

**The Companies Act 1985**  
**(As amended by the Companies Act 1989)**  
**Public Company Limited by Shares**  
**MEMORANDUM OF ASSOCIATION**

of

**INDITHERM PLC**

We hereby certify this to be  
a true copy of the original  
freethcartwright  
10.12.01

1. The Company's name is \*Inditherm plc
2. The Company is to be a public company.
3. The Company's registered office is to be situated in England and Wales.
4. The Company objects are:-
  - (A) (i) To carry on business as a general commercial company.
  - (ii) To carry on any trade or business whatsoever and to do all such things as are incidental or conducive to the carrying on of any trade or business by it.
  - (iii) To undertake all or any of the following objects.
- (B) To carry on any other trade or business which can, in the opinion of the Board of Directors, be advantageously carried on by the Company.
- (C) To acquire by purchase, lease, exchange, hire or otherwise, or to hold for any estate or interest, any land, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business.
- (D) To erect, alter or maintain any buildings, plant and machinery necessary or convenient for the Company's business and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (E) To acquire by subscription or otherwise and hold, sell, deal with, make a market in or dispose of any shares, stocks, debentures, debenture stock, or other securities of any kind whatsoever, guaranteed by any company constituted or carrying on business in any part of the world and debentures, debenture stock and other securities of any kind guaranteed by any Government or Authority, Municipal, Local or otherwise, whether at home or abroad, and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by the ownership thereof.
- (F) To receive money on deposit or otherwise either without security or secured by debentures, debenture stock (perpetual or terminable), mortgage or other security charged on the undertaking or on all or any of the assets of the Company including uncalled capital, and generally to act as bankers.

\* The name of the Company was changed from P.J.O. (Inditherm) Limited on 6 December 2001.

- (G) To borrow and raise money in any manner and to secure with or without consideration the repayment of any money borrowed, raised, or owing by mortgage, charge, debenture, debenture stock, bond, standard security, lien or any other security of whatsoever nature upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital, and also by a similar mortgage, charge, debenture, debenture stock, bond, standard security, indemnity, lien or security of whatsoever nature to secure and guarantee the performance by the Company or any other company or person (including, but without prejudice to the generality of the foregoing) the holding company of the company or any company which is a subsidiary of such holding company within, in each case, the meaning of Section 736 and Section 736(A) of the Companies Act 1985 (the "Act"), as amended by the Companies Act 1989, of any obligation or liability it or such person or company may undertake or which may become binding upon it or such person or company, and to secure any securities of the Company by a Trust Deed or other assurance and to enter into partnership or any joint purse arrangement with any person, persons, firm or company.
- (H) To lend money with or without security, and to invest money of the Company upon such terms as the Company may approve, and to guarantee the dividends, interest and capital of the shares, stocks or securities of any company of or in which the Company is a member or is otherwise interested, and generally as the Directors think fit.
- (I) To apply for, purchase or otherwise acquire and hold or use any patents, licences, concessions, copyrights and the like, conferring any right to use or publish any secret or other information and to use, exercise, develop or grant licences in respect of the property, rights or information so acquired.
- (J) To take part in the formation, management, supervision or control of the business or operation of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants, consultants, experts or agents.
- (K) To employ experts, consultants and valuers to investigate and examine the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
- (L) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition or taking over of all or any of the assets or liabilities of the Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or the interests of the Company and to acquire, hold or dispose of shares, stocks or securities issued by or any other obligations of any such other company.
- (M) To draw, accept, make, endorse, discount, execute, issue and negotiate promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable instruments.
- (N) To invest and deal with monies of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as the Company may approve.
- (O) To pay for any property or rights acquired by the Company either in cash or by the issue of fully or partly paid up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

- (P) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash by instalments or otherwise, or in fully or partly paid-up shares or stock of any company or corporation, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment or capital, voting or otherwise, or in debentures or mortgages or other securities of any company or corporation or partly in one mode and partly in another, and generally on such terms as the company may determine, and to hold, dispose of or otherwise deal with any shares, stocks or securities so acquired.
- (Q) To enter into arrangements for joint working in business or amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company or which is capable of being carried on so as directly or indirectly to benefit the Company.
- (R) To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, or company carrying on any business the carrying on of which is calculated to benefit the Company or to advance its interests, or possessed of property suitable for the purposes of the Company.
- (S) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.
- (T) To provide for the welfare of persons employed or formerly employed by the Company and to grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the Company or its predecessors in business or of any associated company of the Company or its predecessors in business or the dependents of such persons and to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory), with a view to providing pensions or other funds for any such persons as aforesaid or their dependents.
- (U) To subscribe to or otherwise aid the establishment and support of, any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether such institutions or societies be solely connected with the business carried on by the company or its predecessors in business or not, and to institute and maintain any club or other establishment.
- (V) To distribute in specie assets of the Company properly distributable amongst the members, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (W) 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 against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and or discharge of their duties and or in the exercise of their powers and or otherwise in relation to their duties, powers or offices in relation to the Company, and to such extent as may be permitted by law or otherwise to indemnify or to exempt any such person against or from any such liability.
- (X) To do all or any of the things hereinbefore authorised, either alone or in conjunction with others, or as factors, trustees or agents for others, or by or through factors, trustees or agents.

- (Y) Subject to, and always in compliance with, the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (Z) To do all such other things (whether similar to any of the foregoing or not) as are incidental to or which the Company may think conducive to the above objects or any of them.

The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said clauses.

5. The liability of the Members is limited.
6. The Share Capital of the Company is £1,000,000 divided into 100,000,000 Shares of £0.01 each, being 78,000,000 Ordinary Shares of £0.01 each and 220,000 Redeemable Preference Shares of £1 each.

(As amended by Special Resolution dated 10 December 2001).

**THE COMPANIES ACTS 1985 AND 1989**

**PUBLIC COMPANY LIMITED BY SHARES**

**NEW  
ARTICLES OF ASSOCIATION**

**OF**

**INDITHERM PLC**

**COMPANY NUMBER: 3587944**

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**THE COMPANIES ACT 1985**

**A PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**Inditherm plc**

**(Amended by special resolution passed on 10 December 2001)**

**PART I**

**PRELIMINARY**

1. The regulations in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 do not apply to the Company.
2. In these articles the following words and expressions bear the following meanings:

"Act"	The Companies Act 1985 including statutory modifications or re-enactments for the time being in force;
"AIM"	The Alternative Investment Market of the London Stock Exchange;
"Board"	The Directors of the Company or a quorum of the Directors present at a Board meeting;
"Certificated Share"	a security which is recorded in the relevant register of securities as being held in certificated form;

“Clear days”	in relation to a period of notice means that period excluding the day when notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
“Controlling Interest”	an interest (within the meaning of schedule 13 part 1 and section 324 of the Act) in shares conferring in aggregate fifty per cent (50%) or more of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue;
“Group”	the Company and its subsidiaries;
“Listing”	the admission of any part of the equity share capital of the Company to the official List of the London Stock Exchange or the grant of permission by the London Stock Exchange to deal in any of the Company's shares on the Alternative Investment Market of the London Stock Exchange or on any other recognised investment exchange (as defined by section 207 of the Financial Services Act 1986) and such permission becoming effective;
“London Stock Exchange”	the London Stock Exchange plc;
“Month”	calendar month;
“Office”	the registered office of the Company from time to time;
“Ordinary Shares”	the ordinary shares of £1 each in the capital of the Company;
“Paid”	paid or credited as paid;
“Participating Security”	a share, class of share, renounceable right of allotment of a share or other security, title to units of



	which is permitted to be transferred by means of a Relevant System in accordance with the Uncertificated Securities Regulations;
"Preference Shares"	the redeemable preference shares of £1 each in the capital of the Company;
"Recognised Clearing House"	a recognised clearing house within the meaning of the Financial Services and Markets Act 2000 acting in relation to a recognised investment exchange (as defined in the Financial Services and Markets Act 2000);
"Relevant System"	as defined in the Uncertificated Securities Regulations, being a computer-based system and procedures which enable title to units of a security to be evidenced and transferred without a written instrument;
"Sale"	the sale of the whole or substantially the whole of the undertaking of the Company or a subsidiary of the Company or more than fifty per cent (50%) of the equity share capital of the Company or a subsidiary of the Company;
"Seal"	the Common Seal of the Company;
"Secretary"	any person qualified in accordance with the Statutes appointed by the Directors to perform the duties of the secretary including a joint, assistant or deputy secretary;
"Securities Seal"	an official seal kept by the Company pursuant to Section 40 of the Act;
"Shareholder"	a holder for the time being of shares in the capital of the Company;

"Specified Event"	a transfer of a Controlling Interest, a Listing or a Sale;
"Statutes"	the Act and every other statute or subordinate legislation (including but not limited to, the Uncertificated Securities Regulations) for the time being in force concerning companies and affecting the Company;
"Transfer Office"	the place where the register of members is situate for the time being;
"Uncertificated Share"	a security title which is recorded on the relevant register of securities as being held in uncertificated form and title to which may be transferred by means of a Relevant System;
"Uncertificated Securities Regulations"	The Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272), including any modification thereof or any regulation in substitution therefor made under section 207 of the Companies Act 1989 and for the time being in force;
"United Kingdom"	Great Britain and Northern Ireland;
"Writing"	includes any method of representing or reproducing words in a legible and non-transitory form and "written" is interpreted accordingly;
"Year"	calendar year;

The expressions "debenture" and "debenture holder" shall respectively include "debenture stock" and "debenture stockholder".

In these articles, any reference to any statutory provision or enactment shall include any statutory modification or re-enactment thereof.

In these articles, reference to a share (or to a holding of shares) being in uncertificated form or in certificated form are references, respectively, to that share being an uncertificated unit of a security or a certificated unit of a security.

For the purposes of these articles, reference to a Relevant System shall be deemed to relate to the Relevant System on which the particular share or class of shares or renounceable right of allotment of a share concerned in the capital of the Company is a Participating Security for the time being, and any references in these articles to the giving of an instruction by means of a Relevant System shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Regulations.

For the purposes of these articles a dematerialised instruction is properly authenticated if it complies with the specifications referred to in paragraph 5(b) of Schedule 1 of the Uncertificated Securities Regulations.

Unless the context otherwise requires, in these articles words or expressions defined in the Act bear the same meanings and words or expressions defined in the Uncertificated Securities Regulations bear the same meanings.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

If for any purpose an ordinary resolution is required, a special resolution or extraordinary resolution shall be as effective and, if an extraordinary resolution is required, a special resolution shall be as effective.

The headings are inserted for convenience only and do not affect the construction of these articles.

## PART II

### SHARE CAPITAL OF THE COMPANY

3. The authorised share capital of the Company at the date of adoption of these articles is £1,000,000 divided into 78,000,000 Ordinary Shares of £0.01 each and 220,000 Preference Shares of £1 each.

4. Rights attaching to shares

4.1. Income

4.1.1. Preference Shares

In the event the Company fails to redeem any Preference Shares on any redemption date as set out in regulation 4.3 the holders of Preference Shares which have not been redeemed shall be entitled to receive, in priority to the holders of any other class of shares, a fixed cumulative preferential net cash dividend (the "Preference Dividend") of 5 pence per annum on each share which the Company has failed to redeem such dividend to accrue day to day from the date such Preference Shares were due for redemption and to be payable half yearly in arrears on 30 June and 31 December, the first such payment to be made on 31 December 2001 if relevant.

4.1.2. Further distributions

The balance of any profits resolved to be distributed in any financial year or period shall be distributed amongst the holders of the Ordinary Shares pro rata according to the par value of the Ordinary Shares held by each such shareholder.

4.2. Capital

On a return of assets on liquidation or capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares), the assets of the Company available for distribution amongst Shareholders after payment of its liabilities shall be applied in the following manner and order of priority;

- a) first, in paying to the holders of the Preference Shares £1 per share together with a sum equal to all unpaid arrears of the Preference Dividend calculated down to the date of the return of capital on the Preference Shares; and
- b) second, in paying the balance to the holders of the Ordinary Shares.

#### 4.3. Redemption

4.3.1. Subject to the provisions of the Act, and subject to there being, in the reasonable opinion of the Directors, sufficient profits retained to meet the financial requirements of the Company, the Company shall redeem the following number of Preference Shares on the following dates:

Date	Number of Preference Shares to be redeemed
The date of adoption of these Articles	55,000
31 January 2002	55,000
31 January 2003	55,000
31 January 2004	55,000

or earlier subject to the Company having sufficient distributable profits and the board of directors of the Company being of the reasonable opinion that early redemption will not adversely affect the financial requirements of the Company.

- 4.3.2. Subject to the provisions of the Act on the date upon which a Specified Event occurs all of the Preference Shares shall (unless the holders of fifty per cent (50%) of the Preference Shares give notice in writing to the Company to the contrary) be redeemed immediately.
- 4.3.3. Subject to receipt of the relevant share certificates or an indemnity in respect of them in a form reasonably satisfactory to the Company, on the dates fixed for any redemption the Company shall pay to the holder of each Preference Share then to be redeemed:

- (a) £1 per share; and
- (b) all arrears and accruals of the Preference Dividend payable on it (whether earned or declared or not),

which shall become a debt due and payable by the Company to the holder.

4.3.4. If any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant redemption date a fresh certificate for the Preference Shares not so redeemed shall be issued to the shareholder concerned.

4.3.5. If there is more than one holder of Preference Shares, the number of each holder's Preference Shares to be redeemed on each occasion on which Preference Shares are redeemed shall be such number (as nearly as may be) as shall bear the same proportion to the total number of Preference Shares to be redeemed on each such occasion as that proportion which each such holder's entire holding of Preference Shares bears to the total number of Preference Shares then in issue.

#### 4.4. Voting

##### 4.4.1. Preference Shares

The holders of the Preference Shares shall be entitled to receive notice of and to attend either in person or by proxy at any general meeting of the Company but shall not be entitled to vote thereat (either personally or by proxy).

##### 4.4.2. Ordinary Shares

The holders of the Ordinary Shares shall have the right to receive notice of and attend and vote at any general meeting of the Company. Each such holder present in person or by proxy or by representative shall be entitled on a show of hands to one vote and on a poll to one vote for each Ordinary Share held by him.

## VARIATION RIGHTS

5. (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up.
- (B) The provisions of these articles relating to general meetings of the Company apply to every separate meeting of the holders of a class of share but:
- (i) the quorum shall be at least two persons holding or representing by proxy one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person or by proxy shall be a quorum);
  - (ii) any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.
- (C) The foregoing provisions of this article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.
6. (A) The special rights attached to shares of a class (unless the special rights otherwise expressly provide) are not deemed to be varied by the creation or issue of further shares ranking either *pari passu* with or subsequent to them;
- (B) The rights attached to any class of shares shall not be deemed to be varied by any securities in the capital of the Company becoming, or ceasing to be, a Participating Security.
- (C) Shares in the capital of the Company will not be treated as a separate class of shares either by becoming, or by ceasing to be, a Participating Security or held in uncertificated form.

#### **UNCERTIFICATED SHARES**

7. (A) Subject to the Statutes, the Directors may at any time resolve that a class of shares is to become a Participating Security and may at any time resolve that a class of shares shall cease to be a Participating Security.
- (B) The Directors shall have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing and transfer of Uncertificated Shares, subject always to the Uncertificated Securities Regulations and the rules and procedures of the Relevant System.
- (C) The Company shall enter on the register of members how many shares are held by each member in uncertificated form and in certificated form and shall maintain the register of members in each case as is required by the Uncertificated Securities Regulations and the Relevant System. Unless the Directors otherwise determine, holdings of the holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.
- (D) Any share of a class which is a Participating Security may be converted from an Uncertificated Share to a Certificated Share and from a Certificated Share to an Uncertificated Share in such manner as the Directors may in their absolute discretion think fit, subject always to the Uncertificated Securities Regulations and the rules and procedures of the Relevant System.
- (E) In relation to any class of shares which is a Participating Security and for so long as that class of shares or any part of that class of shares remains a Participating Security, (notwithstanding anything contained in these articles) these articles shall only apply to Uncertificated Shares to the extent that these Articles are consistent with:
- (i) the holding of shares in that class in uncertificated form;
  - (ii) the transfer of title to the shares in that class by means of a Relevant System;  
and
  - (iii) the Uncertificated Securities Regulations.
- (F) Where the Company is entitled under any provision of the Statutes or the rules of the Relevant System or under these articles to dispose of, forfeit, enforce a lien over or otherwise procure the sale of any shares or fractions of a share which are held in uncertificated form, the Directors shall have the power (subject to the extent permitted by the Uncertificated Securities Regulations and the rules and practices of the



Relevant System) to take such steps as may be required, by instruction by means of the Relevant System or otherwise, to effect such disposal, forfeiture, enforcement or sale and such powers shall (subject as aforesaid) include the right to:

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

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

8. (A) Subject to paragraph (B) below the Company may purchase its own shares (including any redeemable shares) in any manner authorised by the Act and with and subject to all prior authorities of the Company in general meeting as specified under the Act provided however that the Company may not purchase any of its shares under this Article if as a result of the purchase of the shares in question there would no longer be any member holding shares in the Company other than redeemable shares.
- (B) The Company may not purchase its own shares if at the time of such purchase there are outstanding any convertible securities of the Company unless such purchase has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of the convertible securities.

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

9. The Company may from time to time by ordinary resolution increase its capital by such sum, divided into shares of such amounts, as the resolution prescribes. Unless otherwise provided by these articles, by the resolution creating the new shares or by the conditions of issue, the new shares shall be subject to the provisions of these articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
10. (A) The Company may by ordinary resolution:
- (i) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares.
  - (ii) cancel shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares cancelled.
  - (iii) subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of smaller nominal value and determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.
- (B) Upon any consolidation, division or sub-division of shares, the Company may treat holdings of Certificated Shares and of Uncertificated Shares of the same class as if they were different holdings.
- (C) Upon any consolidation of fully paid shares into shares of larger nominal value the Directors may as between the holders of shares so consolidated (and subject to holdings of Certificated Shares and of Uncertificated Shares being treated as different holdings) determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder the Directors may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof (whether such consolidated share or fraction is in certificated or uncertificated form). For the distribution among the persons entitled to the net proceeds of such sale the Directors may authorise some person, in respect of Certificated Shares, to execute a transfer of the shares sold or, in respect of Uncertificated Shares, to transfer such shares in accordance with the rules and procedures of the Relevant System, in each case to or in accordance with the

directions of the purchaser. The Directors will ensure the name of the purchaser or the holder of the shares comprised in any such transfer is entered into the register of members and he shall not be bound to see to the application of the purchase money nor shall title to the shares in any way be affected by any invalidity or irregularity in the proceedings in reference to the sale. For the purposes of this article, any shares representing fractional entitlements to which any member would, but for this article, become entitled may be issued in certificated form or in uncertificated form.

11. Subject to the provisions of the Statutes, the Company may by special resolution reduce, or cancel part of, its share capital or any capital redemption reserve or share premium account in any manner.

### **STOCK**

12. The Company may from time to time by ordinary resolution 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 pari passu 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.
13. The holders of stock may transfer all or any part of it in the same manner and subject to the same provisions of these articles as apply to the shares from which the stock arose (or as near thereto as circumstances admit). The Directors 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.
14. 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 of the Company 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 winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.

15. The provisions of these articles as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" herein shall also include "stock" and "stockholder" respectively.

## **SHARES**

16. Except as required by law, a person shall not be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or recognise any interest in any share except an absolute right of the holder to the entirety of it.
17. (A) Subject to the provisions of the Statutes and without prejudice to any rights attached to existing shares, a share in the Company may be issued with such rights, or subject to such restrictions as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine).
- (B) Subject to the provisions of the Statutes, shares may be issued which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, on such terms and in such manner as these articles provide or the Company may determine by special resolution before the issue of the shares.
18. Subject to the provisions of the Statutes and of these articles, all unissued shares are at the disposal of the Directors and they may allot with or without conferring a right of renunciation, grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.
19. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.
20. Subject to the provisions of the Statutes and of these articles, the Directors may at any time after the allotment of any share but before any person has been entered in the register of members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

## **SHARE CERTIFICATES**

21. The provisions of Articles 21 to 27 (inclusive) relating to entitlement to share certificates will not apply so as to require the Company to issue to any person a certificate in respect of any share where such person holds such shares in uncertificated form.
22. Subject to the Statutes, these articles and the requirements of the London Stock Exchange, upon the conversion of an Uncertificated Share into a Certificated Share, the holder thereof (other than a recognised clearing house or a nominee of a recognised clearing house or a recognised investment exchange) will be entitled (unless the terms of issue of that share otherwise provide) to a certificate, free of charge, in respect of all the Uncertificated Shares so converted into certificated form.
23. Every definitive share certificate shall be issued under the Seal (or the Securities Seal or, in the case of shares on a branch register, an official seal for use in the relevant territory) any of which seals may be affixed by laser printer or in such other manner as the Directors having regard to the terms of issue and the Statutes may authorise, or signed (whether personally or otherwise and including by facsimile signature, howsoever applied) by a director and the secretary or by two directors, and shall specify the number and class of shares to which it relates and the amount paid up thereon. No definitive certificate shall be issued representing shares of more than one class. Unless the Directors otherwise determine no definitive certificate shall be issued in respect of shares held by a recognised clearing house or a nominee of a recognised clearing house or a recognised investment exchange.
24. The Company is not bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one or more joint holders is sufficient delivery to all of them.
25. Subject to the provisions of these articles, a member (excluding a recognised clearing house to whom no certificate is to be issued pursuant to Article 20 above) holding shares of any one class is entitled without payment upon the issue or transfer of the shares to a certificate (in the case of issue) within two months (or such longer period as the terms of issue provide) after allotment or (in the case of a transfer) transfer.
26. (A) If a member transfers part of his holding of shares he shall be entitled to a certificate for the balance of his holding without charge.  
  
(B) If a member has two or more certificates representing shares of any one class held by him, upon request the Company will cancel the certificates and issue a single new certificate for such shares without charge.

- (C) If a member surrenders for cancellation a share certificate representing shares held by him and requests the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such a request.
  - (D) If a share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares must be issued to the holder upon request subject to delivery up of the old certificate or (if the old certificate is alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and (in either case) to the payment of such exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
  - (E) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.
27. 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, except to the extent that the terms and conditions otherwise provide, be issued under a seal or in such other manner as the Directors (subject to the provisions of the Statutes) may authorise. The Directors may determine, either generally or in any particular case or cases, that a signature on a certificate may be made by some mechanical means or may be printed or that such certificates need not be signed by any person.

### **CALLS ON SHARES**

28. Subject to the terms of allotment, the Directors may from time to time make calls upon the members in respect of sums unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium). A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
29. Each member shall (subject to receiving 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. The joint holders of a share shall be jointly and severally liable to pay all instalments and calls and any of such persons may give effectual receipts for

- any return of capital in respect of such share. A call may be revoked or postponed as the Directors may determine.
30. If a sum called in respect of a share is not 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 15 per cent per annum) as the Directors may determine and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of non-payment of such call but the Directors shall be at liberty in any case or cases to waive payment of such interest, costs, charges and expenses wholly or in part.
  31. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of the issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these articles be deemed to be a call duly made and payable on the date on which by the terms of the issue the same becomes payable. In case of non-payment all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
  32. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who is at the time the registered holder of the share.
  33. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
  34. The Directors may if they think fit receive from any member willing to make an advance all or any part of the sums (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him. Such payment in advance of calls shall extinguish, pro tanto, the liability upon the shares in respect of which it is made. Upon the sum so received (until and to the extent that it would but for such advance become payable) the Company may pay interest at such rate (not exceeding 12 per cent per annum) as the member paying such sum and the Directors agree upon. The Directors may also at any time repay the amount so advanced upon giving to such members one month's notice in writing.

## **FORFEITURE**

35. If a member fails to pay in full any call or instalment of a call on the due date for payment, the Directors may at any time thereafter 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 thereon and any expenses incurred by the Company by reason of such non-payment.
36. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
37. If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter (but before payment of all calls and interest and expenses due in respect thereof has been made), be forfeited by a resolution of the Directors to that effect. The forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited under these Articles and in that case, reference in these Articles to forfeiture shall include surrender.
38. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was the holder of or entitled to the share before its forfeiture or surrender, or to any other person upon such terms and in such manner as the Directors shall think fit. At any time before a sale, re-allotment or disposition, the forfeiture or surrender may be annulled by the Directors on such terms as they think fit. The Directors may, if necessary, authorise some person to execute an instrument of transfer of the share.
39. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of those shares. Notwithstanding the forfeiture or surrender, he will remain liable to pay to the Company all sums which, at the date of forfeiture or surrender, were payable by him to the Company in respect of the shares with interest thereon at such rate (not exceeding 15 per cent per annum) as the Directors may determine from the date of forfeiture or surrender until payment. The Directors may, at their absolute discretion, enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender, or waive payment in whole or in part.
40. Where any share has been forfeited, notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share, but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice.



41. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### **LIEN**

42. Subject to the provisions of Section 150 of the Act, the Company shall have a first and paramount lien on every share (not being a fully paid share) for all sums (whether presently payable or not) called or payable at a fixed time in respect of it. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this article.
43. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien. No sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiry of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default has been given to the shareholder or the person entitled to the share by reason of his death or bankruptcy.
44. The net proceeds of such sale after payment of the costs of sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect of which the lien exists, so far as the same are presently payable. Any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser.
45. 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 surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or

invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## TRANSFER OF SHARES

46. Unless the Directors otherwise determine (subject to the provisions of the Statutes), all transfers of Certificated Shares shall be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. In such case the instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof.
47. All transfers of Uncertificated Shares shall be made in the manner provided for in the rules and procedures of the operator of the Relevant System and in accordance with and subject to the Uncertificated Securities Regulations.
48. The Company will not close the register of members in respect of a Participating Security without the consent of the operator of the Relevant System. Subject thereto and to the Statutes, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The register of members shall not be closed for more than thirty days in any year.
49. Subject to the requirements of the London Stock Exchange, the Company shall register a transfer of title to any Uncertificated Share or any renounceable right or allotment of a share which is a Participating Security held in uncertificated form in accordance with the Uncertificated Securities Regulations. Nevertheless the Directors may refuse to register such transfer in any circumstance permitted or required by the Uncertificated Securities Regulations and the requirements of the Relevant System. The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares which are not fully paid shares. However, the Directors shall not exercise their discretion in such a way as to prevent dealings in shares taking place on an open and proper basis.

(B) The Directors may refuse to register a transfer of shares (whether fully paid or not and whether held in certificated form or not):

- (i) to any entity which is not a legal or natural person;

- (ii) to a minor; or
    - (iii) to be held jointly by more than four persons.
  - (C) If the Directors refuse to register a transfer of shares pursuant to the provisions of this article they shall send to the transferee notice of the refusal within two months after, in respect of Certificated Shares, the date on which the transfer was lodged with the Company or, in respect of Uncertificated Shares, the date on which the appropriate instructions were received by or on behalf of the Company, in each case in accordance with the rules and procedures of the Relevant System.
50. (A) The Directors may decline to recognise any instrument of transfer unless the instrument of transfer (duly stamped where appropriate) is in respect of only one class of Certificated Share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In the case of a transfer by a Recognised Clearing House, 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.
- (B) All instruments of transfer which are registered may be retained by the Company.
51. No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the register of members affecting the title to any shares.

### **DESTRUCTION OF DOCUMENTS**

52. (A) The Company may destroy:
- (i) a cancelled share certificate after the lapse of one year from the date of cancellation;
  - (ii) an instruction as to the payment of dividends or other sums in respect of a share after the lapse of two years from the date that the instruction was recorded by the Company;

- (iii) a notification of change of name or address after the lapse of two years from the date that the change was recorded by the Company;
- (iv) a transfer or form of renunciation of shares after the lapse of six years from the date of registration; and
- (v) any other document on the basis of which an entry was made in the register of members after the lapse of six years from the date that the entry was made.

The Company may, however, destroy a document after a shorter period than that specified above if a copy is retained in permanent form. The copy of a document shall be treated for the purposes of this article as if it were the document.

- (B) If the Company destroys a document in accordance with paragraph (A) in good faith and without express notice that its preservation was relevant to a claim, it shall be conclusively presumed in favour of the Company that the document was valid and that, if it was a share certificate, it was properly registered and, if it was any other document, particulars of it recorded in the books or records of the Company were correctly recorded. This article shall not, however be construed as imposing any liability upon the Company in relation to the destruction by it of a document before the expiry of the relevant period merely because the specified period had not elapsed.
- (C) In this article, "destruction" includes disposal in any manner.

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

## **TRANSMISSION OF SHARES**

- 53. In case of the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person or persons recognised by the Company as having any title to or interest in the shares, (but nothing in this article releases the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him).
- 54. Any person becoming entitled to a share in consequence of death or bankruptcy of a member or of any other event giving rise by operation of law to such entitlement may (subject as herein provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as a holder of the share upon giving the Company notice in writing of his desire to be so registered or

- transfer such share to some other person. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as if the death or bankruptcy of the member or other event had not occurred and the notice or transfer were a transfer executed by such member.
55. Save as otherwise provided by or in accordance with these articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or other event giving rise by operation of law to such entitlement shall (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share EXCEPT THAT in relation to that share, he shall not be entitled (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he has been registered as a member in respect of the share. Notwithstanding the Directors 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 ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

### **SHARE WARRANTS**

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

## PART III

### GENERAL MEETINGS

57. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. Not more than fifteen months shall elapse between the date of one annual general meeting and the next. All general meetings other than annual general meetings shall be called extraordinary general meetings.
58. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an extraordinary general meeting. Whenever the Directors shall convene an extraordinary general meeting on the requisition of members, they shall convene such meeting for a date not more than 28 days after the date of the notice convening the meeting. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

### NOTICE OF MEETINGS

59. An annual general meeting and any general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one clear days' notice in writing at the least and any other general meeting by fourteen days' clear notice in writing at the least. The period of notice shall be given in the following manner to all members other than such (if any) as are not under the provisions of these articles entitled to receive such notices from the Company. A general meeting (notwithstanding that it has been called by a shorter notice than that specified above) shall be deemed to have been duly called if it is agreed:
- (A) in the case of an annual general meeting by all the members entitled to attend and vote thereat; and
  - (B) in the case of an extraordinary general meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right

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

60. For the purposes of serving notice of meetings, whether under section 370(2) of the Act or any other enactment or under these articles, the Directors may determine that the persons entitled to receive such notice of meeting are those persons entered on the register of members at the close of business on a day determined by the Directors, provided that if the Company has Participating Securities, such date may not be more than 21 days before the date on which the relevant notice of meeting is sent.
61. For the purpose of determining which persons are entitled to attend and vote at any general meeting, and how many votes such persons may cast, the Company may specify in the relevant notice of general 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 of members in order to have the right to attend and vote at the meeting. Changes to entries on the register of members after the time specified by the Company for the purposes of this article shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in the Statutes or in these articles to the contrary.
62. (A) Every notice calling a general meeting shall specify the place and the day and hour of the meeting, 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 one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
- (B) In the case of an annual general meeting, the notice shall also specify the meeting as such.
- (C) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.
63. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:
- (i) declaring dividends;
- (ii) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;

- (iii) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (iv) re-appointing the retiring Auditors (other than Auditors last appointed otherwise than by the Company in general meeting);
- (v) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

### **PROCEEDINGS AT GENERAL MEETINGS**

64. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as Chairman at a general meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither shall be present within fifteen minutes after the time appointed for holding the meeting or willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be Chairman of the meeting.
65. No business other than the appointment of a Chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote at that meeting shall be a quorum for all purposes
66. If within half an hour from the time appointed for a general meeting (or such longer interval as the Chairman of the meeting may think fit to allow) 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 (being not less than seven days thereafter) and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the Chairman of the meeting may determine and in the latter case not less than seven days' notice of the adjourned meeting shall be given in the like manner as in the case of the original meeting. At the adjourned meeting any two members present in person or by proxy shall be a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.
67. The Chairman of the meeting may at any time without the consent of the meeting adjourn any general meeting at which a quorum is present either indefinitely or to another time and at such place as he or she shall determine where it appears to him or her that:-
- (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for a meeting;



- (b) the conduct of persons present prevents or is likely to prevent the orderly conduct of business; or
- (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

In addition, the Chairman of the meeting 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 (or indefinitely) and from place to place. Where a meeting is adjourned indefinitely, the time and place for any adjourned meeting shall be fixed by the Directors. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more or indefinitely not less than seven days' notice of any adjourned meeting shall be given in the like manner as in the case of the original meeting.

68. Save as otherwise expressly provided in these articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjournment meeting.
69. (A) Any proposed amendment to an ordinary resolution shall, unless the amendment be proposed by the Chairman of the meeting, not be valid unless notice of such proposed amendment shall have been received at the Office at least 48 hours prior to the time of the meeting or adjourned meeting. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by an error in such ruling. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
- (B) The decision of the Chairman of the meeting, made in good faith, on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his or her decision, acting in good faith, whether any matter is of such a nature.

## **VOTING**

70. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (i) the Chairman of the meeting; or

- (ii) not less than three members present in person or by proxy and entitled to vote at the meeting; or
  - (iii) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (iv) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
71. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
72. (A) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
- (B) If any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof, and even then not unless it shall, in the opinion of the Chairman, be of sufficient magnitude to merit the vitiation of such result.
73. No poll shall be demanded on the election of a Chairman of the meeting or on a question of adjournment. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

## VOTES OF MEMBERS

74. Subject to any special rights or restrictions as to voting attached by or in accordance with these articles (whether pursuant to Article 79(B) or otherwise) to any shares or class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.
75. 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 of members in respect of the share.
76. Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the grounds (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company.
77. No member shall, unless the Directors otherwise determine, be entitled to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of shares in the Company remains unpaid.
78. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and any vote not disallowed at such meeting shall be valid for all purpose. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
79. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

## DISENFRANCHISEMENT

80. (A) It is to be regarded as a cardinal principle of the Company that all members and persons interested in shares of the Company shall comply with those provisions of Part VI of the Act and any statutory modification or re-enactment thereof whereby the Company is empowered by notice in writing to require any member or other person as aforesaid within such reasonable time as is specified in the notice to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that member or in which such other person as aforesaid is interested (which provisions in this article are referred to as "the statutory disclosure requirements").

(B) If any holder of or any other person appearing to be interested in any shares of the Company fails within such reasonable time as is specified in the said notice from the Company (being not less than 14 days after the date of service of such notice where the shareholding in question represents at least 0.25 per cent of the issued shares of the relevant class and 28 days in other cases) to comply with the statutory disclosure requirements then from the time of such failure until not more than seven days after the earlier of (i) receipt by the Company of notice that there has been a transfer of the shares pursuant to an arms length sale (as defined in paragraph (D) below) and (ii) due compliance, to the satisfaction of the Company, with the statutory disclosure requirements:

(1) (should the Directors so resolve) such holder shall not be entitled to attend or vote or to exercise any right conferred by membership at meetings of the Company in respect of all the shares for the time being registered in the account in the register of members of the Company in respect of which such notice was served; and

(2) (in circumstances where the holding represents at least 0.25 per cent of the issued shares of the relevant class and should the Directors so resolve) the payment of dividends in respect of such shares may be withheld.

Nothing contained in this article shall limit the power of the Company under section 216 of the Act.

(C) For the purposes of this article a person shall be treated as appearing to be interested in any shares if the holder of shares has been served a notice pursuant to Section 212 of the Act and such notice (together with such other notices (if any) as shall have been served upon any other persons in respect of the shares in question) fails to establish the identities of those interested or who have been interested in the shares and the Company knows or has reasonable cause to believe that someone other than the

holder or the persons whose identities have been revealed is or has been interested in the shares.

- (D) For the purposes of this article "an arms length sale" shall mean a sale to an unconnected party under which the beneficial ownership of the shares in question passes and shall include (but without limitation) a sale through a recognised investment exchange or a sale in connection with acceptance of a takeover offer for the Company (as defined in Section 428 of the Companies Act 1985).

## PROXIES

81. A proxy need not be a member of the Company.
82. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:
- (i) in the case of an individual shall be signed by the appointor or by his attorney; and
  - (ii) in the case of a corporation shall be either given under its common seal, or signed by two directors or by a director and the secretary, or signed on its behalf by an attorney or a duly authorised officer of the corporation.

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following article, failing which the instrument may be treated as invalid.

83. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which the person named in the instrument proposes to vote, and in default shall not be treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

84. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
85. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office at least three hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

### **CORPORATIONS ACTING BY REPRESENTATIVES**

86. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purpose of these articles be deemed to be present in person at any such meeting if a person so authorised is present.

## **PART IV**

### **DIRECTORS**

87. Subject as hereinafter provided the Directors shall not be less than two nor more than seven in number. The Company may by ordinary resolution from time to time vary the minimum and maximum number of Directors.
88. Unless otherwise determined by the members in general meeting in accordance with the Act, no person shall be appointed a Director of the Company who has attained the age of 70 years and a Director shall vacate his office at the next annual general meeting after he attains the age of 70 and in respect of such vacation of office no provision contained in these articles for automatic reappointment of retiring Directors in default of another appointment shall apply but any such vacancy may be filled as a casual vacancy.
89. There shall be no requirement for a Director to hold shares in the Company.

90. Each Director shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the capital of the Company.
91. (A) Until otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors (other than alternate Directors) such fees for their services in the office of Director as the Directors may determine (not exceeding in the aggregate an annual sum of £100,000 (subject to increase as provided below) or such larger amount as the Company may by ordinary resolution decide) divided between the Directors as they agree, or, failing agreement, equally. Such fees shall be deemed to accrue from day to day.
- (B) Notwithstanding, any remuneration payable under this Article may be increased separately by the Board of Directors if the increase is solely to meet the costs of any Value Added Tax properly payable on the remuneration of a recipient who holds the appointment of Director or Chairman in the course of his trade, profession or vocation.
92. Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director (including going or residing abroad in connection with the conduct of any of the affairs of the Company), may be paid such extra remuneration by way of lump sum, salary, commission, percentage of profits, or otherwise as the Directors may determine.
93. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or of Committees of the Board or general meetings. If in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors shall be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.
94. (A) A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act in a professional capacity to the Company, and in any such case on such terms as to remuneration and

- otherwise as the Directors may arrange. No Director shall be disqualified by his office from contracting with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise; nor, subject also to Section 320 of the Act, shall any such contract nor any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided; nor, subject also to Section 320 of the Act, shall any Director so contracting or being interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, provided that the nature of his interest shall be disclosed by him in accordance with the provisions of the Statutes.
- (B) A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as a shareholder or otherwise, and unless otherwise agreed by such Director, shall not be accountable for any remuneration or other benefits received by him as a director or officer of, or by virtue of his interest in, such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company or voting or providing for the payment or remuneration to the directors or officers of such other company.

### **MANAGING AND EXECUTIVE DIRECTORS**

95. (A) The Directors may from time to time appoint one or more of their body to be Managing Director or joint Managing Directors of the Company or to hold such other executive office in relation to the management of the business of the Company as they may decide for such period as they think fit (subject to Section 319 of the Act), and may, from time to time (subject to the provisions of any service contract between him or them and the Company and without prejudice to any claim for damages he or they may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.
- (B) A Managing Director or such Executive Director shall, while he continues to hold that office (subject to the provisions of Article 97 hereof and without prejudice to any claim for damages any such Managing Director or Executive Director may have for breach of any service contract between him and the Company), be subject to the same provisions as to removal and as to vacation of office as the other Directors of the



Company, and if he ceases to hold the office of Director for any cause he shall immediately (but without prejudice as aforesaid) cease to be a Managing Director or such Executive Director.

96. The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers, and (without prejudice to the terms of any contract entered into in any particular case) may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

97. The office of a Director shall be vacated in any of the following events, namely:
- (i) If he shall become prohibited by law from acting as a Director;
  - (ii) If he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
  - (iii) If he shall have a receiving order made against him or in Scotland have his estate sequestrated or shall compound with his creditors generally;
  - (iv) If in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of his mental disorder or his becoming a patient under the Mental Health Act 1959 for his detention or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
  - (v) If he shall be removed from office by notice in writing served upon him signed by all his co-Directors being not less than two in number, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
  - (vi) If he be absent from meetings of the Directors for six consecutive meetings without leave, and the Directors resolve that his office be vacated.

98. At the first annual general meeting of the Company in each year one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.

99. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who become or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the Notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such Notice but before the close of the meeting.

100. The Company at the meeting at which a Director retires under any provision of these articles may by ordinary resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:

- (i) Where at such meeting it is expressly resolved not to fill such office or the resolution for the re-election of such Director is put to the meeting and lost;
- (ii) Where such Director has given notice in writing to the Company that he is unwilling to be re-elected;
- (iii) Where the default is due to the moving of a resolution in contravention of the next following article.

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

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

102. No person other than a Director retiring by rotation shall be appointed a Director at a general meeting unless:
- (i) he is recommended by the Directors; or
  - (ii) not less than seven nor more than forty-two Clear days before the date appointed for the meeting a written notice is lodged at the office, signed by a member (not being the person to be proposed) who is qualified to vote at the meeting, giving the Company notice of the intention to propose that person for appointment or reappointment together with written notice signed by that person of his willingness to be appointed or re-appointed.
103. The Company may in accordance with and subject to the provisions of the Statutes by ordinary resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any other person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.
104. The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed the number fixed by or in accordance with these articles as the maximum number of Directors. The Director shall hold office only until the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. If he is not re-appointed at the meeting, 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.

### **ALTERNATE DIRECTORS**

105. (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

- (B) The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director.
- (C) Any alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director for whom he is appointed an alternate is not personally present and generally at such meeting to perform all the functions of a Director. For the purposes of the proceedings at such meeting the provisions of these articles shall apply as if he (instead of the Director for whom he is appointed an alternate) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, an alternate Director shall have one vote for every Director he represents in addition to his own, if he is himself a Director, and when so acting, where the quorum exceeds two, shall be considered as two Directors for the purpose of making a quorum. If the Director for whom he is appointed an alternate is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of the Director for whom he is appointed an alternate. To such extent as the Directors may from time to time determine in relation to any committee of the Directors the foregoing provisions of this paragraph shall also apply to any meeting of any such committee of which the Director for whom he is appointed an alternate is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these articles.
- (D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a Director but he shall not be entitled to receive from the Company any remuneration in respect of his appointment except only such part (if any) of the remuneration otherwise payable to the Director for whom he is appointed an alternate as such Director may by notice in writing to the Company from time to time direct.
- (E) An alternate Director shall be deemed to be an officer of the Company, shall alone be responsible to the Company for his own acts or defaults and shall not be deemed to be the agent of or for the Director appointing him.

## MEETINGS AND PROCEEDINGS OF DIRECTORS

106. Subject to the provisions of these articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. Notice of a 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 request the Board of Directors that notice of a meeting 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 in the absence of any such request it shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retrospective.
107. (A) The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. For the purposes of determining whether a quorum is present:
- (i) in the case of a resolution agreed by Directors in accordance with Article 106 (B) below, all such Directors shall be counted in the quorum;
  - (ii) in the case of a meeting of Directors, in addition to the Directors present at the meeting any Director participating in such meeting in accordance with Article 107 (B) below shall be counted in the quorum.
- (B) A meeting of the Board may consist of a conference between Directors some or all of whom are in different places provided that each Director who participates is able:
- (i) to hear each of the other participating Directors addressing the meeting; and
  - (ii) if he so wishes, to address all of the other participating Directors simultaneously whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or developed subsequently) or by a combination of such methods. Each Director so participating in a meeting shall be deemed to be "present" at such meeting for the purposes of these articles.

- A meeting held in accordance with this article is deemed to take place at the place where the largest group of participating Directors is assembled, or if no such group is readily identifiable, at the place from where the Chairman of the meeting participates.
108. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In the case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
109. (A) Subject as provided in these articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him) is 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, or in relation to which he has a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (B) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists or in any other case at the first meeting of the Board after he knows that he is or has become so interested. A general notice to the Board given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration or interest under this article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the notice takes reasonable steps to secure that it is brought up and read at the next Board Meeting after it is given.
- (C) Subject to the provisions of the Statutes and as provided in these articles, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (i) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiaries;

- (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (iv) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer the Director is or may be entitled to participate as a holder of shares or debentures or other securities of the Company;
  - (v) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Sections 198 to 211 of the Act) of one per cent or more of the issued shares of any class of such company or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this article to be a material interest in all circumstances);
  - (vi) any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award the Director any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
  - (vii) any arrangement concerning insurance for the benefit of Directors or for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner as the employees and does not accord to any Directors as such any privilege or advantage not generally accorded to the employees to whom such arrangement relates.
- (D) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting because he/she holds an interest in shares as described in paragraph (C)(v) of this article –of one per cent or more) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

- (E) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by him voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned has not been fairly disclosed. If the question relates to the chairman of the meeting, it shall be decided by a resolution of the Board (for which purpose the chairman shall be counted in the quorum but may not vote). The resolution shall be final and conclusive except in a case where the nature or extent of the interest of the chairman has not been fairly disclosed to the Board.
110. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these articles the continuing Directors or Director may act for the purposes of filling up such vacancies or of summoning general meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.
111. The Directors may elect a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting neither be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
112. A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors.
113. The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (i) the number of co-opted members shall be less than one-half of the total number of members of the committee and (ii) no resolution of the



committee shall be effective unless a majority of the persons present at the meeting are Directors.

114. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these articles regulating the meetings and proceedings of the Directors so far as the same are not superseded by any regulations made by the Directors under the last preceding article.
115. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.
116. (A) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present or future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or a third party.
- (B) The Directors shall restrict the borrowings of the Company, and exercise all other rights and powers of control which the Company has in relation to its subsidiaries, so as to secure (but, in relation to subsidiaries, only insofar as the rights and powers of the Company enable the Board to do so) that the aggregate outstanding principal amount of all borrowings of the Group does not, without the sanction of an ordinary resolution, exceed a sum equal to the greater of £10,000,000 or two and a half times the adjusted share capital and reserves.
- (C) For the purpose of paragraph (B):
- (i) the "adjusted share capital and reserves" at any time is an amount equal to the aggregate of:
- (aa) the amount of the share capital of the Company paid-up or credited as paid-up; and
- (bb) the amount standing to the credit of reserves (including share premium account, capital redemption reserve and profit and loss account) less any

debit balance on profit and loss account (except to the extent that a deduction has already been made);

all as shown in the then latest audited balance sheet of the Company, but after:

(cc) making adjustments to reflect variations in the paid-up share capital or reserves since the date of the balance sheet and, for this purpose:

(1) if the Company has issued shares for cash and the issue has been underwritten the amounts (including any premium) to be subscribed within three months after the date of allotment are deemed to have been paid up at the date when the issue was underwritten or, if the underwriting was conditional, on the date when it became unconditional; and

(2) share capital (including any premium) shall be deemed to have been paid up as soon as a person has unconditionally agreed to subscribe it or take it up;

(dd) making adjustments in respect of variations in the interest of the Company in its subsidiaries since the date of the balance sheet;

(ee) making adjustments in respect of distributions declared, recommended, made or paid by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the audited balance sheet to the extent that the distributions are not provided for in the audited balance sheet;

(ff) making adjustments to take account of revaluations of the fixed assets of the Company and its subsidiaries made by independent professional valuers;

(gg) excluding amounts attributable to outside shareholders (except so far as already provided for in the audited balance sheet);

(hh) excluding amounts set aside for taxation (except so far as already provided for in the audited balance sheet);

(jj) making such other adjustments as the auditors, after consultation with the Company, consider appropriate;

(ii) the audited balance sheet referred to is the then latest audited balance sheet of the Company unless there has for the same period been prepared a consolidated

balance sheet of the Company and its subsidiaries. In that event the audited balance sheet is the consolidated balance sheet and references to reserves and profit and loss account are to the consolidated reserves and consolidated profit and loss account, amounts attributable to outside interests and to subsidiary undertakings which are not subsidiaries being excluded;

(iii) "borrowings" include the following to the extent that they would not otherwise be taken into account:

(aa) the principal amount of debentures of a member of the Group, whether or not issued or incurred for a consideration which is wholly cash, which are not beneficially owned by a member of the Group;

(bb) amounts outstanding in respect of acceptances by a bank or accepting house under an acceptance credit opened on behalf and in favour of a member of the Group, excluding acceptances of trade bills for the purchase of goods in the ordinary course of business;

(cc) the nominal amount of any issued and paid up share capital and the principal amount of any debenture of, or amount borrowed by, any person, which is not owned beneficially by a member of the Group but the redemption or repayment of which is the subject of a guarantee or indemnity by a member of the Group, or wholly or (to the extent of the part secured) partly secured on the undertaking or assets of a member of the Group;

(dd) the nominal amount of any issued and paid up preference share capital of a subsidiary which is not owned beneficially by a member of the Group;

(ee) any fixed or minimum premium payable on final repayment of any borrowings (within the meaning of this paragraph);

but:

(ff) do not include sums owing by one member of the Group to another or (if the creditor is not a wholly-owned member of the Group) a due proportion of the sums owing;

(gg) sums borrowed for the purpose of, and within four months of being borrowed applied in, repaying sums previously borrowed by a member of the Group are not taken into account pending the application;

- (hh) a proportion of the borrowings of a partly-owned subsidiary, which would otherwise be included, corresponding to the proportion of its equity share capital not owned, directly or indirectly, by the Company is not taken into account;
  - (jj) sums borrowed to finance a contract in respect of which the Group has the benefit of a guarantee or insurance by the Export Credits Guarantee Department or by another governmental department fulfilling a similar function are not taken into account to the extent of the amount guaranteed or insured;
- (iv) a sum which is to be taken into account in determining borrowings and which is denominated or repayable (or repayable at the option of a person other than a member of the Group) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing in London on the day when the amount of borrowings is to be determined or, if the amount of borrowings would as a result be less, at the rate of exchange prevailing in London six months before that date. For this purpose, the rate of exchange on a day is the rate prevailing at the close of business on that day or, if it is not a business day, on the last preceding business day.
- (D) A certificate by the auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings is conclusive for the purpose of this article. The Directors may act on bona fide estimates of the amounts of the adjusted share capital and reserves and borrowings and, if as a result the limit imposed by this article is exceeded, the excess shall be disregarded until the expiration of six months from the date when the Directors, by reason of a certification by the auditors or otherwise, become aware of this.
- (E) No debt incurred or security given in respect of moneys borrowed or to be taken into account as moneys borrowed in excess of the limit imposed by this article shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security, at the time when the debt was incurred or security given, that the limit had been or would be exceeded. A lender or other person dealing with the Company shall not be concerned to see or enquire whether the limit is observed.

### **GENERAL POWERS OF DIRECTORS**

117. The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these articles

required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these articles, to the provisions of the Statutes and to such regulations (which are not inconsistent with the aforesaid regulations or provisions), as may be prescribed by special resolution of the Company. No regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this article shall not be limited or restricted by any special authority or power given to the Directors by any other article.

118. (A) The Directors may establish any local, group or divisional boards, agencies or committees 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, group or divisional boards, agencies or committees or any managers or agents, and may fix their remuneration and may delegate to any local, group or divisional board, agency or committee, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- (C) The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on for financing assisting or subsidising any such subsidiary company or guaranteeing its contracts obligations or liabilities.
119. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, 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 Directors under these articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors 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.
120. The Directors 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 of 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 thereof is a Director of the Company nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these articles.
121. (A) The Directors may give or award pensions, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise).
- (B) The Directors may establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well being of the Company or of any other company as aforesaid or of any such persons as aforesaid and make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (C) The Directors may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
122. Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.
123. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts of moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

## PART V

## RESERVES, DIVIDENDS AND CAPITALISATION OF PROFITS

### RESERVES

124. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

### DIVIDENDS

125. Subject to the Statutes, the Company may by ordinary resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.
126. In so far as, in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and 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 thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.
127. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this article no amount paid on a share in advance of calls shall be treated as paid on the share.
128. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
129. Subject to the provisions of the Statutes, where any asset, business or property is acquired by the Company as from a past date the profits and losses arising therefrom 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 as aforesaid, 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 thereof.

130. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, and may further deduct from any dividend all sums of money (if any) presently payable by a member to the Company on account of calls or otherwise in relation to shares of the Company.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

(C) The Directors may withhold payment of dividends payable upon shares where the holding represents at least 0.25 per cent of the issued shares of the relevant class and in respect of which the holder or other person appearing to be interested therein for the purposes of Article 79 hereof has failed to comply with the statutory disclosure requirements under the terms of Article 80. Provided that this restriction shall cease to be applicable not more than seven days after the earlier of (i) receipt by the Company of notice that there has been a transfer of the shares pursuant to an arms length sale as defined in Article 80(D), and (ii) due compliance, to the satisfaction of the Company, with the statutory disclosure requirements and any dividend monies then retained thereon shall be paid to the person appearing to the Company to be entitled thereto.

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



132. The payment by the Directors 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 thereof and any dividend unclaimed after a period of twelve years from the date on which such dividend was declared or became due for payment shall be forfeited and shall revert to the Company.
133. (A) Subject to Part VIII of the Act the Company may upon the recommendation of the Directors 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 Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine the cash payments which shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
- (B) Subject to Part VIII of the Act the Company may upon the recommendation of the Directors by ordinary resolution declare that any surplus monies in the hands of the Company representing capital profits arising from the receipt of monies received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investment representing the same and not required for the payment or provision of any fixed dividend instead of being applied in the purchase of other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital in the shares and proportions in which they would have been entitled to the same if it had been distributed by way of dividend Provided always that no such profit as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the Company for the time being.
134. (A) Any dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or persons entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons) or to such person and such address as such member or person or persons may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders

or person or persons entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to have the money represented thereby.

(B) In addition to the provisions of Article 134(A) above any dividend or other moneys payable in cash on or in respect of a share may be paid by means of:-

- (i) the Bank Automated Clearing System in circumstances where the Company has been supplied with bank details of the member or person entitled thereto sufficient to enable the Company to effect a direct transfer of such moneys to the bank account of such member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons having supplied the Company with the aforesaid details) or to such person as such member or person or persons may in writing direct (subject to the provision of adequate bank details as aforesaid in respect of such person). Any such moneys payable to such person or member which are transferred by the Company by means of the Bank Automated Clearing System and which are not received by such member or person entitled thereto shall not be recoverable from the Company if the transfer is made by the Company in accordance with the bank details provided by such member or person.
- (ii) by such other method as the Directors may in their absolute discretion think fit, including but not limited to payments being made through the Relevant System in respect of shares held in uncertificated form. The Directors may in their absolute discretion establish procedures for elections to be made by the holders of Uncertificated Shares relating to such payments, and shall be entitled to rely on authorities which the Company receives in respect of such payments.

If payment is made by bank or other funds transfer, or by another method at the direction of the person entitled to payment, the Company is not responsible for amounts lost or delayed in the course of transfer or in carrying out those directions.

Notwithstanding any other provision of these articles relating to payments in respect of shares, where:-

- (i) the Directors determine to make payments in respect of Uncertificated Shares through the Relevant System, they may determine to enable any holder of Uncertificated Shares to elect not to receive payments through the Relevant System and, in such event, establish procedures to enable such holder to make, vary or revoke any such election; and
- (ii) the Company receives an authority in respect of such payment in respect of shares in a form satisfactory to it from a holder of any share (whether such authority is given in writing or by means of the Relevant System or otherwise)

the Company may make, or procure the making of, such payments in accordance with such authority and any payment made in accordance with such authority shall constitute a good discharge therefor.

- (C) The Company may cease to send any cheque or warrant (or to use any other method of payment) for any dividend on any share which is normally paid in that manner if in respect of at least two consecutive dividends payable on that share the cheque or warrant has been returned undelivered or remains uncashed (or that other method of payment has failed) or, following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder, but, subject to the provisions of these articles, shall recommence sending cheques or warrants (or using another method of payment) in respect of the dividends payable on that share if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

135. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, any one of them may give effectual receipts for any dividend or other money payable or property distributable on or in respect of the share.

136. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

## **SCRIP DIVIDENDS**

137. Subject to approval by the Company at any annual general meeting the Directors may, in respect of any dividend declared or proposed to be declared at that annual general meeting or at any time prior to the next following annual general meeting (and provided that an adequate number of unissued ordinary shares are available for the purpose), determine and announce, prior to or contemporaneously with their announcement of the dividend in question and any related information as to the Company's profits for such financial period or part thereof, that ordinary shareholders will be entitled to elect to receive in lieu of such dividend (or part thereof) an allotment of additional ordinary shares credited as fully paid. In any such case the following provisions shall apply:-

- (A) The basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value (calculated by reference to the average quotation) of the additional ordinary shares (including any fractional entitlement) to be allotted in lieu of any amount of dividend shall equal such amount. For such purpose the "average quotation" of an ordinary share shall be the average of the middle market quotations on AIM as shown in the Daily Official List on each of the first five business days on which the ordinary shares are quoted excluding the relevant dividend.
- (B) The Directors shall give notice in writing to the ordinary shareholders of the right of election accorded to them and shall send with or following such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective.
- (C) The dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on ordinary shares in respect whereof the share election has been duly exercised ("the elected ordinary shares"), and in lieu thereof additional shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve fund) or profit and loss account of the Company (as the Directors may determine) a sum equal to the aggregate nominal amount of additional ordinary shares to be allotted on such basis and apply the same, in paying up in full, the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the holders of the elected ordinary shares on such basis.

- (D) The additional ordinary shares so allotted shall rank pari passu in all respects with the fully paid ordinary shares then in issue save only as regards participation in the relevant dividend (or share election in lieu).
- (E) The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (F) The Directors may on any occasion determine that rights of election shall not be made available to any ordinary shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.
- (G) For the purposes of this article, holdings of Certificated Shares and of Uncertificated Shares shall be treated as different holdings.

### **CAPITALISATION OF PROFITS**

138. (A) The Company may, upon the recommendation of the Directors, 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 the amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve and accordingly that such amount be set free for distribution among the members or any class of members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same 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 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 may be applied only in the paying up of unissued shares to be allotted to such members credited as fully paid.

(B) The Company may, upon the recommendation of the Directors, 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 the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in the paying up in full of unissued shares to be allotted as fully paid shares by way of capitalisation to the members or any class of members who would have been entitled to that sum if it were distributed by way of dividend, and in the same proportions, and the Directors shall give effect to such resolution.

139. (A) Where any difficulty arises in regard to any distribution under the last preceding article the Directors may settle the same as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may 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 Directors. The Directors 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 thereto and such appointment shall be effective and binding upon the members.

(B) For the purposes of this article, holdings of Certificated Shares and of Uncertificated Shares shall be treated as different holdings.

## **PART VI**

### **GENERAL**

### **SECRETARY**

140. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they think fit one or more Assistant Secretaries.

141. A provision of the Statutes or these articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by it being done by or to the same person acting as Director and as, or in the place of, the Secretary.

### **THE SEAL**

142. (A) The Directors shall provide for the safe custody of the Seal (if any) and the Securities Seal (if any) and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.
- (B) Every instrument to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signatures (including laser printing).
- (C) The Securities Seal shall be used only for sealing securities issued by the Company in certificated form and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.
143. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

### **AUTHENTICATION OF DOCUMENTS**

144. Any Director or the Secretary or any person appointed by the Directors 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 Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case

may be, that such minute or extract is a true and accurate record of proceedings at a duly constituted meeting.

## ACCOUNTS

145. Once at least in every year the Directors shall lay before the Company in general meeting a profit and loss account giving a true and fair view of the profit or loss of the Company for the financial year to which it relates and a balance sheet giving a true and fair view of the state of affairs of the Company as at the date to which the profit and loss account is made up being a date not more than seven months before the date of the meeting. If the Company shall be a holding company as defined by the Statutes there shall with the said profit and loss account and balance sheet also (except in so far as the Statutes otherwise permit) be laid before the Company in general meeting a consolidated balance sheet dealing with the state of affairs at the end of the financial year of the Company and its then subsidiaries. The Directors shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the provisions of the Statutes applicable thereto.
146. Every such balance sheet, profit and loss account, consolidated balance sheet and consolidated profit and loss account, shall be signed in such manner as may be required by the Statutes. There shall also be attached to the balance sheet a report by the Directors with respect to such matters as are by the Statutes required to be dealt with therein.
147. (A) Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or as ordered by a court of competent jurisdiction or as authorised by the Directors or the Company in general meeting.
- (B) Save as may be necessary for complying with the provisions of the Statutes or as the Company may by extraordinary resolution otherwise resolve, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the Company nor to give any information with reference to the same to any member.
148. (A) Except as provided in paragraph (B), a copy of the reports of the Directors and of the Auditors, accompanied by the balance sheet (including every document required by law



to be annexed or attached to it) and profit and loss account, consolidated balance sheet and consolidated profit and loss account, shall at least twenty-one days before the Annual General Meeting be delivered or sent by post to the registered address of every member and holder of debentures of the Company. If securities of the Company are listed on the London Stock Exchange, the required number of copies of each of these documents shall at the same time be forwarded to the appropriate department.

- (B) The Company may, in accordance with section 251 of the Act and regulations made under it, send a summary financial statement to a member instead of or in addition to the documents referred to in paragraph (A).

### **AUDITORS**

149. (A) Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

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

150. An Auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as Auditor.

### **NOTICES**

151. Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by leaving it at, or delivering it to, or by sending it through the post in a prepaid cover, or by facsimile transmission or telex, addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices. Any such notice or document 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 service or delivery. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or

in the territory in which such branch register is maintained. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second-class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

152. Any notice given to that one of the joint holders of a share whose name stands first in the register of members in respect of the share, shall be sufficient notice to all the joint holders in their capacity as such. For such purposes a joint holder having no registered address in the United Kingdom and not having supplied an address in the United Kingdom for the service of notices shall be disregarded.
153. A person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or by operation of law or any other event, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.
154. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.
155. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the date the notice was to have been so sent in at least one leading national newspaper and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send

confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

156. Nothing in any of the preceding five articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.
157. Every person who by operation of law, transfer or other means shall have become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered in the register of members, shall have been duly given to the person from whom he derives his title to such share other than notice given under article 79 or under the provisions of Section 212 of the Act.

### MINUTES

158. The Directors shall cause minutes to be made of the following matters, namely:-
- (i) of all appointments of officers, and committees made by the Directors, and of their salary or remuneration;
  - (ii) of the names of Directors present at every meeting of the Board or of committees of Directors, and all business transacted at such meeting; and
  - (iii) of all orders, resolutions and proceedings of all general meeting and of the Directors and committees of Directors.

Any such minute as aforesaid, if purporting to be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

159. The Company shall keep and make available for inspection:-
- (i) as required by Section 318 of the Act copies and/or memoranda of the Directors' service contracts;
  - (ii) as required by Section 325 of the Act a register of the Directors' interests in shares or debentures of the Company or any other body corporate being the Company's

- subsidiary or holding company or a subsidiary of the Company's holding company, which register shall be produced and remain open at each annual general meeting.
- (iii) all such registers and reports as the Company is required to keep under Part VI of the Act; and
- (iv) as required by Section 407 of the Act a register of all mortgages and charges affecting the property of the Company.

### **REGISTER OF MEMBERS**

160. Subject to the provisions of the Act, the Company may keep an overseas, local or other register in any place, including in any territory a branch register of members resident in such territory, and the Directors may make, amend and revoke any such regulations as the Directors may think fit respecting the keeping of any such register, provided however that those members who hold Uncertificated Shares may not be entered as holders of those shares on any such register.

### **UNTRACED MEMBERS**

161. (A) The Company shall be entitled to sell (in such manner and for such price as the Directors think fit) the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that the following conditions are satisfied:-
- (i) for a period of twelve years, being a period during which at least three dividends in respect of the shares in question have become payable, 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, stock or debenture or loan stock at his address on the Register or the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission; and
  - (ii) the Company has at the expiration of the said period of twelve years given notice by advertisement in both a national newspaper and in a newspaper circulating in

the area in which the address referred to in paragraph (A)(i) of this article is located of its intention to sell such share, stock or debenture or loan stock; and

- (iii) the Company has not during the further period of three months following the publication of the said advertisements or following the later publication if the two advertisements are published on different dates and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
  - (iv) if the shares are listed on the London Stock Exchange, the Company has given notice in writing to the Listings Department of the London Stock Exchange of its intention to sell such share, stock or debenture or loan stock.
- (B) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such shares or any of them and such instrument of transfer shall be as effective as if it had been executed by the registered holder or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The Company shall be obliged to account to the former member or other person previously entitled for the net proceeds of sale by carrying such proceeds to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor for such amount and not a trustee in respect of the debt for such former member or person and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.
- (C) If on two consecutive occasions any communications (including without prejudice to the generality of the foregoing notices and circulars) have been sent through the post to any member at his registered address or his address for the service of communications but have been returned undelivered, such member shall not thereafter be entitled to receive communications from the Company until he shall have communicated with the Company and confirmed that communications should continue to be sent to the existing address or supplied in writing to the Company a new registered address or address within the United Kingdom for the service of communications.

## **WINDING UP**

162. The Directors 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.
163. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of an extraordinary resolution and subject to any provision sanctioned in accordance with the provisions of the Act, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such a value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority 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. The liquidator may make any provision referred to in, and sanctioned in accordance with, the provisions of Section 719 of the Act.
164. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.
165. If the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which at the commencement of the winding up is paid up, or ought to have been paid up, on the shares held by them respectively and, if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. But this article is to be subject to the rights attached to any shares which may be issued on special terms or conditions.

## **INDEMNITY**

166. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the

Company and the Company shall be entitled to purchase and maintain for such officer or Auditor insurance against all costs, charges, losses, expenses and liability incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted by the court.