

**Company number: 05752247**

**THE COMPANIES ACT 2006**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**PROACTIS HOLDINGS PLC**

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**(Incorporated on 22 March 2006)**

**WALKER MORRIS**

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**THE COMPANIES ACT 2006**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**PROACTIS HOLDINGS PLC**

(Adopted by special resolution passed on December 2009)

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**1 EXCLUSION OF MODEL ARTICLES**

No regulations or model articles set out in any statute (including any schedule to any statute) or statutory instrument concerning companies shall apply as regulations or articles of the Company.

**2 INTERPRETATION**

2.1 In these Articles unless the context otherwise requires:

**address** shall include any number or address (including an identification number of a participant in the relevant system) used for the purposes of sending or receiving notices, documents or information by electronic means;

**appointment** includes reappointment;

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

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

**Board** means the board of Directors from time to time of the Company or the Directors present at a meeting of Directors at which a quorum is present;

**cash memorandum account** means an account so designated by the Operator of the relevant system concerned;

**certificated share** means a share in the capital of the Company which is not an uncertificated share;

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

**Companies Acts** has the meaning set out in section 2 of the Companies Act 2006;

**debenture** and **debenture holder** shall include debenture stock and debenture stockholder respectively;

**Director** means a director of the Company;

**electronic form** has the meaning set out in section 1168 of the Companies Act 2006;

**electronic means** has the meaning set out in section 1168 of the Companies Act 2006;

**Executive Director** means an executive chairman, chief executive director, joint chief executive director, managing director, joint managing director or assistant managing director of the Company or a Director who is the holder of any other employment or executive office (whether or not an employee) with the Company;

**financial institution** has the meaning set out in section 778 of the Companies Act 2006;

**General Meeting** shall include any general meeting of the Company, including any general meeting held as the Company's annual general meeting in accordance with section 360 of the Companies Act 2006 (**Annual General Meeting**);

**hard copy** form has the meaning set out in the Companies Act 2006;

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

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

**Office** means the registered office of the Company;

**Operator** has the meaning set out in the Regulations;

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

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

**relevant system** has the meaning set out in the Regulations;

**Regulations** means The Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) including any modification of them or any regulation in substitution for them made under Part 21 of the Companies Act 2006 and for the time being in force;

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

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

**Securities Seal** means an official seal kept by the Company for sealing securities issued by the Company, or for sealing documents creating or evidencing securities so issued, as permitted by the Companies Acts;

**Transfer Office** means the place where the Register is situate for the time being;

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

**uncertificated proxy instruction** means a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of a relevant system and received by such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned); and

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

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

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

2.4 Headings are inserted for convenience and shall not affect the interpretation of these Articles.

### **3 LIABILITY OF MEMBERS**

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

### **4 REGISTERED OFFICE**

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

### **5 DIRECTORS' POWER TO ALLOT SECURITIES**

5.1 Subject to the provisions of the Companies Acts and in particular to those conferring rights of pre-emption and without prejudice to any rights attached to any shares or class of shares, any share in the Company may be issued with, or have attached to it, such preferred, deferred, qualified or other rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the resolution does not make specific provision, as the Board may determine.

5.2 The Board shall be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise for each Allotment Period all the powers of the Company to allot shares and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount equal to the Section 551 Amount.

5.3 During each Allotment Period the Board shall be empowered to allot equity securities wholly for cash pursuant to and within the terms of the authority in Article 5.2 or otherwise in accordance with section 570 of the Companies Act 2006:

5.3.1 in connection with a Rights Issue; and

5.3.2 otherwise than in connection with a Rights Issue, up to an aggregate nominal amount equal to the Section 561 Amount.

- 5.4 By such authority and power the Board may, during any Allotment Period, make offers or agreements which would or might require securities to be allotted or sold after the expiry of such period.
- 5.5 For the purpose of this Article 5
- 5.5.1 **Allotment Period** means any period (not exceeding five years on any occasion) for which the authority in the case of Article 5.2 is conferred or renewed by resolution of the Company in General Meeting stating the Section 551 Amount for such period, and for which the power in the case of Article 5.3 is conferred or renewed by resolution of the Company in General Meeting, stating the Section 561 Amount for such period;
- 5.5.2 **Section 551 Amount** shall for any Allotment Period be that stated in the relevant resolution conferring or renewing the authority conferred by Article 5.2 above for such period or any increased amount fixed by resolution of the Company in General Meeting;
- 5.5.3 **Section 561 Amount** shall for any Allotment Period be that stated in the relevant special resolution conferring or renewing the power conferred by Article 5.3 above for such period or any increased amount fixed by special resolution of the Company in General Meeting;
- 5.5.4 **Rights Issue** means an offer of equity securities open for acceptance for a period fixed by the Board to holders (other than the Company) on the Register on a record date fixed by the Board of equity securities in proportion to their respective holdings of such securities (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings) or in accordance with the rights attaching to any equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
- 5.5.5 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 of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

## 6 RENUNCIATION OF ALLOTMENT



The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder:

- 6.1 recognise a renunciation of any such allotment by the allottee in favour of some other person and accord to any allottee of a share a right to effect such renunciation; and/or
- 6.2 allow the rights represented by such allotment to be one or more participating securities,

in each case upon and subject to such terms and conditions as the Board may think fit to impose.

## **7 VARIATION OF RIGHTS**

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

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

## **8 SHARES**

Subject to the provisions of the Companies Acts and these Articles, the Board may offer, allot, grant options over or otherwise dispose of shares in the Company to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.

## **9 COMMISSIONS**

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

## **10 EQUITABLE INTERESTS**

Except as ordered by a Court of competent jurisdiction, or as required by law:

10.1 no person shall be recognised by the Company as holding any share upon any trust; and

10.2 except as provided by these Articles, the Company shall not be bound by or required in any way to recognise (even when having notice of it) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right in respect of any share except an absolute right to the entirety of it in the registered holder.

## **11 SHARE CERTIFICATES**

11.1 Every person (except a financial institution in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a holder of any certificated shares in the Register upon the issue or transfer of any such shares shall (save as provided by the remaining provisions of this Article) be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time determine. In the case of a certificated share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all and the Company shall not be bound to issue more than one certificate in respect of such shares. A Member (except a financial institution as referred to above) who has transferred some of the shares comprised in his registered holding of certificated shares shall be entitled to a certificate for the balance without charge. Every certificate shall specify the shares to which it relates and the amount paid upon those shares. The Company shall not issue share certificates in respect of an uncertificated share. Any two or more certificates representing shares of any one class held by one Member may at his request be cancelled and a single new share certificate for such shares issued without charge. The Company shall in no case be bound to

register more than four persons as the joint holders of any shares. No certificate shall be issued representing shares of more than one class.

11.2 If a share certificate is defaced or worn out, or alleged to be lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement or wearing out, on delivery of the old certificate to the Company.

11.3 All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall be issued under a Seal or Securities Seal unless the Board shall resolve not to have a Seal or Securities Seal pursuant to Article 43.4 in which case such certificates shall be executed in accordance with Article 43.5, having regard to the terms of issue and any listing requirements. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed on the certificates or that such certificates need not be signed.

## **12 LIEN**

12.1 The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share, in respect of such share and the Company shall also have a first and paramount lien on every share (not being a fully paid up share) standing registered in the name of a single Member for all the debts and liabilities of such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to all dividends and other moneys payable in respect of it.

12.2 The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is then payable nor until the expiration of fourteen days after a notice in

writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share or entitled to such share by transmission.

- 12.3 The net proceeds of the sale by the Company of any share on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the debt or liability is then payable, and any residue shall (upon, in the case of a certificated share, surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for debts or liabilities not then payable as existed upon the share prior to the sale) be paid to the holder immediately after such sale of the share. For giving effect to any such sale the Board may authorise some person to effect the transfer of the share sold to, or in accordance with the directions of, the purchaser of it. The transferee shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

### **13 CALLS ON SHARES**

- 13.1 Subject to the terms of issue, the Board may from time to time make calls upon the Members or persons entitled to a share by transmission in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or, when permitted, by way of premium) and not by the terms of issue of such shares made payable at a date fixed by or in accordance with such terms of issue, and each Member or person entitled by transmission shall (subject to the Company serving upon him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may, before receipt by the Company of a sum due under the call, be revoked or postponed in whole or in part as the Board may determine. A Member or person entitled by transmission shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 13.2 A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 13.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.

- 13.4 If a sum called in respect of a share shall not be paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 25 per cent per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
- 13.5 Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium or as an instalment of a call, shall for all the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, it becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest, expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 13.6 The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
- 13.7 The Board may, if it thinks fit, receive from any Member or person entitled to a share by transmission willing to advance it, all or any part of the moneys uncalled and unpaid upon any shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon all or any of the moneys so advanced may (until the moneys would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as may be agreed upon between the Board and the Member or person entitled to a share by transmission paying such sum in advance.

## **14 FORFEITURE OF SHARES**

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

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

- 14.3 If the requirements of any such notice as referred to in the previous Article are not complied with, any share in respect of which such notice has been given may at any time afterwards, before payment of all calls or instalments and interest and expenses due in respect of it has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends or other moneys declared payable in respect of the forfeited share and not paid before the forfeiture.
- 14.4 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date of it shall forthwith be made in the Register opposite to the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry.
- 14.5 Until cancelled in accordance with the requirements of the Companies Acts, a forfeited share shall be deemed to be the property of the Company and may, subject to the provisions of the Companies Acts, be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder of it or entitled to it or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or other disposition the forfeiture may be annulled on such terms as the Board may think fit. The Board may, if necessary, authorise some person to transfer a forfeited share to any other person, as aforesaid.
- 14.6 A person whose shares are forfeited shall at the time of such forfeiture cease to be a Member in respect of the forfeited shares, and shall, in the case of certificated shares, surrender to the Company for cancellation the certificate for the shares forfeited, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest on such moneys at the rate of 25 per cent. per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any

allowance for the value of the shares forfeited or for any consideration received on their disposal or may waive payment in whole or in part.

14.7 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or sold to satisfy a lien of the Company on the date stated in the declaration shall be conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or other disposition of it and the Board may authorise some person to effect the transfer of the share to the person to whom it is sold, re-allotted or otherwise disposed of, and he shall then be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, enforcement of the lien of the Company, sale, re-allotment or other disposal of the share. The person who becomes registered as the holder of the share shall be discharged from all calls made before such sale, re-allotment or other disposal of the share.

14.8 The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Companies Acts given or imposed in the case of past Members.

## **15 TRANSFER OF SHARES**

15.1 Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his certificated shares by an instrument of transfer in the usual or common form or in any other form which the Board may approve. Title to any uncertificated securities shares shall, unless the Regulations otherwise provide, be effected by means of a relevant system.

15.2 The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect of the shares. All instruments of transfer, when registered, may be retained by the Company.

15.3 The Board may, in its absolute discretion and without assigning any reason, decline to register any transfer of any certificated share that is not a fully paid up share (save where to do so would disturb the market in the shares of that class on the London Stock Exchange) or of a share on which the Company has a lien. The Company may refuse to register a transfer of an uncertificated share to the extent it is permitted to do so by the Regulations (save where to do so would disturb the market in the shares of that class on the London Stock Exchange).

15.4 No transfer of any share shall be made to a minor, bankrupt or person who is mentally disordered or a patient for any purpose of any statute relating to mental health.

15.5 The Board may also decline to register any transfer of a certificated share (save where to do so would disturb the market in the shares of that class on the London Stock Exchange) unless:

15.5.1 the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

15.5.2 the instrument of transfer is in respect of only one class of share; and

15.5.3 in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

In the case of transfer of shares in certificated form by a financial institution, the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

15.6 If the Board declines to register a transfer it shall send to the transferee notice of the refusal, together with reasons for the refusal, as soon as practicable and in any event within two months of the date on which:

15.6.1 the letter of allotment or instrument of transfer was lodged with the Company (in the case of shares held in certificated form); or

15.6.2 the instruction attributable to the Operator was received by the Company (in the case of shares held in uncertificated form).



- 15.7 No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, stop notice, order of court or other instrument or any instruction given pursuant to the Regulations relating to or affecting the title to any share or otherwise making any entry in the Register relating to any share.
- 15.8 Subject to the Companies Acts and the rules (as defined in the Regulations) and apart from any class of wholly dematerialised security, the Board may determine that any class of shares may be held in uncertificated form and that title to such shares may be transferred by means of a relevant system or that shares of any class should cease to be held and transferred as aforesaid.
- 15.9 The provisions of these Articles shall not apply to shares of any class which are in uncertificated form to the extent that such Articles are inconsistent with:
- 15.9.1 the holding of shares of that class in uncertificated form;
  - 15.9.2 the transfer of title to shares of that class by means of a relevant system; or
  - 15.9.3 any provision of the Regulations.

## **16 TRANSMISSION OF SHARES**

- 16.1 In the case of the death of a Member, the survivor or survivors (if any) where the deceased was a joint holder, and the executors or administrators of the deceased, where he was sole holder or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in these Articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.
- 16.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may, subject as provided below and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee of the share. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by effecting a transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall

be applicable to any such notice or transfer as if the death or bankruptcy of the Member or other event giving rise to the transmission had not occurred and the notice or transfer were a notice or transfer delivered, sent or effected by such Member.

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

## **17 STOCK**

- 17.1 The Company may from time to time in General Meeting convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class in the capital of the Company into stock, any shares of that class which subsequently become fully paid up and rank equally in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.
- 17.2 The holders of stock may transfer it or any part of it in the same manner provided by, and subject to the same provisions of these Articles, which shall, for the time being, apply to transfers of shares of the same class of shares as the shares from which the stock arose (or as near as circumstances admit). The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.

- 17.3 The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at General Meetings and other matters as if they held the shares from which the stock arose, but no such right (except as to participation in dividends and in assets on a reduction of capital or a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.
- 17.4 All provisions of these Articles which are applicable to paid up shares shall apply to stock, and the words **share** and **shareholder** in these Articles shall include **stock** and **stockholder** respectively.

## 18 UNTRACED SHAREHOLDERS

- 18.1 The Company shall be entitled to sell at the best price reasonably obtainable any share of a Member or any share to which a person is entitled by transmission if and provided that:
- 18.1.1 for a period of twelve years prior to the date of the publication of the advertisements referred to in Article 18.1.2 or, if published on different dates, the later of such dates, no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share at his address on the Register or the last known address given by the Member or the person entitled by transmission to which cheques or warrants are to be sent has been cashed and no cash dividend payable on the share has been satisfied by the Company by the transfer of funds to a bank account designated by the Member or person entitled by transmission to the share and no communication has been received by the Company from the Member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three cash dividends whether interim or final and no such dividend has been claimed;
- 18.1.2 the Company has at the expiration of that period of twelve years by advertisement in both a leading national newspaper and in a newspaper circulating in the area in which the postal address referred to in Article 18.1.1 is located, giving notice of its intention to sell such share;
- 18.1.3 during the further period of three months after the date of publication of the advertisements (or the date of the last of the two advertisements to be

published if they are published on different dates) and prior to the exercise of the power of sale, the Company has not received any communication from the Member or person entitled by transmission and the Member or person entitled by transmission has not cashed any cheque or warrant or had funds transferred into his bank account in respect of dividends in the manner set out in Article 18.1.1; and

18.1.4 if any securities of the Company are traded on the London Stock Exchange or dealt in on AIM, the Company has first given notice in writing to the Quotations Department of the London Stock Exchange of its intention to sell such shares.

18.2 To give effect to any such sale the Company may appoint any person to effect a transfer of such share and such transfer shall be as effective as if it had been effected by the registered holder of or person entitled by transmission to such share. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former owner of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. Such debt shall be a permanent debt of the Company, shall not accrue any interest and the Company shall be deemed to be a debtor and not a trustee in respect of that amount for such Member or other person. The net proceeds of sale may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit and the Company shall not be required to account to the former Member or person entitled by transmission to such shares for interest or other moneys earned from such proceeds.

18.3 If during the period of twelve years referred to in Article 18.1.1 or during the period of three months referred to in Article 18.1.3 or during any intervening period, further shares have been issued in place of those held at the beginning of the twelve year period or of any previously so issued during such periods and all of the requirements of Articles 18.1.1 to 18.1.4 have been met in respect of such further shares on the basis that all references to the twelve year period shall be deemed to be references to the entire period in which all such further shares have been in issue and on the basis that the proviso to Article 18.1.1 shall not apply to such further shares, then the Company may also sell such further shares under Article 18.2.

## **19 CONSOLIDATION, DIVISION AND CANCELLATION OF CAPITAL**

The Company may from time to time by ordinary resolution:

19.1 consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

19.2 sub-divide its shares, or any of them, into shares with a smaller face value than the existing shares (subject, nevertheless, to the provisions of the Companies Acts) and so that the resolution by which any share is sub-divided may determine, that as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other rights over, or may have such deferred or qualified rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;

and may also by special resolution:

19.3 subject to any confirmation or consent required by law, reduce its share capital or any capital redemption reserve or any share premium account or other undistributable reserve in any manner.

Subject to compliance with the terms of any such resolution as is referred to in this Article, where any difficulty arises in regard to any consolidation and division under Article 19.1, the Board may settle the difficulty as it thinks expedient and in particular may issue fractional certificates or, in particular, arrange for the sale of the shares representing fractions and for the distribution of the net proceeds of sale in due proportion among the Members who would have been entitled to the fractions, or, if permitted, for the retention of such net proceeds for the benefit of the Company and for this purpose the Board may authorise some person to execute any instrument or do any act or other thing, for the purposes of transferring the shares representing fractions to the purchaser of them, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

## **20 PURCHASE OF OWN SHARES**

20.1 Subject to the provisions of the Companies Acts and these Articles and to any confirmation or consent required by law, the Company may from time to time purchase its own shares (including any redeemable shares) provided that if there are in issue any convertible shares of the Company then no purchase by the Company of any of its own

shares shall take place unless it has been sanctioned by a special resolution passed at a separate class meeting of the holders of each class of convertible shares.

20.2 Neither the Company nor the Board shall be required to select the shares to be purchased rateably, or in any other particular manner, as between the holders of shares of the same class, or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

20.3 Any exercise by the Company of the power to purchase for redemption any redeemable shares pursuant to this Article shall be subject to the following provisions:

20.3.1 purchases will be limited to a maximum price which, in the case of purchases through the market or by tender, will not exceed the average of the middle market quotations taken from the Daily Official List of the London Stock Exchange for the five business days before the purchase is made save that, in the case of a purchase through the market, the purchase may be made at any price up to the market price, provided it is not more than five per cent. above such average (**business day** meaning any day other than a Saturday, Sunday or bank holiday in England or Wales); and

20.3.2 if purchases are to be made by tender, the opportunity to tender will be made available on the same basis to all shareholders.

## **21 GENERAL MEETINGS**

21.1 An Annual General Meeting shall be held in each period of six months beginning with the day following the Company's accounting reference date at such times and places as the Board shall appoint.

21.2 The Board may, whenever it thinks fit, and in accordance with the Companies Acts, convene a General Meeting and, on the requisition of Members under the Companies Acts, shall forthwith proceed to convene a General Meeting in accordance with the Companies Acts. If sufficient Directors are not within the United Kingdom to call a General Meeting, any Director or Member may call a General Meeting.

## **22 NOTICES OF GENERAL MEETINGS**

22.1 An Annual General Meeting shall be called by not less than 21 clear days' notice in writing. Any other General Meeting shall be called by not less than 14 clear days' notice in writing.

- 22.2 Every notice calling a General Meeting shall specify the place, date and time of meeting, and, in the case of special business, the general nature of that business, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or, if he holds more than one share, proxies to attend, speak and vote on his behalf and that a proxy need not be a Member of the Company. The notice convening an Annual General Meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Section 311(2) of the Companies Act 2006 shall not apply to the Company. Subject to the provisions of the Companies Acts, notice of every General Meeting shall be given in the manner mentioned below to all Members other than those who under the provisions of these Articles or the terms of issue of the shares they hold are not entitled to receive such notices from the Company, to all persons entitled to a share by reason of the death or bankruptcy of a Member or otherwise by operation of law, and also to the Auditors for the time being of the Company (or, if there is more than one, to each of them).
- 22.3 If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a General Meeting on the date or at the time or place specified in the notice calling the General Meeting, it may postpone the General Meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting shall not be required.
- 22.4 Notwithstanding that a General Meeting of the Company is called by shorter notice than that specified in Article 22.1, it shall be deemed to have been duly called if it is so agreed:
- 22.4.1 in the case of a meeting called as an Annual General Meeting, by all the Members entitled to attend and vote at it; and
- 22.4.2 in the case of any other General Meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 22.5 For the purposes of determining which persons are entitled to attend and vote at a General Meeting, and how many votes such persons may cast, the Company may

specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting or to appoint a proxy to do so.

22.6 To the fullest extent permitted by law, the accidental omission to give notice of a meeting or send any other notice or circular relating to it or (in cases where proxies are sent out with the notice) the accidental omission to send such proxy to, or the non-receipt of notice of a meeting or other notice or circular relating to it or such proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

22.7 If the Company cannot call a General Meeting by sending notices by post or electronic means, because the post or electronic means of communication in the United Kingdom are generally suspended or restricted, the Board can give notice of the meeting to Members affected by the suspension or restriction by advertisement in at least two United Kingdom national newspapers. Notice given in this way will be treated as being given to affected Members who are entitled to receive it at midday on the day when the last advertisement appears in the newspapers. In any such case, the Company must:

22.7.1 if it is possible, make the notice available on its website from the date of the advertisement until the end of the General Meeting or any adjournment of the meeting; and

22.7.2 if it becomes generally possible to use the post or electronic means again more than 14 days before the meeting, the Company must send confirmation of the notice by post or other electronic means.

## **23 PROCEEDINGS AT GENERAL MEETINGS**

23.1 All business shall be deemed special that is transacted at a General Meeting with the exception of the following business transacted at an Annual General Meeting:

23.1.1 the declaration of dividends;

23.1.2 the consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;

23.1.3 the appointment of Directors in place of those retiring (by rotation or otherwise);



- 23.1.4 the appointment of Auditors where special notice of the resolution for such appointment is not required by the Companies Acts;
  - 23.1.5 the fixing of, or the determining of the method of fixing, the remuneration of the Directors and Auditors;
  - 23.1.6 the authorisation of a liability limitation agreement pursuant to section 536(3) of the Companies Act 2006 limiting the liability of the Auditors;
  - 23.1.7 renewing or regranting an existing authority for the Company to offer Members the right to elect to receive shares instead of cash in respect of a specified dividend or dividends; and
  - 23.1.8 the varying, renewing or revoking of the authority under Article 5.2 and/or the power under Article 5.3.
- 23.2 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two Members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of these Articles to be present in person if represented by proxy or in accordance with the provisions of the Companies Acts. For the purpose of this Article 23.2 two persons who are proxies of the same Member or representatives of the same corporation cannot by themselves constitute a quorum, and a Member present in person who is also a proxy or representative of another Member cannot by himself constitute a quorum.
- 23.3 If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of the Members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than 10 clear days afterwards) (or sine die) and at such time or place as may have been specified for the purpose in the notice convening the meeting or, if not specified, the chairman of the meeting may determine and, in the latter case, the Company shall give not less than seven clear days' notice in writing of the adjourned meeting (but otherwise complying with Article 22). At the adjourned meeting one Member (whatever the number of shares held by him) present in person or by proxy shall be a quorum. Where

a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors.

23.4 Each Director shall be entitled to attend and speak at any General Meeting of the Company.

23.5 The chairman of the meeting may permit other persons who are not Members or otherwise entitled to exercise the rights of Members in relation to General Meetings, to attend and speak at a General Meeting.

23.6 The chairman (if any) of the Board or, in his absence, a deputy chairman (if any) shall preside as chairman at every General Meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within five minutes after the time appointed for holding the meeting, or if none of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman. Section 319 of the Companies Act 2006 shall not apply to the Company.

23.7 The chairman of any General Meeting may at any time, without the consent of the meeting, adjourn any meeting (whether or not it has commenced or a quorum is present) from time to time and from place to place where it appears to him that:

23.7.1 the Members and proxies wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; or

23.7.2 the conduct of persons present prevents, or is likely to prevent, the orderly continuation of business; or

23.7.3 an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

23.8 The chairman may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.

23.9 No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting from which the adjournment took place.

When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

- 23.10 Save as expressly provided by these Articles, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.
- 23.11 The chairman of the meeting shall take such action as he thinks fit to promote the orderly conduct of the meeting as laid down in the notice of meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.
- 23.12 In the case of a resolution duly proposed as a special resolution no amendment to the resolution (other than an amendment to correct a patent error) may be considered or voted upon and in the case of a resolution duly proposed as an ordinary resolution no amendment to the resolution (save for an amendment to correct a patent error or as the chairman of the meeting in his absolute discretion shall decide) may be considered or voted upon unless at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such resolution is to be proposed, notice in writing of the terms of the amendment and the intention to make it has been lodged at the Office.
- 23.13 If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 23.14 The Board, and at any General Meeting the chairman, may make any arrangement and impose any requirement or restriction or take any action which he considers appropriate to ensure the security and orderly conduct of a General Meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The chairman is entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.
- 23.15 A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles.

## **24 VOTING**

- 24.1 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is duly demanded before or on the declaration of the result

of the show of hands or on the withdrawal of any other demand for a poll. Subject to the provisions of the Companies Acts, a poll may be demanded by:

- 24.1.1 the chairman of the meeting; or
- 24.1.2 at least five Members present in person or by proxy and entitled to vote on the resolution; or
- 24.1.3 any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote on the resolution; or
- 24.1.4 any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote on the resolution on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

The chairman of the meeting can demand a poll before all, some or any of the resolutions are put to the vote on a show of hands.

- 24.2 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour or against the resolution, and a properly made entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without such proof.
- 24.3 If a poll is duly demanded, the chairman shall decide whether a ballot, electronic voting, voting papers or tickets will be used and he may appoint scrutineers who need not be Members and the chairman may adjourn the meeting to some other place and time fixed by him for the purpose of declaring the poll result. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 24.4 A poll duly demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

- 24.5 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and, in that event, shall not invalidate the result of a show of hands declared before the demand was made.
- 24.6 Votes on a show of hands or on a poll may be given either personally or by proxy.
- 24.7 A person entitled to more than one vote on a poll:
- 24.7.1 may vote in respect of some of his shares in person and in respect of others of them by proxy; and
- 24.7.2 need not use all his votes or cast all the votes he uses (either in person or by proxy) in the same way.
- 24.8 Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who is present in person or by a duly appointed proxy at a General Meeting shall have one vote unless the proxy is himself a Member entitled to vote. On a poll every Member who is present in person or by a duly appointed proxy shall have one vote for every share of which he is the holder.
- 24.9 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding of that share.
- 24.10 A Member who is mentally disordered or a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the control or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Member for the purposes of General Meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office (or at such other place in the United Kingdom as may be specified for the delivery of appointments of proxy in the notice convening the meeting

or other document sent with it) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which it is desired to vote.

24.11 If:

24.11.1 any objection shall be raised to the qualification of any voter; or

24.11.2 any votes have been counted that ought not to have been counted or that might have been rejected; or

24.11.3 any votes are not counted that ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the objection or error is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection raised or error pointed out in due time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the objection or error may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

## 25 RESTRICTIONS ON VOTING IN PARTICULAR CIRCUMSTANCES

25.1 No Member shall, unless the Board otherwise determines, be entitled in respect of shares held by him to be present or to vote, either personally or by proxy, or to be reckoned in a quorum at any General Meeting unless all calls or other sums presently payable by him in respect of such shares in the Company have been paid in full.

25.2 If any Member, or any other person appearing to be interested in shares (within the meaning of Part 22 of the Companies Act 2006) held by such Member, has been duly served with a notice under section 793 of the Companies Act 2006 and is in default for a period of 14 days in supplying to the Company the information thereby required, then (unless the Board otherwise determines) in respect of:

25.2.1 the shares comprising the shareholding account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the **default shares**, which expression shall include any further shares which are issued in respect of such shares); and

25.2.2 any other shares held by the Member,

the Member shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred (other than pursuant to an approved transfer or pursuant to Article 25.3 below) be entitled to attend or vote either personally or by proxy at a General Meeting or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to General Meetings.

25.3 Where the default shares represent 0.25 per cent. or more of the issued shares of the class in question, the Directors may in their absolute discretion by notice in writing (a **direction notice**) to such Member direct that:

25.3.1 any dividend or part of any dividend or other money or shares in lieu of dividend, which would otherwise be due in respect of the default shares shall be retained (or, as the case may be, not issued) by the Company without any liability to pay interest when such dividend or other money or share is finally paid or issued to the Member; and/or

25.3.2 no transfer of any of the shares held by such Member shall be registered unless the transfer is an approved transfer or:

(a) the Member is not himself in default as regards supplying the information required; and

(b) the transfer is of part only of the Member's holding and, when presented for registration, is accompanied by a certificate by the Member in a form satisfactory to the Directors to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer,

provided that, in the case of shares in uncertificated form, the Directors may only exercise their discretion not to register a transfer if permitted to do so by the Regulations.

Any direction notice may treat shares of a Member in certificated and uncertificated form as separate holdings and either apply only to the former or to the latter or make different provision for the former and the latter. Upon the giving of a direction notice its terms shall apply accordingly.

- 25.4 The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.
- 25.5 Save as otherwise provided in these Articles, any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect upon the Directors so determining (such determination to be made within a period of one week of the default being duly remedied, with notice in writing of such determination being given to the Member forthwith). The Directors may at any time give notice cancelling a direction notice.
- 25.6 Any direction notice shall cease to have effect in relation to any shares which are transferred by such Member by means of an approved transfer or in accordance with Article 25.3 above.
- 25.7 For the purposes of this Article 25:
- 25.7.1 a person shall be treated as appearing to be interested in any shares if the Member holding such shares has been served with a notice under the said section 793 and either:
- (a) the Member has named such person as being so interested; or
  - (b) (after taking into account the response of the Member to the said notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and
- 25.7.2 a transfer of shares is an **approved transfer** if:
- (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer for the Company (as defined in section 974 of the Companies Act 2006); or
  - (b) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the Member or with any person appearing to be interested in such shares including any such sale made through a recognised investment exchange or through a stock exchange outside



the United Kingdom on which the Company's shares are normally traded. For the purposes of this paragraph (b) any associate (as that term is defined in section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the Member or any person appearing to be interested in such shares.

25.8 The provisions of this Article 25 are in addition and without prejudice to the provisions of the Companies Acts.

25.9 In the event of any conflict between the provisions of this Article 25 and any other Article, the provisions of this Article shall prevail.

## **26 PROXIES AND CORPORATE REPRESENTATIVES**

26.1 A Member is entitled to appoint a proxy or proxies (subject to Article 26.2) to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company.

26.2 A Member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such Member. Where a Member appoints more than one proxy, each such appointment shall state the whole number of shares in respect of which each proxy is to be appointed and an appointment of a proxy that fails to do so shall be treated as invalid.

26.3 The appointment of a proxy shall (unless the Board otherwise decides where it wishes to permit the delivery of proxies by electronic means) be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person lawfully authorised to sign it, or in the case of individuals or corporations, authenticated in accordance with Article 51.2. The signature on such instrument appointing a proxy need not be witnessed.

26.4 A proxy need not be a Member.

26.5 The appointment of a proxy shall be in any common form or in such other form as the Board may approve (including the appointment of a proxy by telephone, fax or other electronic means) and the Board may, if it thinks fit, (but subject to the provisions of the Companies Acts) send out with the notice of any meeting appointments of proxy for use at the meeting.

26.6 The appointment of a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Transfer Office (or at such other address in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent with the notice), or in the case of appointments made using a website, at such website as may be specified for that purpose:

26.6.1 in the case of an instrument in hard copy form, not less than 48 hours (or such shorter time as the Board may determine) before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

26.6.2 in the case of an appointment contained in electronic form, where an address has been specified for the purpose of receiving communications in electronic form:

(a) in the notice convening the meeting;

(b) in any instrument of proxy sent out by the Company in relation to the meeting; or

(c) in any invitation contained in a communication in electronic form to appoint a proxy issued by the Company in relation to the meeting,

not less than 48 hours (or such shorter time as the Board may determine) before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

26.6.3 in the case of a poll taken 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll; and

26.6.4 in the case of a poll taken not more than 48 hours after it was demanded, not later than the time at which it was demanded.

and in default the appointment of proxy shall not be treated as valid.

26.7 The Directors may at their discretion determine that in calculating the periods mentioned in Article 26.6 no account shall be taken of any part of any day that is not a working day (within the meaning of section 1173 of the Companies Act 2006).

- 26.8 When two or more valid but differing appointments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last dated by the appointor (provided that such date is on or before the date of delivery but otherwise regardless of the actual date of execution or the date of its delivery) shall be treated as replacing and revoking the others as regards that share. If not all such appointments of proxy are so dated or if any such date is illegible as written or falls after the date of delivery, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share, but if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share.
- 26.9 A proxy shall have the right to exercise all or any of the rights of his appointor, or (where more than one proxy is appointed) all or any of the rights attached to the shares in respect of which such proxy is appointed to attend, and to speak and vote, at a meeting of the Company. Unless his appointment provides otherwise, a proxy may vote or abstain at his discretion on any resolution put to the vote at a General Meeting. A proxy appointed by more than one Member is not restricted by his instructions from one Member from casting a second vote the other way under discretionary authority conferred by other Member(s) if he chooses to do so. The Company is not obliged to check whether a proxy has voted in accordance with his instructions and a vote shall not be invalidated by reason of a proxy's failure to follow his instructions.
- 26.10 Delivery of an appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned.
- 26.11 No appointment of a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.
- 26.12 The termination of the authority of a person to act as proxy, whether by the death or insanity of the Member or by the revocation of the appointment of the proxy or of the authority under which the proxy was made, or otherwise, shall not affect:
- 26.12.1 whether the proxy counts in deciding whether there is a quorum at that meeting; or
- 26.12.2 the validity of a poll demanded by the proxy at a meeting,
- unless notice of such termination shall have been received by the Company at the place specified in Article 26.15 and not later than one hour before the time of the meeting.

- 26.13 The termination of the authority of a person to act as proxy does not affect the validity of a vote given by that person unless notice of such termination shall have been received by the Company at the place specified in Article 26.15:
- 26.13.1 not less than one hour before the commencement of the meeting or adjourned meeting at which the vote is given;
  - 26.13.2 in the case of a poll taken more than 48 hours after it is demanded, 24 hours before the time appointed for taking a poll; or
  - 26.13.3 in the case of a poll taken following the conclusion of a meeting or adjourned meeting but not more than 48 hours after it is demanded, the time at which it was demanded.
- 26.14 The Directors may at their discretion determine that in calculating the periods mentioned in Articles 26.12 and 26.13, no account shall be taken of any part of any day that is not a working day (within the meaning of section 1173 of the Companies Act 2006).
- 26.15 Notice of termination of a proxy's authority must be received at:
- 26.15.1 the address or one of the addresses or websites specified under Article 26.6 (subject to any conditions attached to the use of a particular address imposed under that Article); or
  - 26.15.2 if no address or website was specified, at the Transfer Office.
- 26.16 The appointment of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The appointment of a proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 26.17 Any corporation which is a Member may, in accordance with the Companies Acts, by resolution of its directors or other governing body, authorise such persons as it thinks fit to act as its representative at any meeting of the Company or of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if the person so authorised is present at such meeting.

- 26.18 A vote given or poll demanded by a proxy or by a duly authorised representative of a corporation shall be valid notwithstanding the previous death or incapacity of the principal, or revocation of the appointment of proxy or of the authority under which it was executed or revocation of the appointment of the duly authorised representative, or the transfer of the share in respect of which the vote is given or poll is demanded, provided that no intimation in writing of such death, incapacity, revocation or transfer shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of appointments of proxy in the notice convening the meeting or other document sent with it) by the last time at which an appointment of a proxy should have been delivered in order to be valid for the use of the meeting or on the holding of the poll at which the vote was given or poll demanded or such later time as may be determined by the Board and set out in a notice in writing sent to Members.
- 26.19 Without limiting the foregoing, in relation to any uncertificated shares, the Board may from time to time permit appointments of a proxy to be made by electronic means in the form of an uncertificated proxy instruction a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of a relevant system 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 concerned); and may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction 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 instruction (and/or other instruction or notification) is to be treated as received by the Company of such participant. 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.
- 26.20 To the fullest extent permitted by law, each of the Directors, the Secretary and each person employed or, directly or indirectly, retained or used by the Company in the processes of receiving and validating the appointment and revocation of proxies shall not be liable to any persons other than the Company in respect of any acts or omissions (including negligence) occurring in the execution or purported execution of his tasks

relation to such processes, provided that he shall have no such immunity in respect of any act done or omitted to be done in bad faith.

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

27.1 Unless and until otherwise determined by ordinary resolution of the Company from time to time, the Directors (disregarding alternate Directors) shall be not less than two and not more than eight in number.

27.2 No shareholding qualifications for Directors shall be required. A Director who is not a Member shall nevertheless be entitled to attend and speak at General Meetings.

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

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

28.2 Without prejudice to the power of the Company by ordinary resolution in pursuance of any of the provisions of these Articles to appoint any person to be a Director, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any Director so appointed by the Board shall hold office only until the next following Annual General Meeting and shall then be eligible for reappointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

28.3 The Company may by special resolution or by ordinary resolution of which special notice has been given in accordance with the provisions of the Companies Acts, remove any Director before the expiration of his period of office and may (subject to the provisions of these Articles) by ordinary resolution appoint another person in his place. Any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed as Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

28.4 No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for appointment as a Director at any General Meeting unless, not

less than seven and not more 28 clear days before the date appointed for the meeting, there has been given to the Secretary notice in writing by some Member (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment and also notice in writing signed by the person to be proposed of his willingness to be appointed.

- 28.5 A resolution for the appointment of two or more persons as Directors by single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

## **29 REMUNERATION OF DIRECTORS**

- 29.1 The ordinary remuneration of the non-executive Directors for their services as officers of the Company (excluding amounts payable under any other provision of these Articles) shall be determined by the Board but shall not exceed in aggregate the sum of £[400,000] per year (which figure shall be subject to upward only adjustment in line with any percentage increase in the retail prices index (as defined in section 989 of the Income Tax Act 2007)) or such greater sums as the Company may from time to time determine by ordinary resolution.
- 29.2 Such ordinary remuneration shall (unless otherwise provided by ordinary resolution) be divisible among such Directors as the Board may determine, or, failing determination, equally, except that any such Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which such Director has held office.

## **30 ADDITIONAL REMUNERATION AND EXPENSES**

- 30.1 The Company may pay on behalf of any Director, or reimburse him in respect of, all his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or General Meetings or separate meetings of the holders of any class of shares or of debentures of the Company and all expenses properly and reasonably incurred by him in the conduct of or in connection with any activities undertaken in or about the Company's business or in the discharge of his duties as a Director or in connection with the attendance of any spouse or civil partner of his on any occasion where such spouse or civil partner accompanies a Director for the purpose of advancing the business or interests of the Company. Any

Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) or may receive such other benefits as the Board or any committee authorised by the Board may determine and such extra remuneration or benefits shall be in addition to any remuneration or benefits provided for by or pursuant to any other Article.

30.2 Without prejudice to the provisions of any other Article, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or to any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any other such company or subsidiary undertaking are interested including, without limitation, insurance against any liability incurred by any such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or pension fund.

## **31 EXECUTIVE DIRECTORS**

31.1 The Board may from time to time appoint one or more of its body to be an Executive Director for such period (subject to the provisions of the Companies Acts) and upon such terms as the Board or any committee authorised by the Board may determine and may revoke or terminate any of such appointments. Any such revocation or termination shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service or employment between him and the Company which may be involved in such revocation or termination.

31.2 An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may determine, and either in addition to or in lieu of his remuneration as a Director.



31.3 The Board may entrust to and confer upon any Executive Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with or to the exclusion of its own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

31.4 The Board may from time to time appoint any person to any office or employment having a designation or title including the word **director** or attach to any existing office or employment with the Company such a designation or title and may at any time determine any such appointment or the use of any such designation or title. The inclusion of the word **director** in the designation or title of any such office or employment with the Company shall not imply that the holder of it is a Director nor shall such holder be empowered in any respect to act as a Director or be deemed to be a Director for any of the purposes of these Articles.

## **32 DISQUALIFICATION OF DIRECTORS**

Without prejudice to the provisions for retirement by rotation set out below, the office of a Director shall be vacated in any of the events following, namely if:

32.1 he resigns his office by notice in writing delivered to the Office or offers to resign in writing at a meeting of the Board and the Board shall resolve to accept such offer;

32.2 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;

32.3 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;

32.4 without leave, he is absent from meetings of the Board (whether or not an alternate Director appointed by him attends) for twelve consecutive months, and the Board resolves that his office is vacated;

32.5 he becomes bankrupt or compounds with his creditors;

32.6 he is prohibited by law from being a Director;

32.7 he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Articles;

- 32.8 he is requested to resign by a notice in writing delivered to the Office or tendered at a meeting of the Board signed by all of the other Directors (not being less than two in number) and, for this purpose, like notices each signed by a Director shall be as effective as a single notice signed by a number of Directors, but so that if such Director holds an appointment to an executive office which is terminated as a consequence, the service of such notice shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages or breach of contract of service between such Director and the Company;
- 32.9 being a Director holding an executive office, he is dismissed from such office;
- 32.10 he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director; or
- 32.11 the conduct of a Director (whether or not concerning the affairs of the Company) is the subject of an investigation by an inspector appointed by the Secretary of State or by the Serious Fraud Office and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director.

### **33 ROTATION OF DIRECTORS**

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

retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

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

### **34 ALTERNATE DIRECTORS**

- 34.1 Each Director shall have the power to appoint any person to be his alternate director and may at his discretion remove such alternate director. If such alternate director is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing signed by the appointor and delivered to the Office or tendered at a meeting of the Board, or in any other manner approved by the Board. An alternate director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but to the exclusion of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.
- 34.2 Every person acting as an alternate director shall (except as regards power to appoint an alternate director and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except only such part (if any) of the remuneration otherwise payable to the Director appointing him as such Director may by notice in writing to the Company from time to time direct.

- 34.3 Every person acting as an alternate director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director but such alternate Director shall not be counted more than once for the purposes of the quorum). The signature of an alternate director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
- 34.4 An alternate director shall automatically cease to be an alternate director if his appointor ceases for any reason to be a Director provided that, if at any meeting any Director retires by rotation or otherwise but is reappointed, or is deemed to be reappointed, at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

## **35 DIRECTORS' INTERESTS**

- 35.1 A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director or act by himself or his firm in a professional capacity (except that of Auditor) for such period, subject to the provisions of the Companies Acts, and upon such terms as the Board may determine, and he (or his firm) may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- 35.2 A Director may be or become a director or other officer of or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of it in favour of the appointment of the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- 35.3 Subject to the provisions of the Companies Acts and to Article 35.1, no Director or proposed or intending Director shall be disqualified by his office from contracting with

the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship established as a result.

35.4 For the avoidance of doubt, the Company shall have no claim arising from, or in consequence of the Director's interest in any contract or arrangement or transaction within the scope of this Article 35 and the Director shall not breach any of his duties to the Company as a result of having that interest.

## 36 **BOARD'S POWER TO AUTHORISE A CONFLICT**

36.1 If a situation (a **Potential Conflict Situation**) arises in which a Director has, or can have, a direct or indirect interest that 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) the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company:

36.1.1 the Director shall declare the nature and extent of his interest in the Potential Conflict Situation to the Board as soon as reasonably practicable;

36.1.2 if a Potential Conflict Situation arises from the appointment or proposed appointment of a person as a Director, the Board (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the Director and the Potential Conflict Situation on such terms as it may determine; and

36.1.3 if the Potential Conflict Situation arises in circumstances other than in Article 36.1.2 above, the Board (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Potential

Conflict Situation and the continuing performance by the Director of his duties on such terms as it may determine.

- 36.2 Any reference in Article 36.1 above to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 36.3 Any terms determined by Board under Article 36.1.2 or 36.1.3 above may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):
- 36.3.1 that the interested Director shall not be required to disclose any confidential information relating the Potential Conflict Situation to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with the Potential Conflict Situation;
- 36.3.2 that the interested Director may absent himself from meetings of the Board at which anything relating to the Potential Conflict Situation will or may be discussed; and
- 36.3.3 that the interested Director may make such arrangements as he thinks fit for the Board and committee papers to be received and read by a professional adviser on behalf of that Director.
- 36.4 An interested Director must act in accordance with any terms determined by the Board under Articles 36.1.2 or 36.1.3 above.
- 36.5 Except as specified in Article 36.1 above, any proposal made to the Board and any authorisation by the Board in relation to a Potential Conflict Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Board in accordance with the provisions of these Articles.
- 36.6 A Director shall not, by reason of his holding an office as a Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from any Potential Conflict Situation authorised under Article 36.1 and no contract shall be liable to be avoided on the grounds of any Director having any type of interest authorised under Article 36.1.
- 36.7 This Article 36 is without prejudice to the operation of Article 35.

## **37 DECLARATIONS OF INTEREST**

- 37.1 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.
- 37.2 If a Director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of his interest to the other Directors, unless the interest has been declared under Article 36.1.1 above.
- 37.3 The declaration of interest must be made:
- 37.3.1 at a meeting of the Board; or
  - 37.3.2 by a notice in writing; or
  - 37.3.3 by a general notice,
- in each case in accordance with the Companies Acts.
- 37.4 If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.
- 37.5 Any declaration of interest required by Article 37.1 must be made before the Company enters into the transaction or arrangement.
- 37.6 Any declaration of interest required by Article 37.2 must be made as soon as is reasonably practicable.
- 37.7 A declaration in relation to an interest of which the Director is not aware, or where the Director is not aware of the transaction or arrangement in question, is not required. For this purpose, a Director is treated as being aware of matters of which he ought reasonably to be aware.
- 37.8 A Director need not declare an interest:
- 37.8.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

- 37.8.2 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
- 37.8.3 if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the Directors or by a committee of the Directors appointed for the purpose under the Articles.

## **38 VOTES AND DIRECTORS' INTERESTS**

- 38.1 Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract, arrangement or other proposal in which he (together with any person connected with him within the meaning of section 252 of the Companies Act 2006) has to his knowledge a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company) and, if he shall do so, his vote shall not be counted but subject to the provisions of the Companies Acts, and subject always to Article 36, and in the absence of some other material interest, this prohibition shall not apply to any of the following matters, namely:
- 38.1.1 any transaction for giving to such Director any guarantee, security or indemnity in respect of money lent by him or obligations undertaken by him at the request or for the benefit of the Company or any of its subsidiaries;
- 38.1.2 any transaction for the giving by the Company or any of its subsidiaries of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries in respect of which such Director has himself given an indemnity or which he has guaranteed or secured in whole or in part;
- 38.1.3 any transaction by such Director to subscribe for shares, debentures or other securities of the Company or any of its subsidiaries issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class of them or to the public or any section of it, or to underwrite or sub-underwrite any such shares, debentures or other securities;
- 38.1.4 any transaction in which such Director is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;



- 38.1.5 any transaction concerning any other company (not being a company in which such Director and persons connected with him within the meaning of section 252 of the Companies Act 2006 to his knowledge own one per cent. or more within the meaning of Article 38.4 below) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
- 38.1.6 any proposal concerning the adoption, modification or operation of a scheme or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings and that does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme or arrangement relates;
- 38.1.7 any transaction for the giving of an indemnity pursuant to Article 56; and
- 38.1.8 any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company, provided that for the purposes of this Article insurance shall mean only insurance which the Company is empowered to purchase and/or maintain for or for the benefit of a Director or any group of persons consisting of or including Directors pursuant to these Articles.
- 38.2 A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms of such appointment, or its termination).
- 38.3 Where arrangements are under consideration by the Board concerning the appointment (including its arrangement or variation of its terms, or its termination) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of its terms or its termination) and except (in the case of an office or place of profit with any such other company as referred to above) where the other company is a company in which the Director owns one per cent. or more within the meaning of Article 38.4 below.
- 38.4 A company shall be deemed to be a company in which a Director owns one per cent. or more if and so long as (but only if and so long as) the Director together with any person

connected with him within the meaning of section 252 of the Companies Act 2006 is (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 such company or of the voting rights available to members of such company. For the purpose of this Article there shall be disregarded any shares held by a Director or connected person as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the interest of the Director or connected person is in reversion or remainder if and so long as some other person is entitled to receive the income of it, and any shares comprised in an authorised unit trust scheme in which the Director or connected person is interested only as a unit holder.

38.5 Where a company in which a Director holds one per cent. or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

38.6 If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or as to the entitlement of any Director to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be decided by a resolution of the Board (for which purpose such Director shall be counted in the quorum but shall not vote on the resolution) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Director as known to such Director has not been fairly disclosed to the Board.

38.7 Subject to the provisions of the Companies Acts, the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article 38.

38.8 The word **transaction** in this Article shall include any actual or proposed transaction, contract, arrangement or agreement.

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

39.1 The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Companies Acts or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Companies Acts and these Articles and to any directions given by the Company in General Meeting by special resolution. No alteration of these Articles and no special resolution shall invalidate any prior act of the Board that would have

been valid if that alteration had not been made or that resolution had not been passed. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

- 39.2 The Board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local or divisional boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any such local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, and may also give power to sub-delegate, and may authorise the members of any such local or divisional board or any of them to fill any vacancies on the board (and to act notwithstanding vacancies) and to fix their own remuneration. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected by it.
- 39.3 The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under the provisions of these Articles) and for such period and subject to such conditions and upon such terms (including terms as to remuneration) as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may remove any person appointed under this Article and may revoke or vary the delegation, but no person dealing in good faith, and without notice of the revocation or variation, shall be affected by it.
- 39.4 The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, (with power to sub-delegate) and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected by it.

- 39.5 Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place, and the Board may make and vary such regulations as it may think fit respecting the keeping of any such register.
- 39.6 All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
- 39.7 The Board shall cause minutes or records to be made in books provided for the purpose:
- 39.7.1 of all appointments of officers made by the Board;
- 39.7.2 of the names of the Directors present at each meeting of the Board or committee of the Board; and
- 39.7.3 of all resolutions and proceedings at all meetings of the Company, of the holders of any class of shares in the Company, and of the Board, and of any committee of the Board.
- 39.8 The Board on behalf of the Company or any committee authorised by the Board may, subject to the provisions of the Companies Acts, exercise all the powers of the Company to grant and pay pensions, annuities, gratuities and superannuation or other allowances and benefits in favour of any person, including any Director or former Director or the relations, connections or dependants of any Director or former Director and, for the purpose of providing any such benefit or allowance, shall have power to contribute to any scheme or fund or to pay premia in respect of such scheme or fund.
- 39.9 A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of such benefit shall not disqualify any person from being or becoming a Director.

#### **40 BORROWING POWERS**

- 40.1 Subject as hereinafter provided, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital, and (subject to the Companies Acts) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

40.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings only in so far as by the exercise of such rights or powers of control as the Board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group other than amounts to be taken into account under Article 40.3.3 below) shall not, without the previous sanction of an ordinary resolution of the Company, at any time exceed an amount equal to two times the Adjusted Capital and Reserves.

40.3 For the purpose of the restriction set out in Article 40.2:

40.3.1 **the Adjusted Capital and Reserves**<sup>1</sup> shall mean the aggregate from time to time of:

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

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

40.3.2 **borrowings** shall be deemed to include not only borrowings but also the following except in so far as otherwise taken into account:

- (a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which or the right to repayment of which is not for the time being

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<sup>1</sup> The ABI guidance states that goodwill and intangible assets may be included in capital and reserves, subject to the provisions of FRS 10 or the equivalent international reporting standard.

owned by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group;

- (b) the outstanding principal amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
- (c) the principal amount of any debenture (whether secured or unsecured) issued by a member of the Group held otherwise than by a member of the Group;
- (d) the nominal amount of any preference share capital of any subsidiary undertaking beneficially owned otherwise than by a member of the Group; and
- (e) any fixed or minimum premium payable on repayment of any borrowing or deemed borrowing,

but shall be deemed not to include:

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

- (i) borrowings of an undertaking which became a subsidiary undertaking of the Company after the date at which the last audited balance sheet was prepared, to the extent that the amount of those borrowings does not exceed the amount immediately after it became such a subsidiary undertaking;

40.3.3 when the aggregate principal amount of borrowings required to be taken into account for the purposes of this Article on any particular date is being ascertained:

- (a) any of such moneys denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that date in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if as a result such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business);
- (b) where under the terms of any borrowing the amount of money which would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the Company or by reason of default) on such date is less than the amount which would otherwise be taken into account in respect of such borrowing for the purpose of this Article, the amount of such borrowing to be taken into account for the purpose of this Article shall be such lesser amount; and
- (c) moneys borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion of such moneys equal to the relevant proportion and moneys borrowed and owing to a partly-owned subsidiary undertaking by another member of the Group shall be taken into account to the extent of a proportion of such moneys equal to the relevant proportion; for the purposes of this Article **relevant proportion** shall mean the proportion of the issued equity share capital of such partly-owned subsidiary undertaking which is not attributable (directly or indirectly) to the Company;

- 40.3.4 **audited balance sheet** shall mean the audited balance sheet of the Company prepared for the purposes of the Companies Acts unless at the date of the then latest such balance sheet there shall have been prepared for such purposes and audited a consolidated balance sheet of the Company and its subsidiary undertakings (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purpose of the Companies Acts) and in the latter event **audited balance sheet** shall mean such audited consolidated balance sheet of the Company and such subsidiary undertakings, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiary undertakings;
- 40.3.5 the Company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Companies Acts: if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this Article; and
- 40.3.6 **the Group** shall mean the Company and its subsidiary undertakings (if any).
- 40.4 A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article. Notwithstanding any other provision of this Article, the Directors may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence the limit imposed by this Article is inadvertently exceeded an amount of borrowings equal to the excess may be disregarded until the expiration of three months after the date on which, by reason of a determination of the Auditors or otherwise, the Directors become aware that the limit has been inadvertently exceeded .
- 40.5 No person dealing with the Company or any of its subsidiary undertakings shall by reason of the foregoing provision be concerned to see or enquire whether the said limit is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time



when the borrowing was incurred or security given express notice that the said limit had been or would thereby be exceeded.

#### **41 PROCEEDINGS OF THE BOARD**

- 41.1 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. Questions arising at any meeting shall be determined by a majority of votes. . A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.
- 41.2 Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may require of the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose but such notices need not be given any earlier than notices given to Directors not so absent, and in the absence of any such requisition it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.
- 41.3 The quorum necessary for the transaction of the business of the Board may be fixed from time to time by the Board and, unless so fixed at any other number, shall be two. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretion for the time being vested in or exercisable by the Board.
- 41.4 Subject to the provisions of these Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
- 41.5 A Director shall be treated as present in person at a meeting of the Board if he is in communication with the meeting by conference telephone, video conference or other communication equipment permitting all those participating in the meeting to hear one another. Such Director shall be counted in the quorum of the meeting and shall be entitled to vote at it. A meeting of the Directors to which this Article applies shall be

deemed to take place where the majority of those participating is assembled or, if there is no majority, at the place where the chairman of the meeting is present.

- 41.6 The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below any minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose of filling vacancies in the Board or of summoning General Meetings of the Company but not for any other purpose. If there be no Directors able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.
- 41.7 The Board may appoint from their number a chairman and one or more deputy chairmen of its meetings and determine the period for which they are respectively to hold such offices and may at any time remove them from such offices. If no such chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present may appoint one of their number to be chairman of the meeting. If at any time there is more than one deputy chairman the right in the absence of the chairman to preside at a meeting of the Board or of the Company shall be determined as between the deputy chairman present (if more than one) by seniority in length of appointment as deputy chairman or otherwise as resolved by the Board.
- 41.8 The Board may delegate such of its powers, authorities or discretion (with power to sub-delegate) as it may think fit to committees consisting of one or more members of the Board and (if thought fit) one or more other persons co-opted as provided below. The powers, authorities or discretion so delegated shall include, without limitation, all powers, authorities or discretion which relate, or may relate, to the payment of remuneration to or the conferring of any other benefit on, any member of the Board or person co-opted to any committee of the Board, as provided below. Any committee so formed shall, in the exercise of the powers, authorities or discretion so delegated, conform to any regulations which may from time to time be imposed by the Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (a) the number of members who are not Directors shall be less than one-half of the total number of members of the committee; and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present throughout the meeting are Directors. In so far as any power,

authority or discretion is delegated to a committee in accordance with this Article, any reference in these Articles to the exercise by the Board of the power, authority or discretion so delegated shall be read and construed as if it were a reference to the exercise by such committee.

- 41.9 The meetings and proceedings of any committee consisting of two or more persons shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board, so far as they are applicable and are not superseded by any regulations imposed by the Board under Article 41.8.
- 41.10 A resolution in writing signed by all the Directors (or their duly appointed alternates) for the time being in the United Kingdom (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or communication in electronic form or in several documents or communications in electronic form in like form each signed by one or more of the Directors or members of the committee concerned. These document(s) can be facsimile or electronic copies. No signature is necessary if electronic copies are used, subject to any terms and conditions as to authentication or otherwise as the Secretary or the Board decide. A resolution in writing of the Directors shall not be adopted if the number of Directors who have signed it is less than the quorum for Directors' meetings.
- 41.11 Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.
- 41.12 All acts done by the Board or by any committee or by any person acting as a Director or member of a committee, shall as regards all persons dealing in good faith with Company, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as a Director or such member or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee and had been entitled to vote.

## **42 SECRETARY**

- 42.1 Subject to the provisions of the Companies Acts, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board, but without prejudice to any claim for damages for breach of any contract of service or employment between him and the Company.
- 42.2 If thought fit two or more persons may be appointed as joint secretaries. The Board may also appoint from time to time on such terms as they may think fit one or more deputy secretaries, assistant secretaries and deputy assistant secretaries. A signature or attestation or certification of or on any document by a deputy, assistant or deputy assistant secretary in that capacity shall in favour of any person dealing with the Company on the faith thereof be as effective as if it were the signature or attestation or certification of or on such document by the Secretary.
- 42.3 A provision of the Companies Acts or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

### **43 THE SEALS**

- 43.1 The Board shall provide for the safe custody of every Seal and any Securities Seal and neither shall be used without the authority of the Board or of a committee authorised by the Board in that behalf.
- 43.2 Subject to Article 41.3, every instrument to which the Seal and any Securities Seal shall be affixed shall be signed autographically by one Director and the Secretary, or by two Directors, or by one Director in the presence of a witness save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures, or either of them, shall be dispensed with or affixed by some method or system of mechanical signature.
- 43.3 The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.
- 43.4 The Board may resolve that the Company shall not have a Seal or Securities Seal.
- 43.5 Where the Companies Acts so permit, any instrument or document signed by one Director and the Secretary or by two Directors or by one Director in the presence of a witness and expressed (using any form of words) to be executed by the Company shall

have the same effect as if executed under the Seal, provided that no instrument or document which makes it clear on its face that it is intended to have effect as a deed shall be so signed without the authority of the Board or a duly authorised committee of the Board. Any such instrument or document to be executed by the Company may have signatures affixed autographically.

43.6 An instrument or document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of it having been executed by the Company.

#### **44 AUTHENTICATION OF DOCUMENTS**

44.1 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the holders of any class of shares of the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies of them or extracts from them as true copies or extracts.

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

#### **45 DIVIDENDS AND OTHER PAYMENTS**

45.1 Subject to the provisions of the Companies Acts, the Company may by ordinary resolution from time to time declare dividends to be paid to the Members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

45.2 Subject to the provisions of the Companies Acts, in so far as in the opinion of the Board the profits of the Company justify such payments, the Board may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of it and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates in respect of such periods as it thinks fit. If the Board acts in good

faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

- 45.3 Unless and to the extent that the rights attached to any shares or the terms of issue of any shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.
- 45.4 No dividend shall be paid otherwise than out of profits available for the purpose in accordance with the provisions of the Companies Acts.
- 45.5 Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide, dividends may be declared or paid in any currency, as the Board may determine, using such exchange rate for currency conversions as the Board may select. The Board may agree with any Member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.
- 45.6 The Board may retain any dividend (or part of a dividend) or other moneys payable on or in respect of a share on which the Company has a lien, and may apply it or them in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 45.7 The Board may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares contained above, entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the shares.
- 45.8 No dividend or other moneys payable on, or in respect of, a share shall bear interest as against the Company, whatever the circumstances of the lateness of payment.
- 45.9 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the holder of it

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

45.10 The payment by the Board of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it and any dividend unclaimed after a period of twelve years from the date such dividend is payable shall be forfeited and shall revert to the Company.

45.11 The Company may upon the recommendation of the Board by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the difficulty as it thinks expedient and, in particular, may issue fractional certificates and may fix the value for distribution of such specific assets or any part of them and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.

45.12 The Board may, with the sanction of an ordinary resolution of the Company in General Meeting, offer Members the right to elect to receive shares, credited as fully paid, in whole or in part, instead of cash in respect of such dividend or dividends as are specified by such resolution. The following provisions shall apply:

45.12.1 the ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period to which the right of election shall apply but such period may not end later than the conclusion of the Annual General Meeting falling in the fifth calendar year following the calendar year in which falls the meeting at which the ordinary resolution is passed provided that nevertheless the Directors may in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts as are necessary or expedient with regard to, or in order to effect, any such suspension or termination;

45.12.2 the entitlement of each Member to new shares shall be such that the relevant value of the shares shall be as nearly as possible equal to (but not in excess of without the sanction of a special resolution of the Company) the cash amount

(disregarding any tax credit) that such Members would have received by way of dividend. For this purpose **relevant value** shall be calculated by reference to the average of the middle market quotations for the shares of the Company on the London Stock Exchange as derived from the London Stock Exchange Daily Official List on each of the first five dealing days on which the shares are quoted **ex** the relevant dividend or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and, in giving such a certificate or report, the Auditors may rely on advice or information from brokers or other sources of information as they think fit;

- 45.12.3 the basis of allotment shall be such that no Member may receive a fraction of a share;
- 45.12.4 on or as soon as practicable after announcing that it is to declare or recommend any dividend, the Board, if it intends to offer an election in respect of that dividend, shall also announce that intention and, after determining the basis of the allotment (if it decides to proceed with the offer) shall notify Members in writing of the right of election offered to them and shall send forms of election with, or following, such notification and shall specify the procedure to be followed and place at which, and the latest date and time by which (being at least twenty-one days after the despatch of the notice), duly completed forms of election must be lodged in order to be effective;
- 45.12.5 the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on shares in respect of which the election has been duly made (**the elected shares**) and instead of the dividend (or such part) additional shares shall be allotted to the holder of the elected shares on the basis of allotment determined as set out above. For such purpose the Board shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional shares to be allotted on such basis and apply that amount in paying up in full the appropriate number of unissued



shares for allotment and distribution to and amongst the holders of the elected shares on such basis;

45.12.6 the additional shares so allotted shall rank equally in all respects with the fully paid shares then in issue save only as regards participation in the relevant dividend;

45.12.7 the Board shall not proceed with any election unless the Company has sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined;

45.12.8 the Board may exclude from any offer any holders of shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory, or that for any other reason the offer should not be made to them; and

45.12.9 the Board may also from time to time establish or vary a procedure for election mandates, under which a Member may elect in respect of future rights to elect to receive shares offered to that Member under this Article until the election mandate is revoked in accordance with the procedure.

45.13 The Company may pay any dividend, interest or other moneys payable in cash in respect of shares, by direct debit, bank transfer, cheque, dividend warrant or money order. In respect of uncertificated shares, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay such dividend, interest or other moneys by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system). Every such cheque, warrant or order may be remitted by post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the joint holder whose name stands first in the Register, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque, warrant or order shall be made payable to or to the order of the person to whom it is sent, or to such other person as the holder or joint holders may in writing direct. Every such payment made by direct debit or bank transfer shall be made to the holder or joint holders or to or through such other person as the holder or joint holders may in writing direct. In respect of uncertificated shares, every such payment made by such other method as is referred to above shall be made in such manner as may be consistent with the facilities and requirements of the relevant system concerned. In respect of uncertificated shares, such payment may include the

sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may in writing direct. The Company shall not be responsible for any loss of any such cheque, warrant or order and any payment made by direct debit, bank transfer or such other method shall be at the sole risk of the holder or joint holders. If any such cheque, warrant or order has or shall alleged to have been lost, stolen or destroyed, the Board may, on request of the person entitled to it, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit. Payment of such cheque, warrant or order, the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank transfer or, in respect of uncertificated shares, the making of payment in accordance with the facilities and requirements of the relevant system concerned, shall be a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the share held by him as joint holder.

45.14 Any resolution declaring, paying or making a dividend, distribution, allotment or issue in respect of shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Board, may specify that it shall be paid or made to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be on or at any time before or after the date on which the resolution is passed, and the dividend, distribution, allotment or issue shall then be receivable by them in accordance with their respective holdings so registered, but without prejudice to the rights as between themselves in respect of such dividend, distribution, allotment or issue of transferors and transferees of any such shares.

45.15 The Company may cease to send any cheque or warrant through the post or employ any other means of payment for any dividend payable on any shares, which is normally paid in that manner on those shares, if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed or that means of payment has failed but, subject to the provisions of these Articles, the Company shall recommence sending cheques or warrants or employing such means in respect of dividends payable on those shares if the holder of the shares requests such recommencement in writing.

## **46 RESERVES**

- 46.1 The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretions, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may divide such reserves 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 reserves may have been divided. The Board may also without placing them to reserve carry forward any profits that it may think it prudent not to distribute.
- 46.2 Subject to the provisions of the Companies Acts, where any asset, business or property is bought by the Company as from a past date its profits and losses as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject to this Article 46, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part of it.

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

- 47.1 Notwithstanding any other provisions contained in these Articles, if an adjustment is made to the option price payable by an option holder under any employees' share scheme operated by the Company which results in the adjusted price per share payable on the exercise of any option in respect of any share being less than the nominal value of such share (the **adjusted price**), the Directors may upon the allotment of any share in respect of and following the exercise of the relevant option (the **New Share**) capitalise any sum standing to the credit of any of the Company's reserve accounts which is available for distribution (excluding any share premium account, capital redemption reserve or other undistributable reserve) by appropriating such sum to the option holders concerned and applying such sum on their behalf in paying up in full an amount equal to the difference between the adjusted price and the nominal value of the New Share. The Directors may take such steps as they consider necessary to ensure that the Company has sufficient reserves available for such application. No further authority of the Company in General Meeting shall be required.
- 47.2 The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any

part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not that amount is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled to it if it were distributed by way of dividend and in the same proportions on the basis that that amount be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits may be applied only in the paying up of unissued shares to be allotted to such Members credited as fully paid up.

47.3 Where any difficulty arises in regard to any distribution under the last preceding Article or under Articles 45.11 or 45.12 the Board may settle the difficulty as it thinks expedient and, in particular, may issue fractional certificates or authorise any person to sell and transfer any fractions and arrange for the distribution of the net proceeds of sale in due proportion among the Members who would have been entitled to the fractions or, if permitted, for the retention of such net proceeds for the benefit of the Company, or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may resolve to ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect to it and such appointment shall be effective and binding upon the Members.

#### **48 FORM OF RECORDS**

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

#### **49 ACCOUNTS**

49.1 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Companies Acts shall be kept at the Office, or at such other place as the Board thinks fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no Member or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Board.

49.2 A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than 21 days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Companies Acts or of these Articles. Provided that this Article 49 shall not require a copy of these documents to be sent to more than one of joint holders or to any person for whom the Company does not have on record either a postal address or an address for communication by electronic means to which the copies can be sent, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office and provided further that if the Companies Acts so permit the Company need not send copies of these documents to Members who do not wish to receive them but may send them such summary financial statement or other documents as may be authorised by the Companies Acts. So long as and whenever any of the shares or debentures of the Company are for the time being traded on the London Stock Exchange or dealt in on AIM there shall be forwarded to the appropriate officer of the London Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice. Where permitted by the Companies Acts, any document or copy referred to in this Article 49 may be sent by electronic means.

## **50 AUDITORS**

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

50.2 Subject to the provisions of the Companies Acts, all acts done by any person acting as an auditor shall, as regards all person dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that the was at the

time of his appointment not qualified for the appointment or subsequently became disqualified.

50.3 An auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to the General Meeting which any Member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as auditor.

## **51 COMMUNICATIONS**

51.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which documents or information may be sent or supplied by or to the Company for the purposes of the Companies Acts.

51.2 The Board may from time to time specify the form and manner in which a document or information may be given to the Company by electronic means, including one or more addresses for the receipt of a communication sent by electronic means, and may prescribe such procedures as it thinks fit for verifying the authenticity or integrity of any such communication sent by electronic means.

51.3 A notice, document or other information may be given or served by the Company in hard copy form to any Member personally by sending it through the post addressed to the Member at his registered address or by leaving it at that address.

51.4 Subject to the Companies Acts, a document or information may be given in electronic form by the Company to any member to such address as may from time to time be authorised by the Member concerned or by making it available on a website and notifying the Member concerned, in such manner as may from time to time be agreed between the Member and the Company, that it has been so made available. The Company may rely on the provisions of paragraph 10, schedule 5 of the Companies Act 2006 in relation to deemed agreement by Members to documents or information being sent or supplied by means of a website, where the conditions set out in paragraph 10(3) of such schedule are satisfied.

51.5 In the case of joint holders of a share, service or delivery of any notice, document or other information on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. The Company may accept instructions from one joint holder only without reference to the other joint holder(s).

- 51.6 Any Member described in the Register by an address not within the United Kingdom who shall, from time to time, give to the Company an address within the United Kingdom at which notices may be served upon him (including an address to which notices may be sent using electronic means) shall be entitled to have notices served upon him at such address, but otherwise no Member other than a Member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.
- 51.7 Any notice, document, or other information if sent by first class post, shall be deemed to have been served or delivered on the day after the day when it was put in the post, and if sent by second class post, shall be deemed to have been served or delivered 48 hours after the day when it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice, document or other information was properly addressed, prepaid and put in the post. Any notice, document or other information delivered by hand or left at a registered address shall be deemed to have been served or delivered on the day it was so delivered or left. Any notice, document or other information (other than a share certificate) sent by electronic means (including through any relevant system) shall be treated as being delivered two hours after it was sent to an address supplied by the Member. Any notice, document (other than a share certificate) or other information made available on a website shall be treated as being delivered 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. Any notice given by advertisement shall be treated as being delivered at midday on the day when the last advertisement appears in the relevant newspaper(s). Any notice, document or information sent by the Company's internal post system shall be treated as being delivered on the day after it was sent.
- 51.8 Any notice, document or other information delivered or sent by post, facsimile, electronic means, relevant system, advertisement, internal post system or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice, document or other information on all

persons interested (whether jointly with or as claiming through or under him) in the share.

- 51.9 Any notice, document or other information may be served or delivered by the Company by reference to the Register as it stands at any time not more than 15 days before the date of despatch by the Company. No change in the Register after that time shall invalidate that service or delivery. Where any notice, document or other information is served on, or delivered to, any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice, document or other information.
- 51.10 Where the Company communicates with a Member by electronic means its obligations shall be satisfied when it transmits the message and the Company will not be responsible for a failure in transmission beyond its control. However, if the Company becomes aware of the failure in delivery of a communication in electronic form (and subsequent attempts do not remedy the situation) it will revert to sending a hard copy of the communication by post to the Member's last known postal address. This obligation does not apply to receipt of an 'out of office' message.
- 51.11 The Company will endeavour to ensure that its outgoing communications in electronic form are, so far as reasonably practical, virus free. The Company may refuse a communication in electronic form from a Member that appears to contain a virus but will endeavour to inform such Member of the failure of the communication.
- 51.12 Nothing in any of the preceding Articles shall affect any requirement of the Companies Acts that any particular offer, notice or other document be served in any particular manner.

## **52 DESTRUCTION OF DOCUMENTS**

The Company may destroy:

- 52.1 any share certificate that has been cancelled at any time after the expiry of one year from the date of such cancellation;
- 52.2 any dividend mandate or any variation or cancellation of it or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification is recorded by the Company;



- 52.3 any instrument of transfer of shares which has been registered, and all other documents on the basis of which an entry in the Register is made, at any time after the expiry of six years from the date of registration or entry;
- 52.4 any allotment letters at any time after the expiry of six years from the date of issue of such letter;
- 52.5 powers of attorney, grants of probate and letters of administration at any time after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;
- 52.6 all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment;
- 52.7 all proxy appointments which have been used for the purposes of a poll at any time after the expiration of one year from the date of use; and
- 52.8 all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointment relates and at which no poll was demanded,

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

- 52.9 the previous provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- 52.10 nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as set out above or in any case where the conditions of proviso 52.9 above are not fulfilled;
- 52.11 any document referred to in this Article may, subject to the Companies Acts, be destroyed before the end of the relevant period so long as a copy of such document

(whether made electronically, by microfilm, by digital imaging or by any other means) has been made and is retained until the end of the relevant period; and

52.12 references in this Article to the destruction of any document include references to its disposal in any manner.

### **53    SECRECY**

No Member or General Meeting or other meeting of Members shall be entitled to require discovery of or any information respecting any detail of the Company's trading, or any matter that is or may be in the nature of a trade secret or secret process, or that may relate to the conduct of the business of the Company which in the opinion of the Board it would be inexpedient in the interest of the Company to communicate to the public.

### **54    EMPLOYEES**

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

### **55    WINDING UP**

55.1     The Board shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

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

## 56 INDEMNITY

56.1 Subject to the provisions of, and so far as may be permitted by and consistent with, the Companies Acts, every Director and every director of each of the Associated Companies of the Company shall be indemnified by the Company out of its own funds against:

56.1.1 any liability incurred by or attaching to such Director or director in connection with any negligence, default, breach of duty or breach of trust by such Director or director in relation to the Company or any Associated Company of the Company other than:

- (a) any liability to the Company or any Associated Company; and
- (b) any liability of the kind referred to in section 234(3) of the Companies Act 2006; and

56.1.2 any other liability incurred by or attaching to such Director or director in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

56.2 Subject to the Companies Acts, the Company may indemnify a Director and any director of any Associated Company of the Company if it is the trustee of an occupational pension scheme (within the meaning of section 235(6) of the Companies Act 2006).

56.3 Where a Director or any director of an Associated Company of the Company is indemnified against any liability in accordance with this Article 56, such indemnity shall extend to all related costs, charges, losses, expenses and liabilities incurred by such Director.

56.4 In this Article, **Associated Company** shall have the meaning given to such expression by section 256 of the Companies Act 2006.

## 57 DEFENCE EXPENDITURE

57.1 Subject to the provisions of and so far as may be permitted by the Companies Acts, the Company:

- 57.1.1 may provide a Director and every director of any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by such Director or director in defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by such Director or director in relation to the Company or an Associated Company of the Company or in connection with any application for relief under the provisions mentioned in section 205(5) of the Companies Act 2006; and
- 57.1.2 may do anything to enable any such Director or director to avoid incurring such expenditure.
- 57.2 The terms set out in section 205(2) of the Companies Act 2006 shall apply to any provision of funds or other things done under Article 57.1.
- 57.3 Subject to the provisions of and so far as may be permitted by the Companies Acts., the Company:
- 57.3.1 may provide a Director and any director of any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by such Director or director 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 by such Director or director in relation to the Company or any Associated Company of the Company; and
- 57.3.2 may do anything to enable any such Director or director to avoid incurring such expenditure.
- 57.4 In this Article, **Associated Company** shall have the meaning given to that expression by section 256 of the Companies Act 2006.