions and in such manner as shall be provided by the Board prior to the allotment of any such Shares.

#### 47 **Allotment of Shares**

47.1 Subject to the Act, these Articles and to any relevant authority of the Company in general meeting required by the Act, the Board may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of Shares or grant rights to subscribe for or convert any security into Shares to such persons, at such times and upon such terms as the Board may decide. No Share may be issued at a discount.

47.2 The Board may, at any time after the allotment of any Share but before any person has been entered in the Register, recognise a renunciation by the allottee in favour of some other person and accord to the allottee of a Share a right to effect such renunciation and/or allow the rights to be represented to be one or more participating securities, in each case subject to such terms and conditions as the Board may think fit to impose.

47.3 Under and in accordance with section 551 of the Act, the Directors shall be generally and unconditionally authorised to exercise for each prescribed period all

the powers of the Company to allot Shares up to an aggregate nominal amount equal to the Section 551 Amount.

47.4 Under and within the terms of the said authority or otherwise in accordance with section 570 of the Act, the Directors shall be empowered during each prescribed period to allot equity securities (as defined by the Act) wholly for cash:

(a) in connection with a rights issue; and

(b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 561 Amount.

47.5 During each prescribed period, the Company and its Directors by such authority and power may make offers or agreements which would or might require equity securities or other securities to be allotted after the expiry of such period.

47.6 For the purposes of this Article 47:

(a) **rights issue** means an offer of equity securities (as defined by the Act) open for acceptance for a period fixed by the Board to holders of equity securities on the Register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached to them but subject to such exclusions or other arrangements as the Board may deem necessary or expedient with regard to treasury Shares, fractional entitlements or legal or practical problems under the laws of any territory or under the requirements of any recognised regulatory body or stock exchange in any territory;

(b) **prescribed period** means any period (not exceeding five years on any occasion) for which the authority, in the case of Article 47.3, is conferred or renewed by ordinary or special resolution stating the Section 551 Amount, and, in the case of Article 47.4, is conferred or renewed by special resolution stating the Section 561 Amount;

(c) **Section 551 Amount** means for any prescribed period, the amount stated in the relevant ordinary or special resolution;

(d) **Section 561 Amount** means for any prescribed period, the amount stated in the relevant special resolution; and

(e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into Shares, the nominal amount of such Shares which may be allotted pursuant to such rights.

## Partly paid Shares

### 48 **Company's lien over partly paid Shares**

48.1 The Company has a lien (the **Company's lien**) over every Share which is partly paid for any part of:

(a) that Share's nominal value; and

(b) any premium at which it was issued;

which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

48.2 The Company's lien over a Share:

(a) takes priority over any third party's interest in that Share; and

- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 48.3 The Board may at any time decide that a Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.
- 49 **Enforcement of the Company's lien**
- 49.1 Subject to the provisions of this Article 49, if:
  - (a) a lien enforcement notice has been given in respect of a Share; and
  - (b) the person to whom the notice was given has failed to comply with it,the Company may sell that Share in such manner as the Board decides.
- 49.2 A lien enforcement notice:
  - (a) may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - (b) must specify the Share concerned;
  - (c) must require payment of the sum payable within 14 clear days of the notice;
  - (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
  - (e) must state the Company's intention to sell the Share if the notice is not complied with.
- 49.3 Where Shares are sold under this Article 49:
  - (a) the Board may authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and
  - (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 49.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
  - (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
  - (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the Shares before the sale for any money payable in respect of the Shares after the date of the lien enforcement notice.
- 49.5 A statutory declaration by a Director or the Secretary that the declarant is a Director or the Secretary and that a Share has been sold to satisfy the Company's lien on a specified date;

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

## 50 **Call notices**

50.1 Subject to these Articles and the terms on which Shares are allotted, the Board may send a notice (a **call notice**) to a Member requiring the Member to pay the Company a specified sum of money (a **call**) which is payable in respect of Shares which that Member holds at the date when the Board decides to send the call notice.

50.2 A call notice:

- (a) may not require a Member to pay a call which exceeds the total sum unpaid on that Member's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium);
- (b) must state when and how any call to which it relates is to be paid; and
- (c) may permit or require the call to be paid by instalments.

50.3 A Member must comply with the requirements of a call notice, but no Member is obliged to pay any call before 14 days have passed since the notice was sent.

50.4 Before the Company has received any call due under a call notice the Board may:

- (a) revoke it wholly or in part; or
- (b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the Member in respect of whose Shares the call is made.

## 51 **Liability to pay calls**

51.1 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.

51.2 Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share.

51.3 Subject to the terms on which Shares are allotted, the Board may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them:

- (a) to pay calls which are not the same; or
- (b) to pay calls at different times.

## 52 **When call notice need not be issued**

52.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):

- (a) on allotment;
- (b) on the occurrence of a particular event; or

(c) on a date fixed by or in accordance with the terms of issue.

52.2 If the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

### 53 **Failure to comply with call notice**

53.1 If a person is liable to pay a call and fails to do so by the call payment date:

- (a) the Board may issue a notice of intended forfeiture to that person; and
- (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

53.2 For the purposes of this Article 53:

- (a) the **call payment date** means the time when the call notice states that a call is payable, unless the Board gives a notice specifying a later date, in which case the **call payment date** means that later date;
- (b) the **relevant rate** means:
  - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
  - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the Board; or
  - (iii) if no rate is fixed in either of these ways, 5 per cent. per annum.

53.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

53.4 The Board may waive any obligation to pay interest on a call wholly or in part.

### 54 **Notice of intended forfeiture**

54.1 A notice of intended forfeiture:

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise by law;
- (c) must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice;
- (d) must state how the payment is to be made; and
- (e) must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

### 55 **Board's power to forfeit Shares**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the Board may

decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other monies payable in respect of the forfeited Shares and not paid before the forfeiture.

## **56 Effect of forfeiture**

56.1 Subject to these Articles, the forfeiture of a Share extinguishes:

- (a) all interests in that Share, and all claims and demands against the Company in respect of it; and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.

56.2 Any Share which is forfeited in accordance with these Articles:

- (a) is deemed to have been forfeited when the Board decides that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the Board thinks fit.

56.3 If a person's Shares have been forfeited:

- (a) the Company must send that person notice that forfeiture has occurred and record it in the Register;
- (b) that person ceases to be a Member in respect of those Shares;
- (c) that person must surrender the certificate for the Shares (if in certificated form) forfeited to the Company for cancellation;
- (d) that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the Board may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

56.4 At any time before the Company disposes of a forfeited Share, the Board may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

## **57 Procedure following forfeiture**

57.1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Board may authorise any person to execute the instrument of transfer.

57.2 A statutory declaration by a Director or the Secretary that the declarant is a Director or the Secretary and that a Share has been forfeited on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

57.3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

57.4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:

- (a) was, or would have become, payable; and
- (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

## 58 **Surrender of Shares**

58.1 A Member may surrender any Share:

- (a) in respect of which the Board may issue a notice of intended forfeiture;
- (b) which the Board may forfeit; or
- (c) which has been forfeited.

58.2 The Board may accept the surrender of any such Share.

58.3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

58.4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

## 59 **Payment of commissions on subscription for Shares**

59.1 The Company may pay any person a commission in consideration for that person:

- (a) subscribing, or agreeing to subscribe, for Shares; or
- (b) procuring, or agreeing to procure, subscriptions for Shares.

59.2 Any such commission may be paid:

- (a) in cash, or in fully paid or partly paid Shares or other securities, or partly in one way and partly in the other; and
- (b) in respect of a conditional or an absolute subscription.

## 60 **Trusts not to be recognised**

Except as required by law or otherwise in accordance with these Articles, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any interest in or right in respect of any Share, except an absolute right to the entirety thereof in the Member.

## 61 **Share warrants**

- 61.1 The Company may, with respect to any fully paid Shares, issue a Share Warrant stating that the bearer of the warrant is entitled to the Shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the Shares included in a Share Warrant.
- 61.2 The powers referred to in Article 61.1 may be exercised by the Board, which may determine and vary the conditions on which Share Warrants shall be issued, and in particular on which:
- (a) a new Share Warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new Share Warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);
  - (b) the bearer of a Share Warrant shall be entitled to receive notice of and to attend, vote and demand a poll at General Meetings;
  - (c) dividends will be paid; and
  - (d) a Share Warrant may be surrendered and the name of the holder entered in the Register in respect of the Shares specified in it.
- 61.3 Subject to such conditions and to these Articles, the bearer of a Share Warrant shall be deemed to be a Member for all purposes. The bearer of a Share Warrant shall be subject to the conditions for the time being in force and applicable thereto, whether made before or after the issue of such Share Warrant.

## **Variation of rights**

### 62 **Manner of variation of rights**

- 62.1 Subject to the provisions of the Act, any of the rights or privileges for the time being attached to any class of Share may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding-up, in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued Shares of the class (excluding any Shares of that class held as treasury Shares) or with the sanction of a special resolution passed at a separate General Meeting of the holders of the Shares of the class duly convened and held as hereinafter provided (but not otherwise).
- 62.2 To every such separate General Meeting the provisions of Chapter 3 of Part 13 of the Act (save as stated in sections 334(2) to (3) of the Act) and of these Articles relating to General Meetings or the proceedings at such meetings shall apply mutatis mutandis, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons holding or representing by proxy not less than one-third in nominal value of the issued Shares of the class and at an adjourned meeting shall be one person holding Shares of the class or his proxy.
- 62.3 Every holder of Shares of the class, present in person or by proxy, may demand a poll. Each such holder shall, on a poll, have one vote in respect of every Share of the class held by him.
- 62.4 The foregoing provisions of this Article shall apply also to the variation or abrogation of the special rights attached to some only of the Shares of any class as

if each group of Shares of the class differently treated formed a separate class the special rights of which are to be varied.

62.5 Shares in the capital of the Company shall not be treated as a separate class of Shares either by becoming, or by ceasing to be, a Participating Security or held in uncertificated form.

62.6 The Board may convene a class meeting whenever it thinks fit and whether or not the business to be transacted involves a variation or abrogation of class rights.

### 63 **Deemed variation**

63.1 Subject to the terms on which any Shares may be issued, the rights or privileges attached to any class of Shares shall be deemed to be varied or abrogated by the reduction of the capital paid upon those Shares or by the allotment of further Shares ranking in priority thereto in any respect but shall not be deemed to be varied or abrogated by the creation or issue of any new Shares ranking *pari passu* in all respects (save as to the date from which such new Shares shall rank for dividend) with or ranking subsequent to those already issued or by the purchase or redemption by the Company of its own Shares in accordance with the provisions of the Act and these Articles.

63.2 The rights attached to any class of Shares shall not be deemed to be varied by any securities in the capital of the Company becoming, or ceasing to be, a Participating Security.

### **Alteration of share capital**

#### 64 **Uncertificated Shares**

64.1 Subject to the Statutes, the Board may at any time resolve that a class of Shares is to become a Participating Security and may at any time resolve that a class of Shares shall cease to be a Participating Security.

64.2 The Board shall have power to implement such arrangements as it may, in its absolute discretion, think fit in relation to the evidencing and transfer of Uncertificated Shares, subject always to the Uncertificated Securities Regulations and the rules and procedures of the Relevant System.

64.3 The Company shall enter on the Register the number of Shares held by each Member in uncertificated form and in certificated form and shall maintain the Register in each case as is required by the Uncertificated Securities Regulations and the Relevant System. Unless the Board otherwise determines, holdings of the holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.

64.4 Any Share of a class which is a Participating Security may be converted from an Uncertificated Share to a Certificated Share and from a Certificated Share to an Uncertificated Share in such manner as the Board may, in its absolute discretion, think fit, subject always to the Uncertificated Securities Regulations and the rules and procedures of the Relevant System.

64.5 In relation to any class of Shares which is a Participating Security, and for so long as that class of Shares or any part of that class of Shares remains a Participating Security, these Articles shall (notwithstanding anything else contained in these Articles) apply to Uncertificated Shares to the extent that they are consistent with:

(a) the holding of Shares in that class in uncertificated form;

- (b) the transfer of title to the Shares in that class by means of a Relevant System; and
- (c) the Uncertificated Securities Regulations and all Statutes.

64.6 Where the Company is entitled under any provision of the Statutes or the rules of the Relevant System or under these Articles to dispose of, forfeit, enforce a lien over, or otherwise procure the sale of, any Shares (or fractions of a Share) which are held in uncertificated form, the Board shall have the power (to the extent permitted by the Uncertificated Securities Regulations and the rules and practices of the Relevant System) to take such steps as may be required, by means of the Relevant System or otherwise, to effect such disposal, forfeiture, enforcement or sale and such powers shall (to the extent permitted as aforesaid) include the right to:

- (a) request or require the deletion of any computer-based entries in the Relevant System relating to the holding of such Shares in uncertificated form;
- (b) alter such computer-based entries so as to divest the registered holder of such Shares of the power to transfer such Shares to a person other than the transferee, purchaser or his nominee identified by the Company for this purpose;
- (c) require any holder of any Uncertificated Shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to change his holding of such Uncertificated Shares into certificated form within such period as may be specified in the notice, prior to completion of any disposal, sale or transfer of such Shares or direct the holder to take such steps as may be necessary to sell or transfer such Shares; and
- (d) appoint any person to take such other steps in the name of the holder of such Shares and such steps shall be as effected as if they had been taken by the registered holder of the Uncertificated Shares concerned.

## 65 **Procedure for disposing of fractions of Shares**

65.1 This Article 65 applies where:

- (a) there has been a consolidation or division of Shares, and
- (b) as a result, Members are entitled to fractions of Shares.

65.2 The Board may:

- (a) sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable;
- (b) in the case of a certificated Share, authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and
- (c) distribute the net proceeds of sale in due proportion among the holders of the Shares.

65.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than £3 (or such minimum figure as the Board may determine from time to time), that Member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

65.4 The person to whom the Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

65.5 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## 66 **Purchase of own Shares**

66.1 Subject to the provisions of the Statutes and to any rights for the time being attached to any Shares, the Company may purchase any of its own Shares of any class (including any redeemable Shares).

66.2 Subject to the remaining provisions of this Article 66, on a purchase of Shares in accordance with the Act the Company may:

(a) hold the Shares (or any of them) in treasury and deal with them in accordance with the Act; or

(b) cancel any of the Shares in accordance with the Act.

## **Share Certificates**

### 67 **General**

67.1 The provisions of this Article 67 relating to Share certificates will not apply so as to require the Company to issue to any person a certificate in respect of any Share where such person holds such Shares in uncertificated form.

67.2 Subject to the provisions of these Articles, any Member (excluding a Recognised Clearing House or a nominee of a Recognised Clearing House or a recognised investment exchange) in respect of any Shares shall be entitled, without charge, to receive within two months after allotment (or such period as the terms of issue of the Shares shall otherwise provide) or lodgement at the registered office of the Company of a transfer, one certificate under Seal for all the Shares of each class registered in his name.

67.3 Subject to the Statutes, these Articles and the requirements of the UKLA and the Stock Exchange, upon the conversion of an Uncertificated Share into a Certificated Share, the holder thereof (other than a Recognised Clearing House or a nominee of a Recognised Clearing House or a recognised investment exchange) will be entitled (unless the terms of issue of that Share otherwise provide) to a certificate, free of charge, in respect of all the Uncertificated Shares so converted into certificated form.

67.4 Every Share certificate shall be issued under the Seal (or in the case of Shares on a branch register, an official seal for use in the relevant territory) and shall specify the number and class of Shares in respect of which it is issued and the amount paid up thereon. No certificate shall be issued representing Shares of more than one class. Any of the Seals may be affixed by laser printer or in such other manner as the Board, having regard to the terms of the issue, the Statutes and the regulations of the UKLA and the Stock Exchange may authorise. Unless the Board otherwise determines, no definitive certificate shall be issued in respect of Shares held by a Recognised Clearing House or a nominee of a Recognised Clearing House or a recognised investment exchange.

67.5 The Company shall not issue more than one certificate in respect of Shares held jointly by two or more persons and delivery of a certificate to one of the joint holders shall be sufficient delivery to all joint holders.

67.6 Subject to the Statutes (including the Uncertificated Securities Regulations) and the rules for the time being of the Relevant System, the Company may issue Shares in uncertificated form and permit the same (whether or not in such form) to be transferred without the production of written forms of transfer or the creation of certificates and the Board may from time to time lay down regulations governing such issue and transfer, which regulations shall (to the extent they specify) operate in substitution for the relevant provisions of these Articles governing certificates and the transfer of Shares.

67.7 Where a Member (other than a Recognised Clearing House or a nominee of a Recognised Clearing House or a recognised investment exchange) has transferred part only of Shares comprised in a certificate he shall be entitled, without charge, to a new certificate for the balance of such Shares.

67.8 If and so long as all the issued Shares of the Company or all the issued Shares of a particular class are fully paid up and rank pari passu for all purposes, then none of those Shares shall bear a distinguishing number. In all other cases each Share shall bear a distinguishing number.

## 68 **Replacement Share certificates**

68.1 If a certificate issued in respect of a Member's Shares is:

- (a) damaged, defaced or worn out; or
- (b) said to be lost, stolen or destroyed,

that Member is entitled to be issued with a replacement certificate in respect of the same Shares.

68.2 A Member exercising the right to be issued with such a replacement certificate:

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity (with or without security) and the payment of a reasonable fee as the Directors decide.

68.3 Any two or more certificates representing Shares of any one class held by any Member may, at his request, be cancelled and a single new certificate for such Shares issued in lieu without charge on surrender of the original certificates for cancellation.

68.4 If any Member shall surrender for cancellation a Share certificate representing Shares held by him and request the Company to issue in lieu two or more Share certificates representing such Shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request subject to the payment of such fee (if any) as it may determine.

68.5 In the case of Shares held jointly by two or more persons any such request as is mentioned in this Article 68 may be made by any one of the joint holders of such Shares.

## **Transfer and transmission of Shares**

## 69 **Transfers of certificated Shares**

- 69.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 69.2 Certificated Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Board, which is executed by or on behalf of:
- (a) the transferor; and
  - (b) (if any of the Shares is partly paid) the transferee.
- 69.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 69.4 The Company may retain any instrument of transfer which is registered.
- 69.5 The transferor remains the holder of a certificated Share until the transferee's name is entered in the Register as holder of it.
- 69.6 The Board may refuse to register the transfer of a certificated Share if:
- (a) the Share is not fully paid;
  - (b) the transfer is not lodged at the Office or such other place as the Board has appointed;
  - (c) the transfer is not accompanied by the certificate for the Shares to which it relates, or such other evidence as the Board may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
  - (d) the Share transfer is not duly stamped or certified or adjudicated to be exempt from stamp duty;
  - (e) the transfer is in respect of more than one class of Share;
  - (f) the transfer is in favour of more than four transferees; or
  - (g) in such exceptional circumstances as approved by the UKLA and the Stock Exchange,

provided that such refusal could not prevent any Shares admitted to trading on AIM Market of the London Stock Exchange plc from continuing to be so admitted.

## 70 **Transfer of uncertificated Shares**

- 70.1 Subject to the requirements of the UKLA and the Stock Exchange, the Company shall register a transfer of title to any Uncertificated Share or any renounceable right or allotment of a Share which is a Participating Security held in an uncertificated form in accordance with the Uncertificated Securities Regulations, but so that the Board may refuse to register such transfer in any circumstance permitted or required by the Uncertificated Securities Regulations and the requirements of the Relevant System.
- 70.2 A transfer of an uncertificated Share must not be registered if it is in favour of more than four transferees.

## 71 **Notice of refusal**

If the Board refuses to register a transfer pursuant to Articles 69.6 or 70 it shall:

- (a) send the transferee notice of the refusal as soon as is practicable and in any case within two months after the date on which the transfer was lodged with the Company (in the case of Certificated Shares) or within two months after the date on which the appropriate instructions were received by or on behalf of the Company (in the case of Uncertificated Shares) in accordance with the rules and procedures of the Relevant System together with the reasons for the refusal; and
- (b) provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request except that nothing shall compel the Board to provide the transferee with a copy of the minutes of a meeting of the Board.

## 72 **Permitted Transfers**

No Shareholder is permitted to sell, transfer, assign, pledge, charge or otherwise dispose of a beneficial or other interest in any Share or create a trust or Encumbrance over any Share (and for which purposes a reference to a Share shall include a beneficial or other interest in a Share), except subject to and in accordance with Articles 73, 74, 75, 76, 77, and 78 (with any sale, transfer or other disposal pursuant to any of the aforementioned Articles being a **Permitted Transfer**).

## 73 **Associated parties**

73.1 Any Shareholder (the **Original Shareholder**) shall be permitted to sell, transfer, assign, pledge, charge or otherwise dispose of a beneficial or other interest in any Share or create a trust or Encumbrance over any Share (and for which purposes a reference to a Share includes a beneficial or other interest in a Share) to:

- (a) any member of its Group (where relevant);
- (b) any Family Member (where relevant); or
- (c) any Family Trust (where relevant),

(any such member of its Group or Family Member or Family Trust being a **Permitted Transferee**).

73.2 Any Permitted Transferee holding Shares pursuant to Article 73.1 may, at any time, transfer its Shares back to the Original Shareholder without being required to comply with Article 74.

73.3 Where the Permitted Transferee is a Family Member, the transmittee(s) of any such person shall within ten Business Days of that Family Member's death execute in favour of the Original Shareholder (or any Permitted Transferee of the Original Shareholder) and deliver to the Company a transfer of the Shares held by such Family Member without any price or other restriction.

73.4 Where the Permitted Transferee is a Family Trust, such Family Trust shall no later than five Business Days prior to it ceasing to be a Family Trust execute in favour of the Original Shareholder (or any Permitted Transferee of the Original Shareholder) and deliver to the Company a transfer of the Shares held by such Family Trust without any price or other restriction.

- 73.5 Where the Permitted Transferee is a member of the Original Shareholder's Group, the Permitted Transferee shall no later than five Business Days prior to it ceasing to be a member of the same Group execute in favour of the Original Shareholder (or any Permitted Transferee of the Original Shareholder) and deliver to the Company a transfer of the Shares held by such member of the Original Shareholder's Group without any price or other restriction.
- 73.6 If a Permitted Transferee fails to make a transfer in accordance with Articles 73.3, 73.4 and 73.5, a Transfer Notice shall be deemed to have been given in respect of all of the Shares held by the Permitted Transferee.
- 73.7 In circumstances where Article 73.6 applies:
- (a) the Company shall be constituted the agent and attorney of such Permitted Transferee for the purpose of taking such actions as are necessary to effect the proposed transfer;
  - (b) the Directors may authorise an officer of the Company or a Shareholder to complete, execute and deliver on behalf of such Permitted Transferee all or any necessary documents;
  - (c) the Company may receive any purchase money due to the Permitted Transferee in trust for the Permitted Transferee (without any obligation to pay interest) and give good discharge for it; and
  - (d) the Company may, subject to the transfer being duly stamped, enter (as appropriate) any Shareholder as the holder of the Shares acquired by it.

#### 74 **Pre-emption rights on the transfer of Shares**

- 74.1 A Shareholder wishing to transfer any of his Shares (**Selling Member**) shall, subject to these Articles, comply with this Article 74.
- 74.2 The Selling Member shall in a dated notice in writing to the Company (**Transfer Notice**) set out details of the proposed transfer or other disposal or dealing, specifying:
- (a) the Shares affected (**Sale Shares**);
  - (b) the price per Share at which the Selling Member is prepared to sell the Sale Shares (or if no price per Share is specified, then such price as may be determined by the Board) (**Sale Price**);
  - (c) the identity and address of any proposed transferee (**Purchaser**); and
  - (d) whether the proposed transfer by the Selling Member is subject to any Permitted Condition (but the absence of any reference to a Permitted Condition shall not obviate the need for a Permitted Condition where relevant).
- 74.3 Subject to the Articles, the Transfer Notice shall irrevocably and unconditionally constitute the Company the agent of the Selling Member in relation to the transfer of the Sale Shares, even if the Transfer Notice contains a provision to the contrary. A Transfer Notice shall not be revocable without the consent of the Board.
- 74.4 Within seven days of receiving the Transfer Notice, the Company shall by notice in writing offer the Sale Shares at the Sale Price to:

- (a) in the case of any Sale Shares which are A Ordinary Shares, the A Ordinary Shareholders (other than the Selling Member (where relevant)); or
- (b) in the case of any Sale Shares which are B Ordinary Shares, the B Ordinary Shareholders (other than the Selling Member (where relevant)),

inviting each Shareholder of the relevant class to state in writing to the Company within 14 days of the offer (**Offer Period**) whether it:

- (i) wishes to purchase all or some of the Sale Shares offered to it on a pro-rata basis to their existing shareholding at the Sale Price (and in each such case such Shareholder shall be an **Accepting Member**);
- (ii) wishes to purchase all of the Sale Shares offered to it including additional Shares in the event that any holders of the same class of any Shares shall elect not to take up their pro-rata entitlement; or
- (iii) does not wish to purchase any of the Sale Shares offered to it,

and if the Shareholder does not notify the Company in accordance with this Article 74.4 it shall be deemed to have declined the offer.

74.5 If the Accepting Member gives notice to the Company in accordance with Article 74.4(b)(i) that it wishes to purchase some only of the Sale Shares offered to it at the Sale Price, the Selling Member must transfer such Sale Shares to the Accepting Member at that price and otherwise in compliance with the Articles.

74.6 If the Accepting Member gives notice to the Company in accordance with Article 74.4(b)(i) that it wishes to purchase all of the Sale Shares offered to it at the Sale Price or in accordance with 74.4(b)(ii) that it wishes to purchase a greater number of Sale Shares at the Sale Price than was offered to it, then the Company shall on expiry of the Offer Period allocate the Sale Shares as follows:

- (a) an Accepting Member shall be entitled to that proportion, without involving fractions, of the Sale Shares that its shareholding, at the expiry of the Offer Period, bears to the total shareholdings at such date of all Accepting Members, without involving fractions (**Pre-emption Proportion**), or the amount of the Sale Shares to which its acceptance relates, whichever is the less; and
- (b) if relevant, an Accepting Member who wishes to purchase more than its Pre-emption Proportion (**Excess Proportion**) shall receive that proportion of any remaining unallocated Shares as its Excess Proportion bears to the total Excess Proportions of any Accepting Members who also wish to purchase Excess Proportions.

74.7 The Company shall within five Business Days of the expiry of the Offer Period notify the Accepting Members of their allocation and shall inform the Selling Member of the identity of the Accepting Members and the number of Sale Shares allocated to them. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

74.8 Within:

- (a) five Business Days of receiving notification from the Company pursuant to Article 74.7 where there is no Permitted Condition; or
- (b) five Business Days of satisfaction or waiver (if permitted) of any Permitted Condition, the relevant party/ies using all reasonable endeavours to satisfy or waive (if permitted) such Permitted Condition,

the Selling Member shall transfer the Sale Shares to the Accepting Members in accordance with their respective allocations and the Accepting Members shall pay the Sale Price.

74.9 In the event that there are no or insufficient acceptances of all of the Sale Shares, the Company may either:

- (a) elect to purchase all or some of the Sale Shares not taken up by existing Shareholders at the Sale Price, which must be purchased in accordance with Article 66; or
- (b) allocate and transfer the remaining Shares to such persons as it may determine on such terms as the Directors may determine (acting by simple majority).

74.10 If the Company elects not to purchase all of the Sale Shares which have not been taken up or allocate and transfer such Sale Shares to such persons as the Directors may determine, the Company shall inform the Selling Member within five Business Days of such election, and subject as may be otherwise provided in these Articles, the Selling Member may then transfer any or all of the Sale Shares which have not been taken up to the proposed transferee identified in the Transfer Notice at a price not less than the Sale Price and subject to any other terms as the Directors may determine.

## 75 **Drag along**

75.1 If a Shareholder majority (being the holders of at least 75% by nominal value of the Ordinary Shares in issue for the time being) (the **Selling Shareholders**) wish to transfer all of their interest in their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request including the Company in respect of any Shares held in treasury (if any) (**Called Shareholders**) to sell and transfer all (but not some only) of their respective interest in their Shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 75.

75.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) to the Called Shareholders at any time before the completion of the transfer of the Selling Shareholders' Shares to the Proposed Buyer. The Drag Along Notice shall specify:

- (a) that the Called Shareholders are required to transfer all of their interest in their Shares (**Called Shares**) pursuant to this Article 75;
- (b) the identity of the Proposed Buyer;
- (c) the price per Share for the Called Shares which shall, for each Called Share, be an amount equal to the price per Share offered by the Proposed Buyer for each of the Selling Shareholders' Shares;

- (d) any other terms, being terms offered by the Proposed Buyer to each of the Selling Shareholders; and
- (e) the proposed date of completion (if practicable) of the transfer of the Called Shares, subject to any Permitted Condition having been satisfied or waived (if permitted), which date shall be the same date for completion of the transfer of the Sellers' Shares,

and, once given, a Drag Along Notice may not be revoked.

75.3 Within:

- (a) ten Business Days of receiving the Drag Along Notice where there is no Permitted Condition; or
- (b) ten Business Days of satisfaction or waiver (if permitted) of any Permitted Condition, the relevant party/ies using all reasonable endeavours to satisfy or waive (if permitted) such Permitted Condition,

the holders of the Sellers' Shares and the Called Shares shall transfer their Shares to the Proposed Buyer and the Proposed Buyer shall pay the price per Share as specified in the Drag Along Notice and any other relevant terms specified in the Drag Along Notice.

75.4 On completion of the sale of the Sellers' Shares and the Called Shares in accordance with Article 75.3, the Selling Shareholders and the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof).

75.5 If any of the Selling Shareholders or Called Shareholders fails to deliver to the Proposed Buyer (or as a Proposed Buyer may direct) a duly executed stock transfer form (or forms) in respect of the Shares held by it (together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof)) the defaulting Selling Shareholder or Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Company to be its agent and attorney to execute and deliver all necessary transfers on its behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the relevant Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any relevant Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a Share certificate shall not impede the registration of any transfer of Shares under this Article 75.

75.6 Any transfer of Sellers' Shares or Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 74.

75.7 No transfer shall be permitted pursuant to Articles 73, 74, 76, 77 or 78 in the event that there is service of a Drag Along Notice (save in respect of any such transfer which has completed before the date of service of such Drag Along Notice).

## 76 Tag along

76.1 The provisions of Article 76 shall apply if, in one or a series of related transactions, one or more Shareholders (**Sellers**) propose to transfer any of their Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and

any person acting in concert with the Buyer, acquiring in excess of 50 per cent of the issued share capital of the Company.

- 76.2 The Sellers shall procure that, prior to signing any definitive agreement relating to the Proposed Transfer, the Buyer shall make an offer (**Offer**) to each Shareholder and, in respect of all Shares held in treasury, the Company (each an **Offeree**) to buy all of the Shares held by such Offerees on the date of the Offer for a consideration in cash per Share (the **Offer Price**) that is at least equal to the highest price per Share offered, paid or to be paid by the Buyer (or any person(s) acting in concert with the Buyer) for any Shares in connection with the Proposed Transfer or any transaction involving the Buyer (or any person(s) acting in concert with the Buyer) in the six calendar months preceding the date of the Offer.
- 76.3 The Buyer may make the Offer by notice in writing (an **Offer Notice**) addressed to each Offeree at any time before the completion of the transfer of the Shares held by the Sellers. The Offer Notice shall specify:
- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
  - (b) the Offer Price and any other terms and conditions of the Offer being the same terms offered by the Buyer to the Sellers;
  - (c) the number of Shares which would be held by the Buyer (and any persons acting in concert with the Buyer) on completion of the Proposed Transfer and on completion of the Shares held by the Offerees, subject to any Permitted Condition having been satisfied or waived (if permitted); and
  - (d) the proposed date of completion (if practicable) of the Proposed Transfer and transfer of the Shares held by the Offerees, subject to any Permitted Condition having been satisfied or waived (if permitted), which date shall be the same date for completion of the transfer of the Shares held by the Sellers and the Offerees.
- 76.4 Within:
- (a) ten Business Days of receiving the Offer Notice where there is no Permitted Condition; or
  - (b) ten Business Days of satisfaction or waiver (if permitted) of any Permitted Condition, the relevant party/ies using all reasonable endeavours to satisfy or waive (if permitted) such Permitted Condition,
- the Sellers and the holders of the Shares which are the subject of the Offer Notice shall transfer their Shares to the Buyer and the Buyer shall pay the consideration payable as specified in the Offer and in accordance with any other relevant terms specified in the Offer.
- 76.5 On completion of the sale of the Sellers' Shares and the Shares held by the Offerees in accordance with Article 76.4, the Sellers and the Offerees shall deliver stock transfer forms for their Shares in favour of the Buyer (or as the Buyer may direct), together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof).
- 76.6 If any of the Sellers or Offerees fail to deliver to the Buyer (or as a Buyer may direct) a duly executed stock transfer form (or forms) in respect of the Shares held by it (together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof)) the defaulting Sellers or Offerees shall be deemed to have appointed any person nominated for the purpose by the Company to be its

agent and attorney to execute and deliver all necessary transfers on its behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the relevant Shares. After the Buyer (or person(s) nominated by the Buyer) has been registered as the holder of any relevant Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a Share certificate shall not impede the registration of any transfer of Shares under this Article 76.

76.7 If the Buyer fails to make the Offer to all of the Shareholders in accordance with this Article, the Sellers shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares the subject of the Proposed Transfer.

## 77 **Event of Default**

77.1 If an Event of Default occurs, the Defaulting Shareholder shall notify the other Shareholders as soon as possible, and, if it does not, it shall be deemed to have given notice of the Event of Default (**Default Offer**) on the first date on which any one of the non-defaulting Shareholders becomes aware of such Event of Default.

77.2 Pursuant to the Default Offer, the Defaulting Shareholder shall be deemed to offer to sell all of the Shares held by it at the date of the Default Offer (**Default Shares**) to the relevant non-defaulting Shareholders (in accordance with Article 77.5). The price per Default Share shall be equal to 90 per cent of the Fair Price (as calculated pursuant to Article 79) (such price being the **Default Price**).

77.3 From the time a Default Offer is made under Article 77.2 until the Default Shares are transferred:

- (a) the Defaulting Shareholder shall not exercise any voting rights attached to the Default Shares and any requirement contained in the Articles for a certain number of Shareholders to be present at a meeting of the Company to constitute a quorum shall be met without the attendance or presence of the Defaulting Shareholder notwithstanding that a particular number or certain type of Shareholder is normally required in order to constitute a quorum;
- (b) the Defaulting Shareholder shall cease to have the right to appoint any Director(s);
- (c) except as required by law, the Defaulting Shareholder shall not be entitled to receive or request any information from the Company under the Articles;
- (d) the Defaulting Shareholder shall cease to receive dividends or other distributions; or
- (e) the Defaulting Shareholder shall cease to participate in any future issue and allotment of Shares.

77.4 Subject to the Articles, the Default Offer shall irrevocably and unconditionally constitute the Company the agent of the Defaulting Shareholder in relation to the transfer of the Default Shares, even if the Default Offer contains a provision to the contrary. A Default Offer shall not be revocable without the consent of the Board.

77.5 Within five Business Days of the Default Price having been determined, the Company shall by notice in writing offer the Default Shares at the Default Price to:

- (a) in the case of any Default Shares which are A Ordinary Shares, the A Ordinary Shareholders (other than the Defaulting Shareholder (where relevant)); or
- (b) in the case of any Default Shares which are B Ordinary Shares, the B Ordinary Shareholders (other than the Defaulting Shareholder (where relevant)),

inviting each Shareholder of the relevant class to state in writing to the Company within 14 days of the Default Offer (**offer period**) whether it:

- (i) wishes to purchase all or some of the Default Shares offered to it on a pro-rata basis to their existing shareholding at the Default Price (and in each such case such Shareholder shall be an **Accepting Shareholder**);
- (ii) wishes to purchase all of the Default Shares offered to it including additional Shares in the event that any holders of the same class of Shares shall elect not to take up their pro-rata entitlement; or
- (iii) does not wish to purchase any of the Default Shares offered to it,

and if the Shareholder does not notify the Company in accordance with this Article 77.5 it shall be deemed to have declined the offer.

77.6 If the Accepting Shareholder gives notice to the Company in accordance with Article 77.5(b)(i) that it wishes to purchase some only of the Default Shares offered to it at the Default Price, the Defaulting Shareholder must transfer such Default Shares to the Accepting Shareholder at that price and otherwise in compliance with the Articles.

77.7 If the Accepting Shareholder gives notice to the Company in accordance with Article 77.5(b)(i) that it wishes to purchase all of the Default Shares offered to it at the Default Price or in accordance with 77.5(b)(ii) that it wishes to purchase a greater number of Default Shares at the Default Price than was offered to it, then the Company shall on expiry of the offer period allocate the Default Shares as follows:

- (a) an Accepting Shareholder shall be entitled to that proportion, without involving fractions, of the Default Shares that its shareholding, at the expiry of the offer period, bears to the total shareholdings at such date of all Accepting Shareholders, without involving fractions (**Pre-emption Proportion**), or the amount of the Default Shares to which its acceptance relates, whichever is the less; and
- (b) if relevant, an Accepting Shareholder who wishes to purchase more than its Pre-emption Proportion (**Excess Proportion**) shall receive that proportion of any remaining unallocated Shares as its Excess Proportion bears to the total Excess Proportions of any Accepting Shareholders who also wish to purchase Excess Proportions.

77.8 The Company shall within five Business Days of the expiry of the offer period notify the Accepting Shareholders of their allocation and shall inform the Defaulting Shareholder of the identity of the Accepting Shareholders and the number of Default Shares allocated to them. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Default Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a

Shareholder of more than the maximum number of Default Shares which he has stated he is willing to buy.

77.9 Within:

- (a) five Business Days of receiving notification from the Company pursuant to Article 77.8 where there is no Permitted Condition; or
- (b) five Business Days of satisfaction or waiver (if permitted) of any Permitted Condition, the relevant party/ies using all reasonable endeavours to satisfy or waive (if permitted) such Permitted Condition,

the Defaulting Shareholder shall transfer the Default Shares to the Accepting Shareholders in accordance with their respective allocations and the Accepting Shareholders shall pay the Default Price.

77.10 On completion of the sale of the Default Shares, the Defaulting Shareholder shall deliver stock transfer forms for their Shares in favour of the Accepting Shareholders, together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof).

77.11 If the Default Shareholder fails to deliver to the Accepting Shareholders a duly executed stock transfer form (or forms) in respect of the Default Shares held by it (together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof)) the Defaulting Shareholder shall be deemed to have appointed any person nominated for the purpose by the Company to be its agent and attorney to execute and deliver all necessary transfers on its behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the relevant Shares. After the Accepting Shareholders has been registered as the holder of any relevant Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a Share certificate shall not impede the registration of any transfer of Shares under this Article 77.

77.12 In the event that there are no or insufficient acceptances of all of the Default Shares, the Company may either:

- (a) elect to purchase all or some of the Default Shares not taken up by existing Shareholders at the Default Price, which must be purchased in accordance with Article 66; or
- (b) allocate and transfer the remaining Shares to such persons as it may determine on such terms as the Directors may determine (acting by simple majority).

77.13 If the Company elects not to purchase all of the Default Shares which have not been taken up or allocate and transfer such Default Shares to such persons as the Directors may determine, the Company shall inform the Defaulting Shareholder within five Business Days of such election, and the provisions of Article 77.3 shall continue to apply.

## 78 **Good Leaver and Bad Leaver**

78.1 The provisions of this Article 78 shall apply to any Executive Director who becomes either a Good Leaver or a Bad Leaver.

78.2 If an Executive Director becomes either a Good Leaver or a Bad Leaver, that Executive Director shall be deemed to have given a notice (**Leaver Notice**) in

respect of all of the Shares held by the Executive Director on the date on which he ceased to be an employee and/or a Director (**Executive Shares**).

78.3 Pursuant to the Leaver Notice:

- (a) where the Executive Director is a Good Leaver, he shall be deemed to offer to sell such percentage of the Executive Shares (such percentage as determined below) to the relevant Shareholders at a price per Executive Share equal to the Fair Price (as calculated pursuant to Article 79), such relevant percentage being at least 75% of his shareholding if the Executive Director departs within his first year of service, at least 50% of his shareholding if the Executive Director departs within his second year of service, at least 25% if the Executive Director departs within his third year of service, but the Executive Director shall not be obliged to offer to sell any of his shareholding if he departs within his fourth year of service;
- (b) where the Executive Director is a Bad Leaver, he shall be deemed to offer to sell all of the Executive Shares to the relevant Shareholders at the lower of either the Fair Price (as calculated pursuant to Article 79) or by reference to the price per Share which the Executive Director paid to acquire the Executive Shares (and where the Executive Director acquired Executive Shares on more than one occasion the price per Share shall be the price which he paid to acquire his first Executive Shares).

78.4 From the time an Executive Director becomes a Good Leaver (in which case (b) below shall apply) or a Bad Leaver (in which case all of (a) to (e) below shall apply):

- (a) the Executive Director shall not exercise any voting rights attached to his Shares and any requirement contained in the Articles for a certain number of Shareholders to be present at a meeting of the Company to constitute a quorum shall be met without the attendance or presence of the Executive Director notwithstanding that a particular number or certain type of Shareholder is normally required in order to constitute a quorum;
- (b) the Executive Director shall cease to have the right to appoint any Director(s) and shall cease to be a Director himself (if he has not already done so);
- (c) except as required by law, the Executive Director shall not be entitled to receive or request any information from the Company under the Articles;
- (d) the Executive Director shall cease to receive dividends or other distributions; and
- (e) the Executive Director shall cease to participate in any future issue and allotment of Shares.

78.5 The Leaver Notice shall irrevocably and unconditionally constitute the Company as the agent of the Executive Director in relation to the transfer of his Executive Shares, even if the Leaver Notice contains a provision to the contrary. A Leaver Notice shall not be revocable without the consent of the Board and shall be notified (to the extent not already done) to all relevant Shareholders (as determined in accordance with Article 78.6).

78.6 Within five Business Days of the relevant price having been determined pursuant to Article 78.3 (**Relevant Price**), the Company shall by notice in writing offer the Executive Shares at the Relevant Price to:

- (a) in the case of any Executive Shares which are A Ordinary Shares, the A Ordinary Shareholders (other than the Executive Director (where relevant)); or
- (b) in the case of any Executive Shares which are B Ordinary Shares, the B Ordinary Shareholders (other than the Executive Director (where relevant)),

inviting each Shareholder of the relevant class to state in writing to the Company within 14 days of the Leaver Notice (**offer period**) whether it:

- (i) wishes to purchase all or some of the Executive Shares offered to it on a pro-rata basis to their existing shareholding at the Relevant Price (and in each such case such Shareholder shall be an **accepting shareholder**);
- (ii) wishes to purchase all of the Executive Shares offered to it on a pro-rata basis to their existing shareholding at the Relevant Price, including any additional Shares in the event that any holders of the same class of Shares shall elect not to take up their pro-rata entitlement; or
- (iii) does not wish to purchase any of the Executive Shares offered to it,

and if any relevant Shareholder does not notify the Company in accordance with this Article 78.6 it shall be deemed to have declined the offer.

78.7 If the accepting shareholder gives notice to the Company in accordance with Article 78.6(b)(i) that it wishes to purchase some only of the Executive Shares offered to it at the Relevant Price, the Executive Director must transfer such Executive Shares to the accepting shareholder at that price and otherwise in compliance with the Articles.

78.8 If the accepting shareholder gives notice to the Company in accordance with Article 78.6(b)(i) that it wishes to purchase all of the Executive Shares offered to it at the Relevant Price or in accordance with Article 78.6(b)(ii) that it wishes to purchase a greater number of Executive Shares at the Relevant Price than was offered to it, then the Company shall on expiry of the offer period allocate the Executive Shares as follows:

- (a) an accepting shareholder shall be entitled to that proportion, without involving fractions, of the Executive Shares that its shareholding, at the expiry of the offer period, bears to the total shareholdings at such date of all accepting shareholders, without involving fractions (**Pre-emption Proportion**), or the amount of the Executive Shares to which its acceptance relates, whichever is the less; and
- (b) if relevant, an accepting shareholder who wishes to purchase more than its Pre-emption Proportion (**Excess Proportion**) shall receive that proportion of any remaining unallocated Shares as its Excess Proportion bears to the total Excess Proportions of any accepting shareholders who also wish to purchase Excess Proportions.

78.9 The Company shall within five Business Days of the expiry of the offer period notify the accepting shareholders of their allocation and shall inform the Executive Director (or any relevant person on his behalf) of the identity of the accepting shareholders and the number of Executive Shares allocated to them. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Executive Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the

Directors). No allocation shall be made to an accepting shareholder of more than the maximum number of Executive Shares which he has stated he is willing to buy.

78.10 Within:

- (a) five Business Days of receiving notification from the Company pursuant to Article 78.9 where there is no Permitted Condition; or
- (b) five Business Days of satisfaction or waiver (if permitted) of any Permitted Condition, the relevant party/ies using all reasonable endeavours to satisfy or waive (if permitted) such Permitted Condition,

the Executive Director (or any relevant person on his behalf) shall transfer the Executive Shares to the accepting shareholders in accordance with their respective allocations and the accepting shareholders shall pay the Relevant Price.

78.11 On completion of the sale of the Executive Shares, the Executive Director (or any relevant person on his behalf) shall deliver stock transfer forms for the Executive Shares in favour of the accepting shareholders, together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof).

78.12 If the Executive Director (or any relevant person on his behalf) fails to deliver to the accepting shareholders a duly executed stock transfer form (or forms) in respect of the Executive Shares held by it (together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof)) the Executive Director shall be deemed to have appointed any person nominated for the purpose by the Company to be its agent and attorney to execute and deliver all necessary transfers on its behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the relevant Shares. After the accepting shareholders have been registered as the holder of any relevant Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a Share certificate shall not impede the registration of any transfer of Shares under this Article 78.

78.13 In the event that there are no or insufficient acceptances of all of the Executive Shares, the Company may either:

- (a) elect to purchase all or some of the Executive Shares not taken up by existing Shareholders at the Relevant Price, which must be purchased in accordance with Article 66; or
- (b) allocate and transfer the remaining Executive Shares to such persons as it may determine on such terms as the Directors may determine (acting by simple majority).

78.14 If the Company elects not to purchase all of the Executive Shares which have not been taken up or allocate and transfer such Executive Shares to such persons as the Directors may determine, the Company shall inform the Executive Director (or any relevant person on his behalf) within five Business Days of such election, and the provisions of Article 78.4 (where relevant) shall continue to apply.

## 79 Fair Price

79.1.1 Pursuant to Articles 77 or 78 the Company shall (where relevant) appoint an independent firm of accountants as the Experts, requiring the Experts to determine the Fair Price within 20 Business Days of their appointment and to notify the Company in writing of their determination.

- 79.1.2 The Shareholders shall be entitled to make submissions to the Experts including oral submissions and will provide (or procure that the Company provides) the Experts with such assistance and documents as the Experts may reasonably require for the purpose of reaching a decision, subject to them agreeing such confidentiality provisions as the Shareholders may reasonably impose.
- 79.1.3 The Directors will give the Experts access to all accounting records or other relevant documents, subject to them agreeing such confidentiality provisions as the Directors (acting by way of simple majority) may reasonably impose.
- 79.1.4 To the extent not provided for by this Article, the Experts may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.
- 79.1.5 The Experts shall act as expert and not as arbitrator and their written determination shall be final and binding on the Shareholders (in the absence of manifest error or fraud). If any difficulty arises in applying any of the bases and assumptions used in calculating the Fair Price, then the Experts shall resolve that difficulty in whatever manner they think fit in their absolute discretion.
- 79.1.6 The cost of obtaining the Experts' valuation shall be borne by the proposed transferor of the Shares.

## **80 General terms on transfers of Shares or purchase of own Shares**

- 80.1 Any transfer of Shares shall be on the following terms:
- 80.1.1 the Shares are transferred free from all Encumbrances; and
- 80.1.2 the Shares are transferred with the benefit of all rights attaching to them as at the transfer date of those Shares.
- 80.2 Where a Shareholder wishes to transfer all of the Shares held by it pursuant to any of the Articles, this shall include any Shares acquired by that Shareholder after the date on which it indicated that it wishes to transfer all of its Shares.

## **81 Transmission of Shares**

- 81.1 If title to a Share passes to a transmittee by reason of the holder's death or bankruptcy or otherwise by law, the Company may only recognise the transmittee as having any title to that Share.
- 81.2 Nothing in these Articles releases the estate of a deceased Member from any liability in respect of a Share solely or jointly held by that Member.

## **82 Transmittees' rights**

- 82.1 A transmittee who produces such evidence of entitlement to Shares as the Board may properly require:
- (a) may, subject to these Articles, choose either to become the holder of those Shares or to have them transferred to another person; and
- (b) subject to these Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.

82.2 Transmittees do not have the right to attend or vote at a General Meeting in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise by law, unless they become the holders of those Shares.

### **83 Exercise of transmittees' rights**

83.1 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.

83.2 Subject to Article 83.4, if the Share is a certificated Share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

83.3 Subject to Article 83.4, if the Share is an uncertificated Share and the transmittee wishes to have it transferred to another person, the transmittee must:

- (a) procure that all appropriate instructions are given to effect the transfer; or
- (b) procure that the uncertificated Share is changed into certificated form and then execute an instrument of transfer in respect of it.

83.4 Any transfer made or executed under this Article 83 is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred, and shall otherwise be made in accordance with these Articles.

### **84 Transmittees bound by prior notices**

If a notice is given to a Member in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the Member before the transmittee's name has been entered in the Register.

### **85 Closing of the Register**

85.1 Subject to Article 85.2, the registration of transfers of Shares or of any class of Shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine. Any closing of the Register shall be notified in accordance with the Act.

85.2 The Company will not close the Register in respect of a Participating Security without the consent of the operator of the Relevant System.

### **86 Retention of transfer**

All instruments of transfer which are registered may be retained by the Company.

### **87 No fee on registration**

The Company shall not charge any fee in respect of the registration of any transfer, probate or letters of administration, certificate of marriage or death, stop notice, power of attorney, court order or other documentation relating to or affecting the title to any Share.

### **88 Destruction of documents**

88.1 The Company may destroy:

- (a) any instrument of transfer after six years from the date on which it is registered (or such shorter period as the Board shall determine provided an electronically scanned copy thereof is retained);

- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address, after two years from the date on which it is recorded (or such shorter period as the Board shall determine provided an electronically scanned copy thereof is retained);
- (c) any Share certificate, after one year from the date on which it is cancelled (or such shorter period as the Board shall determine provided an electronically scanned copy thereof is retained);
- (d) any proxy form, after one year from the date it was used if it was used for a poll, or after one month from the end of the meeting to which it relates if it was not used for a poll (provided an electronically scanned copy thereof is retained); and
- (e) any other document on the basis of which any entry in the Register is made, after six years from the date on which an entry was first made in the Register in respect of it (or such shorter period as the Board shall determine provided an electronically scanned copy thereof is retained).

88.2 It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every Share certificate so destroyed was duly cancelled, and that every other document so destroyed was valid and effective in accordance with the particulars in the records of the Company, provided that:

- (a) this Article 88.2 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this Article 88.2 shall be construed as imposing on the Company any liability in respect of the destruction of any such document otherwise than as provided for in this Article 88.2 which would not attach to the Company in the absence of this Article 88.2; and
- (c) references in this Article 88.2 to the destruction of any document include references to the disposal of it in any manner.

88.3 References in this Article 88 to instruments of transfer shall include, in relation to Uncertificated Shares, instructions and/or notifications made in accordance with the rules and procedures of the Relevant System relating to the transfer of such Shares.

## **Untraced Members**

### **89 Power of sale**

89.1 The Company shall be entitled to sell any Share of a Member, or any Share to which a person is entitled by transmission, if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 89.1(b) (or, if published on different dates, the earlier or earliest thereof), no cheque, order or warrant in respect of such Share sent by the Company through the post in a pre-paid envelope addressed to the Member or to the person entitled by transmission to the Share at his address on the Register or other last known address given by the Member or that person to which cheques, orders or warrants in respect of such Share are to be sent has been cashed and the Company has received

no communications in respect of such Share from such Member or person, provided that during such period of 12 years the Company has paid at least three dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it;

- (b) on expiry of the said period of 12 years the Company has given notice of its intention to sell such Share by advertisements appearing in both a national newspaper and in a newspaper circulating in the area in which the address referred to in Article 89.1 (a) is located;
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other;
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) and prior to the exercise of the power of sale the Company has not received any communication in respect of such Share from the Member or person entitled by transmission; and
- (e) if Shares of the class concerned are listed or dealt on the Stock Exchange, the Company has given notice to the Stock Exchange of its intention to make such sale.

89.2 The manner, timing and terms of any sale of Shares pursuant to this Article (including but not limited to the price or prices at which the same is made) shall be such as the Board determines, based upon advice from such bankers, brokers or other persons as the Board considers appropriate, to be reasonably practicable having regard to all the circumstances including the number of Shares to be disposed of and the requirement that the disposal be made without delay and the Board shall not be liable to any person for any of the consequences of reliance on such advice.

89.3 To give effect to any sale of Shares pursuant to this Article, the Board may authorise such person as it sees fit to transfer the Shares in question and may enter the name of the transferee in respect of the transferred Shares in the Register notwithstanding the absence of any Share certificate being lodged in respect thereof and may issue a new certificate to the transferee and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the Shares. The purchaser shall not be bound to see to the application of the purchase monies nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

89.4 If during the period of 12 years referred to in Article 89.1, or during any period ending on the date when all the requirements of paragraphs (a) to (e) of Article 89.1 (to the extent relevant) have been satisfied, any additional Shares have been issued in respect of those held at the beginning of, or previously so issued during, any such period and all the requirements of paragraphs (b) to (d) of Article 89.1 have been satisfied in relation to such additional Shares, the Company shall also be entitled to sell the additional Shares.

## 90 **Application of proceeds of sale**

The Company shall account to the Member or other person entitled to such Share for the net proceeds of such sale by crediting all monies in respect thereof to a separate account. The Company shall be deemed to be a debtor to, and not a trustee for, such Member or other person in respect of such monies. Monies

credited to such separate account may either be employed in the business of the Company or invested in such investments as the Board may from time to time think fit. No interest shall be payable to such Member or other person in respect of such monies and the Company shall not be required to account for any money earned on them.

## **Dividends**

### **91 Procedure for declaring dividends**

91.1 Subject to the Act and these Articles, the Company may by ordinary resolution declare dividends to be paid to Members according to their respective rights and interests in the profits of the Company.

91.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.

91.2.1 The Company shall not declare, pay or make any dividend or other distribution until all loans, loan notes, borrowings and indebtedness in the nature of borrowings made to the Company by the Shareholders have been repaid in full including all accrued interest. Subject to this, the Company shall, unless the Shareholders agree otherwise in relation to any particular financial year, distribute to the Shareholders in proportion to their existing holding of A Ordinary Shares or B Ordinary Shares such percentage as the Board determines in each financial year subject to any retention the Board may consider appropriate with respect to any other obligation or liability of the Company and the Board making reasonable provisions and transfers to reserves.

91.3 Unless the Members' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each Member's holding of Shares on the date of the resolution or decision to declare or pay it.

91.4 If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

91.5 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

91.6 If the Directors act in good faith, they do not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights.

### **92 Interim dividends**

Subject to the provisions of the Act and these Articles, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the financial position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on Shares which rank after Shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of Shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any Shares ranking after those with preferential rights.

93 **Entitlement to dividends**

Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the Shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid proportionally to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.

94 **Dividends not to bear interest**

Except as otherwise provided by the rights attached to Shares, no dividend or other monies payable by the Company or in respect of a Share shall bear interest as against the Company.

95 **Persons entitled by transmission**

The Board may retain the dividends payable upon Shares in respect of which any person is, under the provisions of these Articles relating to the transmission of Shares, entitled to become a Member, or to transfer such Shares, until such person shall become a Member in respect of such Shares or the Shares are transferred.

96 **Calls or debts may be deducted from dividends**

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

97 **Uncashed dividends**

If cheques, warrants or orders for dividends or other monies payable in respect of a Share sent by the Company to the person entitled thereto are left uncashed or returned to the Company undelivered on two consecutive occasions or on one occasion if such cheque, warrant or order is returned to the Company undelivered and the Board has made reasonable enquiries but has failed to establish a new address for the person entitled thereto, the Company shall not be obliged to send any dividends or other monies payable in respect of that Share due to that person until he notifies the Company of an address to be used for the purpose.

98 **Unclaimed dividends**

All dividends unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

99 **Payment of dividends and other distributions**

99.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the Board may otherwise decide;

- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Board may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Board may otherwise decide; or
- (d) any other means of payment as the Board agrees with the distribution recipient either in writing or by such other means as the Board decides.

**100 Deductions from distributions in respect of sums owed to the Company**

100.1 If:

- (a) a Share is subject to the Company's lien; and
- (b) the Board is entitled to issue a lien enforcement notice in respect of it,

it may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that it is entitled to require payment under a lien enforcement notice.

100.2 Money so deducted must be used to pay any of the sums payable in respect of that Share.

100.3 The Company must notify the distribution recipient in writing of:

- (a) the fact and amount of any such deduction;
- (b) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and
- (c) how the money deducted has been applied.

**101 No interest on distributions**

The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

- (a) the terms on which the Share was issued; or
- (b) the provisions of another agreement between the holder of that Share and the Company.

**102 Non-cash distributions**

102.1 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the Board, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, Shares or other securities in any company).

102.2 If the Shares in respect of which such non-cash distribution is paid are uncertificated, any Shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated.

102.3 For the purposes of paying a non-cash distribution, the Board may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

### 103 **Dividends by way of Ordinary Shares**

The Board may, if authorised by an ordinary resolution of the Company, offer holders of Ordinary Shares the right to elect to receive further Ordinary Shares paid up or credited as fully paid and ranking pari passu with all other Ordinary Shares for the time being in issue, in lieu of any dividend as may be determined by the Board.

### 104 **Waiver of distributions**

104.1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the company notice in writing to that effect, but if:

- (a) the Share has more than one holder; or
- (b) more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the Share.

### **Capitalisation of profits and scrip dividends**

#### 105 **Capitalisation of profits and appropriation of capitalised sums**

105.1 Subject to Article 106, the Board may:

- (a) capitalise any undivided profits of the Company (whether or not they are available for distribution) which are not required for paying any preferential dividend, or any sum standing to the credit of the Company's reserve accounts (including any Share premium account or capital redemption reserve) or to the credit of the profit and loss or retained earnings account; and
- (b) appropriate any sum which it so decides to capitalise (**capitalised sum**) either:
  - (i) to the holders of Ordinary Shares (on the Register at such time and on such date as may be specified in, or determined as provided in, the resolution of the General Meeting granting authority for such capitalisation) who would have been entitled thereto if distributed by way of dividend and in the same proportions (including for this purpose any Shares in the Company held as treasury Shares as if the restriction on payment of dividends in the Statutes did not apply) who would have been entitled to it if it were distributed by way of dividend (**persons entitled**); or

- (ii) to such holders of Ordinary Shares who may, in relation to any dividend or dividends, validly accept an offer or offers on such terms and conditions as the Board may determine (and subject to such exclusions or other arrangements as the Board may consider necessary or expedient to deal with legal or practical problems in respect of overseas Shareholders or in respect of Shares represented by depositary receipts) to receive new Ordinary Shares, credited as fully paid, in lieu of the whole or any part of any such dividend or dividends (any such offer being called a **scrip dividend offer**).

105.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

105.3 Any capitalised sum may be applied in paying up new Shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

105.4 A capitalised sum which was appropriated from profits available for distribution may be applied:

- (a) in or towards paying up any amounts unpaid on existing Shares held by the persons entitled; or
- (b) in paying up new debentures of the Company which are then allotted, credited as fully paid, to the persons entitled or as they may direct.

105.5 Subject to the Articles, the Board may:

- (a) apply capitalised sums in accordance with Articles 105.3 and 105.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this Article.

## 106 **Authority to capitalisation**

106.1 The authority of the Company by ordinary resolution at a General Meeting shall be required for any capitalisation pursuant to Article 106.1 and before the Board implements any scrip dividend offer (which authority may extend to one or more offers).

106.2 A Share premium account and a capital redemption reserve and any other amounts which are not available for distribution may only be applied in the paying up of unissued Shares to be allotted to holders of Ordinary Shares credited as fully paid.

## **PART 4 Decision-making by Members**

### **Organisation of General Meetings**

#### **107 Members can call General Meeting if no Directors**

If the Company has no Directors then any Member may call a General Meeting (or instruct the Secretary (if any) to do so) solely for the purpose of appointing one or more Directors and any reasonable expenses incurred by a Member in calling any such meeting shall be reimbursed by the Company.

#### **108 Annual General Meetings**

An annual General Meeting shall be held at such place, date and time as may be determined by the Board.

#### **109 Convening of General Meetings**

The Board may convene a General Meeting to be held at such time and in such place as the Board thinks fit. A General Meeting shall also be convened by the Board on a requisition from Members, or in default of the Board, may be convened by such requisitionists, as is provided by section 305 of the Act.

#### **110 Notice of General Meetings**

110.1 Subject to the provisions of section 307A of the Act, an annual General Meeting shall be called by not less than 21 clear days' notice. All other General Meetings shall be convened by not less than 14 clear days' notice in writing, unless agreed otherwise in accordance with the Act. A notice calling an annual General Meeting shall specify the meeting as such.

110.2 Notwithstanding that it is convened by shorter notice than that specified in Article 110.1, a separate General Meeting of holders of a class of Shares of the Company shall be deemed to have been duly convened if it is so agreed by a majority in number of the Members having the right to attend and vote at that meeting, being a majority together holding not less than 95 per cent. in nominal value of the class of Shares giving that right (excluding Shares held as treasury Shares).

110.3 The notice shall be given to the Members (other than any who, under the provisions of these Articles or of any restrictions imposed on any Shares, are not entitled to receive notice from the Company), to the Directors and to the Auditors.

110.4 If on three consecutive occasions any notice, document or other information has been sent or supplied (whether through the post or in electronic form) to any Member at his registered address or his address for the service of notices but have been returned undelivered (in the case of an item sent or supplied in electronic form, it will be treated as undelivered if the Company receives notification that it was not delivered to the address to which it was sent), such Member shall not thereafter be entitled to receive notices, documents or information from the Company until he shall have communicated with the Company and supplied in writing to the Office a new registered address or address within the United Kingdom for the services of notices, documents and information.

#### **111 Contents of notice**

111.1 The notice shall specify:

(a) whether the meeting is an annual General Meeting or a General Meeting;

- (b) the place, the day and the time of the General Meeting;
- (c) in the case of special business, the general nature of that business;
- (d) if the General Meeting is convened to consider a special resolution, the intention to propose the resolution as such;
- (e) details of any resolutions to be considered at the General Meeting; and
- (f) with reasonable prominence, that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a Member.

111.2 In the case of an annual General Meeting, the notice shall also specify the meeting as such and where notice of such annual general meeting is given more than 6 weeks before the date of the meeting, the notice must include a statement of the right under section 338 of the Act to require the Company to give notice of a resolution to be moved at the meeting.

**112 Omission to give, or non-receipt of, notice of resolution or meeting or proxy**

The accidental failure to give a notice of a General Meeting or of a resolution intended to be moved at a General Meeting, or to issue an invitation to appoint a proxy with a notice where required by these Articles to, or the non-receipt by, any one or more persons entitled to receive the same shall be disregarded for the purpose of determining whether notice of that General Meeting or any resolution to be moved at that meeting, is duly given.

**113 Circulation of resolutions and other matters on requisition of Members**

113.1 Subject to the Statutes, the Board shall on the requisition of members, and where relevant, those entitled under section 153 of the Act (**requisitionists**):

- (a) give to the members entitled to receive notice of the next annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting and of any matter which may properly be included in the business of that meeting;
- (b) circulate to the members entitled to receive notice of any General Meeting, a statement of not more than 1,000 words with respect to a matter referred to in any proposed resolution or other business to be dealt with at that meeting.

113.2 Members and requisitionists who requisition the Company to circulate a resolution or statement or any matter to be included in the business of a meeting must meet the expenses of the circulation (in this Article defined as costs) unless either:

- (a) in the case of an annual General Meeting, the request to circulate the resolution or statement or matter to be included in the business of the meeting is received by the Company before the end of the Company's financial year preceding the meeting; or
- (b) the Members have resolved that the Company will meet the costs.

113.3 In cases where the Members and the requisitionists have to meet the costs, the Company will, unless it has otherwise resolved, not be bound to circulate the resolution or statement or matter to be included in the business of the meeting unless there is deposited with it or tendered to it a sum or sums reasonably sufficient to meet the costs. The costs must, in the case of a resolution or matter to

be included in the business of the meeting, be deposited or tendered not later than six weeks before the date of the annual General Meeting to which the request relates, or if later, the time at which the notice of the meeting is given or, in the case of a statement, be deposited or tendered not later than one week before the date of the meeting to which it relates.

#### **114 Attendance and speaking at General Meetings**

114.1 A person is able to exercise the right to speak at a General Meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

114.2 A person is able to exercise the right to vote at a General Meeting when:

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

114.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a General Meeting to exercise their rights to speak or vote at it.

114.4 In determining attendance at a General Meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.

114.5 Two or more persons who are not in the same place as each other attend a General Meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### **115 Questions at General Meetings**

115.1 At any General Meeting, the Company must cause to be answered any question relating to the business being dealt with at the meeting put by a Member attending the meeting.

115.2 The Company does not need to give an answer to any such question if:

- (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
- (b) the answer has already been given on a website in the form of an answer to a question; or
- (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

#### **116 Quorum for General Meetings**

No business other than the appointment of the chairman of the meeting is to be transacted at a General Meeting if the persons attending it do not constitute a quorum. For all purposes the quorum shall be not less than two persons entitled to attend and to vote on the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation which is a

Member provided that such proxies or authorised representatives are not proxies or authorised representatives of the same Member.

117 **If quorum not present**

If within 15 minutes (or such longer interval as the chairman of that General Meeting in his absolute discretion thinks fit) from the time appointed for the holding of a General Meeting a quorum is not present, or if during a General Meeting such a quorum ceases to be present, that meeting shall stand adjourned to be reconvened on the day falling no less than ten days after the day of the adjourned meeting at the same time and place, or to such other day and at such time and place as the chairman (or, in default, the Board) may determine. If at such reconvened meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, one person entitled to attend and to vote on the business to be transacted, being a Member or a proxy for a Member or a duly authorised representative of a corporation which is a Member, shall be a quorum.

118 **Chairing General Meetings**

118.1 The chairman (if any) of the Board shall chair the General Meetings if present and willing to do so. If there is no chairman of the Board or if at any General Meeting he is not present within five minutes after the time appointed for holding that meeting or willing to act as chairman, the Directors present shall choose one of their number or, if no Director is present or if all the Directors present decline to take the chair, the Members present in person or by proxy and entitled to vote shall choose one of their number to be chairman of that meeting.

118.2 The person chairing a meeting in accordance with this Article is referred to as the chairman of the meeting.

119 **Accommodation of Members at General Meetings**

119.1 The Board may, for the purpose of controlling the level of attendance at any place specified for the holding of a General Meeting, from time to time make such arrangements (whether involving the issue of tickets, on a basis intended to afford to all Members otherwise entitled to attend such meeting an equal opportunity of being admitted to that meeting, or the imposition of some random means of selection, or otherwise, as the Board shall in its absolute discretion consider to be appropriate) and may from time to time vary any such arrangements or make new arrangements in place therefor. The entitlement of any Member or proxy to attend a General Meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting stated to apply to that meeting. In the case of any General Meeting to which such arrangements apply, the Board shall, and in the case of any other General Meeting the Board may, when specifying the place of the General Meeting:

- (a) direct that that meeting shall be held at a place specified in the notice at which the chairman of that meeting shall preside (the **Principal Place**); and
- (b) make arrangements for simultaneous attendance and participation at other places by Members otherwise entitled to attend the General Meeting but excluded therefrom under the provisions of this Article, or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any other such places shall be able to see and hear and be seen and heard by persons attending at the Principal Place and at such other places.

119.2 Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded Members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the Principal Place.

## 120 **Attendance and speaking by Directors and non-Members**

120.1 Directors may attend and speak at General Meetings and at any other meetings of the holders of any class of Shares, whether or not they are Members.

120.2 The chairman of the meeting may permit other persons who are not:

- (a) Members of the Company; or
- (b) otherwise entitled to exercise the rights of Members in relation to General Meetings,

to attend and speak at a General Meeting.

## 121 **Adjournment**

121.1 The chairman of any General Meeting may, with or without the consent of that meeting (and shall, if so directed by that meeting) adjourn the meeting from time to time (or indefinitely) and from place to place as that meeting shall determine. However, without prejudice to any other power which he may have under these Articles, the Statutes or common law, the chairman may, without the need for consent of that meeting, interrupt or adjourn any General Meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of that meeting, to give all persons entitled to do so a reasonable opportunity of speaking and voting at that meeting or to ensure that the business of that General Meeting is properly discharged.

121.2 The chairman of the meeting must adjourn a General Meeting if directed to do so by the meeting.

121.3 When adjourning a General Meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

## 122 **Notice of adjourned General Meeting**

Where a General Meeting is adjourned indefinitely, the Board shall fix the time and place for the adjourned General Meeting. Whenever a General Meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and the time of such adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original General Meeting. Save as aforesaid, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at any such adjourned meeting.

123 **Business of adjourned General Meeting**

No business shall be transacted at any adjourned General Meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

**Voting at General Meetings**

124 **Voting: general**

A resolution put to the vote of a General Meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

125 **Votes of Members, proxies and joint holders**

125.1 Subject to the provisions of the Act, these Articles and to any special rights or restrictions as to voting attached to any Shares which may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to these Articles, Shares shall carry votes as follows:

- (a) the Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all General Meetings of the Company, and each Ordinary Share shall carry one vote per share;
- (b) the Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any General Meeting of the Company.

125.2 Where Shares confer a right to vote, votes may be exercised:

- (a) on a show of hands by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding Shares with votes shall have one vote); or
- (b) on a poll by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding Shares with votes shall have one vote for each such Share held).

125.3 Notwithstanding the provisions of Article 125.2, on a show of hands, a proxy has one vote for and one vote against the resolution if:

- (a) the proxy has been duly appointed by more than one Member entitled to vote on the resolution; and
- (b) the proxy has been instructed by, or exercises a discretion given by, one or more of those Members to vote for the resolution and has been instructed by, or exercises a discretion given by, one or more other of those Members to vote against it.

125.4 If two or more persons are joint holders of a Share, then in voting on any question the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders of that Share stand in the Register.

125.5 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court or official claiming jurisdiction in that

behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Board may in its absolute discretion, on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person to vote in person or by proxy on behalf of such Member. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the registered office of the Company, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.

## 126 **Chairman's declaration conclusive on a show of hands**

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of that General Meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

## 127 **Errors and disputes**

127.1 No objection may be raised to the qualification of any person voting at a General Meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

127.2 Any such objection must be referred to the chairman of the meeting whose decision is final. The chairman of the meeting shall only vitiate the decision of that meeting.

127.3 If there is an equality of votes on any matter or where an increased majority is required at Board or Shareholder level and that is not then obtained, then the matter shall be treated as voted down and not carried.

127.4 The Company is not obliged to verify whether a proxy or corporate representative has voted in accordance with the instructions given by the Member by whom the proxy or the corporate representative is instructed. Any vote (whether given on a show of hands or on a poll) is not invalidated if a proxy or corporate representative does not vote in accordance with their instructions.

## 128 **Demanding a poll**

128.1 A poll on a resolution may be demanded:

- (a) in advance of the General Meeting where it is to be put to the vote; or
- (b) at a General Meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

128.2 A poll may be demanded by:

- (a) the chairman of the meeting;
- (b) the Directors;
- (c) at least five Members present in person or by proxy having the right to vote on the resolution;

- (d) a person or persons representing not less than one-tenth of the total voting rights of all the Members having the right to vote on the resolution (excluding any voting rights attached to any Shares held as treasury Shares); or
- (e) a person or persons holding Shares conferring a right to vote on the resolution 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 (excluding any Shares conferring a right to vote at the meeting which are held as treasury Shares).

128.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the chairman of the meeting consents to the withdrawal.

A demand which is withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

128.4 If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the General Meeting shall continue as if the demand had not been made.

## 129 **Procedure on a poll**

129.1 Any poll duly demanded on the election of a chairman of a General Meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman shall direct. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the General Meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded.

129.2 The demand for a poll (other than on the election of a chairman or a resolution for adjourning that meeting) shall not prevent the continuance of that meeting for the transaction of any business other than the question on which a poll has been demanded.

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

## 130 **Voting by proxy**

Any person (whether a Member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at the General Meeting in respect of which the proxy is appointed or at any adjournment thereof.

## 131 **Form of proxy**

131.1 An instrument appointing a proxy shall be in writing (or in an electronic communication including an electronic signature) in any common form or in such other form as the Board may approve under the hand of the appointor or his

attorney duly authorised in writing. If the appointor is a corporation a proxy shall be given under its common seal or executed in the manner permitted by section 44 of the Act or under the hand of an officer or attorney duly authorised in that behalf.

131.2 In relation to any Uncertificated Shares, the Board may from time to time permit appointments of a proxy to be made by means of electronic communication in the form of a properly authenticated dematerialised instruction and/or other instruction or notification, which is sent by means of the Relevant System concerned and received by such participant in that system acting on behalf of the Company as the Board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Board (subject always to the facilities and requirements of the Relevant System) (**Uncertificated Proxy Instruction**). The Board may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instructions to be made by like means. The Board may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instructions (and/or other instructions and notifications) are to be treated as received by the Company or such participants. The Board may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a Share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

131.3 An instrument of proxy (or an electronic communication appointing a proxy) shall be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the General Meeting for which it is given and unless the contrary is stated therein, be valid as well for any adjournment of the General Meeting as for the meeting to which it relates.

## 132 **Receipt of proxy**

132.1 The instrument appointing a proxy (other than an electronic communication) and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board may:

- (a) be deposited at the registered office of the Company or at such other place or places and in such location or locations as is or are specified in the notice convening the meeting or in any instrument of proxy sent out by the chairman in relation to the General Meeting not less than 48 hours before the time of the holding of that meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the General Meeting at which the poll was demanded to the chairman of that meeting or to any Director, the Secretary or some person authorised for the purpose by the Secretary, and an instrument of proxy not deposited or delivered in a manner so permitted shall be invalid.

132.2 An electronic communication appointing a proxy must be delivered at such address as may be notified for the purpose of receiving appointments of proxy by electronic communication in respect of the relevant General Meeting.

132.3 No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution, except at an adjourned General Meeting or on a poll demanded at a General Meeting or an adjourned General Meeting in cases where such meeting was originally held within 12 months from such date.

### 133 **More than one proxy may be appointed**

A Member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing instruments of proxy are delivered in respect of the same Share for use at the same General Meeting and in respect of the same matter, the one which is last validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that Share. If the Company is unable to determine which instrument was last validly delivered, none of them shall be treated as valid in respect of that Share.

### 134 **Board may supply proxy cards**

The Board may at the expense of the Company send, by post or otherwise, instruments of proxy (reply-paid or otherwise) to Members for use at any General Meeting(s) or at any separate meeting(s) of the holders of any class of Shares, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not some only) of the Members entitled to be sent a notice of such meeting and to vote thereat by proxy.

### 135 **Revocation of proxy**

A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the principal or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed or the transfer of the Share in respect of which the instrument of proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the registered office of the Company, or at such other place or places as has or have been appointed for the deposit of instruments of proxy, at least 48 hours before the commencement of the General Meeting or adjourned General Meeting or the taking of the poll at which the instrument of proxy is used.

### 136 **Corporations acting by representatives**

A corporation (whether or not a company within the meaning of the Act), which is a Member, may by resolution of its Directors or other governing body authorise such person or persons as it thinks fit to act as its representative or, as the case may be, representatives at any General Meeting or at any separate meeting of the holders of any class of Shares. Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation (in respect of that part of the corporation's holdings to which the authority relates) as the corporation could exercise if it were an individual Member. The corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person

so authorised is present at it and all references to attendance and voting in person shall be construed accordingly. A Director, the Secretary or some person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him before permitting him to exercise his powers.

### 137 **Amendments to resolutions**

137.1 An ordinary resolution to be proposed at a General Meeting may be amended by ordinary resolution if:

- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the General Meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

137.2 A special resolution to be proposed at a General Meeting may be amended by ordinary resolution, if:

- (a) the chairman of the meeting proposes the amendment at the General Meeting at which the resolution is to be proposed; and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

137.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that resolution.

### **Restrictions on Members' rights**

#### 138 **No right to vote where sums overdue on Shares**

138.1 No Member may vote at a General Meeting (or any separate meeting of the holders of any class of Shares), either in person or by proxy, or to exercise any other right or privilege as a Member in respect of a Share held by him unless:

- (a) all calls or other sums presently due and payable by him in respect of that Share whether alone or jointly with any other person together with interest and expenses (if any) have been paid to the Company; or
- (b) the Board determines otherwise.

#### 139 **Failure to disclose interest in Shares**

139.1 Where notice is served by the Company under 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 **section 793 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:

- (a) the Member is not entitled in respect of the section 793 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
- (b) where the section 793 Shares represent at least 0.25 per cent. in nominal value of the issued Shares of their class:
  - (i) a dividend (or any part of dividend) or other amount payable in respect of the section 793 Shares shall be withheld by the Company, which has no obligation to pay interest on it; and
  - (ii) no transfer, of any section 793 Shares in a certificated form shall be registered unless the transfer is an excepted transfer or:
    - (A) the Member is not himself in default in supplying the information required; and
    - (B) 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.

139.2 For the purpose of enforcing the sanctions in Article 139, the Board may give notice to the Member requiring the Member to change section 793 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 section 793 Shares held in certificated form to uncertificated form. If the Member does not comply with the notice, the Board may authorise such person as it sees fit to change section 793 Shares held in uncertificated form to certificated form in the name and on behalf of the Member.

139.3 The sanctions under Article 139.1 cease to apply seven days after the earlier of:

- (a) receipt by the Company of notice of an excepted transfer, but only in relation to the Shares transferred; and
- (b) receipt by the Company, in a form satisfactory to the Board, of all the information required by the section 793 notice.

139.4 Where, on the basis of information obtained from a Member in respect of any 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 Articles 139.1 and 139.2.

139.5 For the purpose of this Article 139:

- (a) a person other than the Member holding a Share shall be 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 any 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;
- (b) **interested** shall be construed in accordance with sections 820 to 828 of the Act;
- (c) a 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 (i) reference to his having failed or refused to give all or

any part of it and (ii) 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;

- (d) the **prescribed period** means 14 days;
- (e) an **excepted transfer** means in relation to any Shares held by a Member:
  - (i) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Act) or;
  - (ii) a transfer in consequence of a sale made through the Stock Exchange or 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
  - (iii) 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.

139.6 The provisions of this Article are in addition and without prejudice to the provisions of the Statutes.

### **Application of rules to class meetings**

#### **140 Class meetings**

The provisions of these Articles relating to General Meetings apply, with any necessary modifications, to meetings of the holders of any class of Shares.

### **PART 5 Miscellaneous provisions**

#### **141 Registered office**

The Company's registered office is to be situated in England and Wales.

### **Company communications**

#### **142 Reserves**

The Board may before recommending any dividends (whether preferential or otherwise) carry to reserve out of the profits of the Company such sums as it thinks fit. All sums standing to the reserve may be applied from time to time at the discretion of the Board for any other purpose to which the profits of the Company may properly be applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board thinks fit. The Board may allocate the reserve to such investments as the Board thinks fit. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

**143 Authentication of documents**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed at any General Meeting or at any separate meeting of the holders of any class of Share or by the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies of extracts. Where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board for the purposes of authentication. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or of any committee of the Board which is certified as aforesaid shall be conclusive evidence that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

**144 Record dates**

Subject to the Act, notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any Shares, the Company or the Board may fix any date as the record date for any dividend, distribution allotment or issue. Such record date may be on or at any time before or after any date on which such dividend, distribution allotment or issue is declared, paid or made.

**Accounts**

**145 Accounting records**

The Board shall keep the accounting records in accordance with the Act.

**146 Inspection of records**

The accounting records of the Company shall at all times be open to inspection by the Directors or the Secretary. No other person (including a Member) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by Statute, by order of a court of competent jurisdiction, by the Board or by ordinary resolution of the Company.

**147 Accounts to be sent to Members**

Except as provided in Article 146 a printed copy of the Directors' and Auditors' reports accompanied by printed copies of the balance sheet and every document required by the Statutes to be annexed to the balance sheet and of the profit and loss account or income and expenditure account (subject to the provisions of section 408 of the Act) shall, not less than 21 clear days before the annual General Meeting before which they are to be laid, be delivered or sent by post to every Member and holder of debentures of the Company and to the Auditors. However, this Article shall not require a copy of those documents to be sent to any person who under the provisions of these Articles is not entitled to receive notices from the Company or of whose address the Company is unaware or to any holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any Shares or debentures. If all or any of the Shares in or debentures of the Company are listed or dealt in on the Stock Exchange, there

shall at the same time be forwarded to the Stock Exchange such number of copies of each of these documents as the regulations of the Stock Exchange may require.

#### 148 **Summary financial statements**

The Company may, in accordance with sections 426 and 427 of the Act and any regulations made under it, send a summary financial statement to any Member instead of or in addition to the documents referred to in Article 147. Where it does so, the statement shall be delivered or sent by post to the Member not less than 21 clear days before the annual General Meeting before which those documents are to be laid.

#### 149 **Auditors**

149.1 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

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

#### 150 **Communications**

150.1 Subject to the Statutes and these Articles, the Company may give any notice or send or supply any other document or information that is required or authorised to be sent:

- (a) by the Statutes or these Articles; or
- (b) by any other rule or regulation to which the Company may be subject (and if so permitted by such rule or regulation),

in hard copy form, in electronic form or by making it available on a website (and the provisions of the Statutes and these Articles which apply to sending or supplying documents or information required or authorised to be sent or supplied in accordance with Article 150.1 shall also apply, with any necessary changes, to any document or information sent or supplied by the Company pursuant to Article 150.1(b).

150.2 Subject to the Statutes and these Articles, the Company may give any notice or send or supply any other document or information to a Member either:

- (a) in hard copy form by:
  - (i) handing it to him; or
  - (ii) sending or supplying it by hand, or sending it by post in a prepaid envelope, in each case to the Member at his registered address or other address to which any provision of the Statutes authorises it to be sent or supplied;
- (b) in electronic form:
  - (i) by electronic means, to an address specified for the purpose by the Member (generally or specifically) or deemed by the Statutes to have been so specified; or

(ii) by hand or by post, in accordance with Article 150.2(a)(i) or Article 150.2(a)(ii); or

(iii) by making it available on a website,

or partly by one such means and partly by another.

The Company may only give any notice or send or supply any other document or information to a Member in electronic form or by making it available on a website if that Member has agreed (generally or specifically) that the notice or other document or information may be sent or supplied to him in that form or manner or is taken to have so agreed under the provisions of the Act (and has not, to the extent permitted by the Statutes, revoked that agreement).

150.3 Save as otherwise provided in these Articles, in the case of joint holders of a Share, service or delivery of any notice or other document or information on or to any one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders and where for the purposes of the company communications provisions of the Statutes or these Articles anything is to be agreed or specified by a holder, the agreement or deemed agreement of or specification by any one of the joint holders shall be deemed to be sufficient agreement of or specification by all of the joint holders.

150.4 Subject to the Statutes, the Company shall be entitled not to give any notice or send or supply any other document or information to a Member whose registered address is not within the United Kingdom unless the Member gives the Company a postal address within the United Kingdom at which notices, documents and information may be sent or supplied to him.

150.5 Notices given or other documents and information sent or supplied by the Company are deemed to be delivered as follows:

(a) where the notice or other document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom and the Company is able to show that it was properly addressed, prepaid and posted it is deemed to have been received by the intended recipient 48 hours after it was posted;

(b) where the notice or other document or information is sent or supplied by electronic means and the Company is able to show that it was properly addressed, it is deemed to have been received by the intended recipient 48 hours after it was sent or supplied; and

(c) where notice or other document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

In calculating a period of hours for the purposes of this Article, no account shall be taken of any part of a day that is not a working day and references to a day shall not include a day that is not a working day.

150.6 Proof that a notice or other document or information:

(a) sent by post (whether in hard copy or electronic form) was properly addressed, prepaid and posted; or

- (b) sent by electronic means was sent or supplied in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators,
- shall be conclusive evidence that the notice was duly given or that the other document or information was duly sent or supplied.
- 150.7 To the extent permitted by the Act, notices and other documents or information need not be sent by the Company to any Member unless:
- (a) an address has been notified to the Company by the Member as one at which documents and information may be sent to him; and
  - (b) the Company has no reason to believe that documents sent to him at that address will not reach him.
- 150.8 Subject to these Articles, anything sent or supplied to the Company may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied to the Company.
- 150.9 References in these Articles to notices or other documents or information being sent or supplied by or to the Company include references to notices or other documents or information being sent or supplied by or to the Directors acting on behalf of the Company.
- 150.10 A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 150.11 Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.
- 150.12 A notice may be given or other document or information sent or supplied by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or supplying it, in any manner authorised by these Articles for the giving of notices or the sending or supply of other documents or information to a Member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice or other document or information may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

## **Directors' indemnity, funding and insurance**

### **151 Indemnity and funding**

- 151.1 Subject to Article 151.2, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the Directors may exercise the power of the Company to:
- (a) indemnify any relevant officer out of the assets of the Company against:
    - (i) any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;

- (ii) any liability incurred by that relevant officer in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
  - (iii) any other liability incurred by that relevant officer as an officer of the Company or an associated company;
- (b) provide any relevant officer with funds to meet expenditure incurred or to be incurred by such relevant officer:
- (i) in defending any criminal or civil proceedings or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company or an associated company; or
  - (ii) in connection with any application for relief (within the meaning of section 205(5) of the Act),
- or to do anything to enable a relevant officer to avoid incurring such expenditure.

151.2 The Company may provide loans, quasi-loans or credit transactions to any Director or persons connected with a Director to the extent permitted by and on the terms of sections 197, 198, 200, 201 and 205 of the Act.

151.3 This Article does not authorise any indemnity, provision of funds or other matter which would be prohibited or rendered void by any provision of the Statutes or by any other provision of law.

## 152 **Provision for employees**

The power conferred upon the Directors by section 247 of the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiary undertaking, in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any subsidiary undertaking shall only be exercised by the Company with the prior sanction of a special resolution. If at any time the capital of the Company is divided into different classes of Shares, the exercise of such power shall be deemed to be a variation of the rights attached to each class of Shares in issue and shall accordingly require either:

- (a) the prior consent in writing of the holders of three-fourths of the nominal value of the issued Shares; or
- (b) the prior sanction of a special resolution passed at a separate general meeting of the holders of the Shares of each class, in accordance with the provisions of Article 140.

## **Winding up**

### 153 **Division of assets**

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the Members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be

carried out as between the Members or different classes of Members. Any such division may be otherwise than in accordance with the existing rights of the Members, but if any division is resolved otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were passed pursuant to section 110 of the Insolvency Act 1986. The liquidator may, with the like sanction, vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the Members as he with the like sanction shall determine, but no Member shall be compelled to accept any assets on which there is a liability.

**154      Transfer or sale under section 110 Insolvency Act 1986**

A resolution sanctioning a transfer or sale to another company duly passed pursuant to section 110 of the Insolvency Act 1986 may in the like manner authorise the distribution of any Shares or other consideration receivable by the liquidator among the Members otherwise than in accordance with their existing rights, and any such determination shall be binding on all the Members, subject to the right of dissent and consequential rights conferred by the said section.