

**A Public Company Limited by Shares**

# Articles of Association

## Rutherford Health plc

(Company No. 09420705)

Adopted on August 2020 pursuant to a special resolution passed  
on August 2020.

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**Company No. 09420705**

**A Public Company Limited by Shares**

**ARTICLES OF ASSOCIATION**

**Rutherford Health plc**

**1. Preliminary**

**1.1 Prescribed articles**

No regulations or articles prescribed by subordinate legislation under any statute concerning companies shall form part of the articles of association of the Company.

**1.2 Definitions**

In these Articles, except where the subject or context otherwise requires:

"**Act**" means the Companies Act 2006, as may be amended, extended, consolidated or re-enacted by or under any other enactment from time to time;

"**Admission Date**" means the date of admission of the ordinary shares of the Company to listing on the NEX Exchange growth market

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

"**the Board**" means the Directors or any of them acting as the board of Directors for the time being of the Company;

"**clear days**" means the period excluding the day when a notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"**Company**" means Rutherford Health plc, a company incorporated under the laws of England and Wales with Company number 09420705;

"**CREST**" means the relevant system operated by Euroclear UK & Ireland Limited in terms of the Regulations, which enables title to shares or other securities to be evidenced and transferred without a written instrument;

"**Director**" means a director for the time being of the Company;

"**Holder**" means in relation to any shares the Member whose name is entered in the Register as the holder or, where the context permits, the persons whose names are entered in the Register as joint holders, of such shares;

"**Investment Manager**" means WIM or any other investment manager through which an Investor may act from time to time;

"**Investor Director**" has the meaning given in Article 20.9;

"**Investors**" means each of OIG, and WEIF, WPCT and any other investor acquiring shares pursuant to a call under the Woodford Commitment each acting by its Investment Manager and holding its shares in the Company through any nominees appointed by each of them or any Investment Manager from time to time;

"**Member**" means a member of the Company;

"**Observer**" shall have the meaning given at Article 20.9(b);

"**OIG**" means Omnis Income & Growth Fund;

"**Office**" means the registered office for the time being of the Company;

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

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

"**these Articles**" means the articles of association of the Company for the time being in force (and "Article" means any one of these Articles);

"**the Regulations**" means the Uncertificated Securities Regulations 2001 (SI 2001/No 3755) and includes any applicable rules made under those regulations;

"**seal**" means the common seal of the Company and includes any official seal kept by the Company by virtue of Sections 49 or 50 of the Act;

"**Secretary**" means the secretary for the time being of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;

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

"**WEIF**" means LF Woodford Equity Income Fund;

"**WIM**" means Woodford Investment Management Limited;

"**Woodford Commitment**" means the undertaking by WIM on behalf of WEIF and OIG to subscribe for ordinary shares under the terms of the agreement signed between the Company, WEIF and OIG on 25 February 2019; and

"**WPCT**" means Woodford Patient Capital Trust PLC.

### 1.3 Construction

In these Articles:

- (a) references to a document being executed include references to its being executed under hand or under seal or by any other method;
- (b) references to writing means the representation or reproduction of words, symbols or any other information in a useable form by any method or combination of methods whether sent or supplied in electronic form or otherwise;

- (c) words denoting the singular include the plural and vice versa; words denoting the masculine gender include all other genders; and words denoting persons include corporations;
- (d) except where the subject or context otherwise requires, any words or expressions defined in the Act or the Regulations (but excluding any modification thereof not in force at the date of adoption of these Articles) shall, if not inconsistent with the subject or context, bear the same meaning in these Articles;
- (e) subject to the preceding paragraph, references to any enactment or subordinate legislation (as defined by Section 21(1) of the Interpretation Act 1978), or to any provision of any enactment or subordinate legislation, include any modification or re-enactment of that enactment, subordinate legislation or provision for the time being in force, and references to any enactment shall include any subordinate legislation made (before or after the adoption of these Articles) under that enactment;
- (f) headings are inserted for convenience only and do not affect the construction of these Articles;
- (g) where an ordinary resolution is expressed to be required for any purpose under any Article a special resolution shall also be effective; and
- (h) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto; the word Board in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

## **2. Limitation of Liability**

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

## **3. Change of Company Name**

In accordance with Section 77 of the Act, the name of the Company may be changed by a decision of the Board.

## **4. Share Capital**

### **4.1 Shares with special rights**

Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to any such determination, as the Board shall determine.

## **4.2 Allotment**

Subject to the provisions of the Act relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant thereto, the Board may allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of shares in the capital of the Company to such persons, on such terms and conditions, and at such times as it thinks fit, provided that no share shall be issued at a discount.

## **4.3 Redeemable shares**

Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the Holder on such terms and conditions and in such manner as may be determined by the Board.

## **4.4 Commissions**

The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Act. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

## **4.5 Renunciation of allotments**

Notwithstanding any other provisions 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 as the Holder, recognise a renunciation of any share by the allottee in favour of some other person. The Directors may allow an allottee to renounce the share upon and subject to such terms and conditions as the Directors may impose and the Directors may refuse to register any renunciation in favour of more than four persons jointly.

## **4.6 Trusts not recognised**

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or compelled in any way to recognise any interest in any share (or in any fractional part of a share) except an absolute right to the entirety thereof in the Holder.

## **5. Sub-Division and Consolidation**

### **5.1 Sub-division**

A resolution to authorise the Company to sub-divide all or any of its shares into shares of a smaller nominal amount may determine (or permit the Board to determine) that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others.

### **5.2 Fractions**

Whenever as a result of a consolidation, division or sub-division of shares any fractions arise, the Board may settle the matter in any manner it deems fit and in particular may sell shares representing fractions to which any Members would otherwise become entitled to any person (including, subject to the provisions of the Act, the Company) and distribute the proceeds of sale after deduction of the expenses of sale in due proportion among those Members, except that if

the amount due to a person is less than five pounds (£5) (or equivalent in any other currency) the sum may be retained for the benefit of the Company. Where certificated shares are to be sold, the Board may authorise any person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. Where uncertificated shares are to be sold, the Board may do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

## **6. Variation of Rights**

### **6.1 Method of varying rights**

Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the Holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the Holders of the shares of that class (but not otherwise).

### **6.2 When rights deemed to be varied**

For the purposes of Article 6.1, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights shall be deemed to be varied by the reduction of the capital paid up on those shares (otherwise than by a purchase or redemption by the Company of its own shares) and by the allotment of other shares ranking in priority for payment of a dividend or in respect of capital or which confer on the Holders voting rights more favourable than those conferred by such first mentioned shares, but shall not be deemed to be varied by the creation or issue of other shares ranking *pari passu* with, or subsequent to, such first mentioned shares or by the purchase or redemption by the Company of any of its own shares.

## **7. Share Certificates**

### **7.1 Issue of certificates**

Every Member, upon becoming the Holder of any shares (except a person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the Board may from time to time determine. Subject to Article 30.2 every certificate shall be sealed with the seal or executed in accordance with Article 30.3 or in such manner as the Board may approve and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint Holder shall be a sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

### **7.2 Certificates sent by post**

Where the Company sends share certificates to shareholders or their agents by post, such share certificates shall be sent at the shareholders' risk.



### **7.3 Replacement certificates**

If a share certificate is damaged, defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity (with or without security) and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the Board may determine but otherwise free of charge, and (in the case of damage, defacement or wearing out) on delivery up of the old certificate.

## **8. Uncertificated Shares**

### **8.1 Dealing with shares in uncertificated form**

Nothing in these Articles shall preclude any share or other security of the Company from being issued, held, registered, converted, transferred or otherwise dealt with in uncertificated form in accordance with the Regulations and any rules or requirements laid down from time to time by CREST or any other relevant system operated pursuant to the Regulations.

### **8.2 Modification of Articles**

In relation to any share or other security which is in uncertificated form, these Articles shall have effect subject to the provisions of the Regulations and (so far as consistent with them) to the following provisions:

- (a) the Company shall not be obliged to issue a certificate evidencing title to shares and all references to a certificate in respect of any shares or securities held in uncertificated form in these Articles shall be deemed inapplicable to such shares or securities which are in uncertificated form and furthermore shall be interpreted as a reference to such form of evidence of title to uncertificated shares or securities as the Regulations prescribe or permit;
- (b) the registration of title to and transfer of any shares or securities in uncertificated form shall be effected in accordance with the Regulations and there shall be no requirement for a written instrument of transfer;
- (c) a properly authenticated dematerialised instruction given in accordance with the Regulations shall be given effect in accordance with the Regulations;
- (d) any communication required or permitted by these Articles to be given by a person to the Company may be given in accordance with and in any manner (whether or not in writing) prescribed or permitted by the Regulations;
- (e) if a situation arises where any provisions of these Articles are inconsistent in any respect with the terms of the Regulations in relation to shares or securities of the Company which are in uncertificated form then:
  - (i) the Regulations will be given effect thereto in accordance with their terms; and
  - (ii) the Board shall have power to implement any procedures as it may think fit and as may accord with the Regulations for the recording and transferring of title to shares and securities in uncertificated form and for the regulation of those proceedings and the persons responsible for or involved in their operation; and

- (iii) the Board shall have the specific powers to elect, without further consultation with the Holders of any shares or securities of the Company (except where such shares or securities are constituted by virtue of some other deed, document or other source), that any single or all classes of shares and securities of the Company become capable of being traded in uncertificated form in accordance with the Regulations on CREST or any other Operator (as defined in the Regulations) of a relevant system.

## **9. Company's Lien**

### **9.1 Company to have lien on shares**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Board may at any time (generally or in particular cases) waive any lien or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount (including dividends) payable in respect of it.

### **9.2 Enforcement of lien by sale**

The Company may sell, at such time or times and in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the Holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the Holder or otherwise by operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold.

### **9.3 Giving effect to sale**

To give effect to any such sale the Board may authorise any person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

### **9.4 Application of proceeds**

The net proceeds of the sale of shares subject to any lien, after payment of the costs, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

## **10. Calls on Shares**

### **10.1 Power to make calls**

Subject to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each Member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may be revoked in whole or part and the time fixed for payment of a call may be postponed in whole or part as the Board may determine. A person upon whom a call is made shall remain liable for

calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

## **10.2 Time when call made**

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

## **10.3 Liability of joint Holders**

The joint Holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

## **10.4 Cost and interest payable**

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay all costs, charges and expenses that the Company may have incurred by reason of such non-payment together with interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at such rate (not exceeding a rate of four per cent. per annum above the base lending rate charged by the Company's bankers (or any of them) for the time being) as may be determined by the Board, but the Board may waive payment of such interest wholly or in part.

## **10.5 Deemed calls**

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and notified and payable on the date so fixed or in accordance with the terms of the allotment, and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

## **10.6 Differentiation on calls**

Subject to the terms of allotment, the Board may make arrangements on the issue of shares for a difference between the allottees and/or Holders of such shares in the amounts and times of payment of calls on their shares.

## **10.7 Payment of calls in advance**

The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and such payment in advance of calls shall extinguish the liability upon the shares in respect of which it is made to the extent of the payment. The Company may pay upon all or any of the moneys so advanced (until the same would but for such advance become presently payable) interest at such rate (not exceeding, unless the Company by ordinary resolution otherwise directs, a rate of four per cent. per annum above the base lending rate charged by the Company's bankers (or any of them) for the time being) as may be agreed upon between the Board and such Member.

## **11. Forfeiture and Surrender**

### **11.1 Notice requiring payment of call**

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give to the person from whom it is due not less than 14 clear days' notice in writing requiring payment of the amount unpaid together with any interest which may

have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

#### **11.2 Forfeiture for non-compliance**

If any such notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board and the forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not paid before the forfeiture. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before the forfeiture the Holder of the share, and an entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the Register opposite the entry of the share; but no forfeiture shall be invalidated by any omission or neglect to give such notice or to make such entries.

#### **11.3 Sale of forfeited shares**

Subject to the provisions of the Act, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determines, either to the person who was before the forfeiture the Holder or to any other person, and at any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Board may authorise any person to execute an instrument of transfer of the share to that person. The Company may receive the consideration given for the share on its disposal and may register the transferee as Holder of the share.

#### **11.4 Liability following forfeiture**

A person whose shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest thereon at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at such rate (not exceeding a rate of four per cent. per annum above the base lending rate charged by the Company's bankers (or any of them) for the time being) as may be determined by the Board, from the date of forfeiture until payment, but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

#### **11.5 Surrender**

The Board may accept the surrender of any share which it is in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited.

#### **11.6 Extinction of rights**

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the Holder whose share is forfeited and the

Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past Members.

### **11.7 Evidence of forfeiture or surrender**

A statutory declaration by a Director or the Secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the purchase money or other consideration, if any, nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **12. Transfer of Shares**

### **12.1 Form and execution of transfer**

Subject to these Articles, each Member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

### **12.2 Transfer of uncertificated shares**

Nothing in these Articles shall preclude the transfer of shares in uncertificated form in accordance with the terms of Article 8 and any references contained in these Articles in relation to the execution of any instrument of transfer or the registration of any transfer of shares in uncertificated form shall be read in accordance with the terms of Article 8.

### **12.3 Transfers of partly paid shares**

The Board may, in its absolute discretion, refuse to register the transfer of a share which is not fully paid or on which the Company has a lien except when such refusal in relation to a share in uncertificated form would distort the market and prevent dealings from taking place on an open and proper basis.

### **12.4 Invalid transfers**

The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

- (a) is lodged, duly stamped, at the Office or at such other place as the Board may appoint accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (b) is in respect of only one class of shares; and
- (c) is in favour of not more than four transferees.

In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, 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. The expressions "**recognised clearing house**" shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services and Markets Act 2000, as amended.

#### **12.5 Notice of refusal to register**

If the Board refuses to register the transfer, it shall as soon as practicable, and in any event within two months after the date on which the instrument of transfer was lodged with the Company, send to the transferee notice of the refusal along with the reasons for such refusal.

#### **12.6 No fee payable on registration**

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

#### **12.7 Retention of transfers**

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud or any other crime involving dishonesty) be returned to the person lodging it when notice of the refusal is given.

### **13. Transmission of Shares**

#### **13.1 Transmission**

If a Member dies, the survivor or survivors, where he was a joint Holder, and his personal representatives, where he was a sole Holder or the only survivor of joint Holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing in this Article shall release the estate of a deceased Member (whether a sole or joint Holder) from any liability in respect of any share held by him.

#### **13.2 Election permitted**

A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may, upon such evidence being produced as the Board may properly require as to his entitlement, elect either to become the Holder of the share or to have any person nominated by him registered as the transferee. If he elects to become the Holder he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to any such notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the death or bankruptcy of the Member or other event giving rise to the transmission had not occurred.

#### **13.3 Election required**

The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 60 days the Board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### **13.4 Rights of persons entitled by transmission**

Save as otherwise provided in these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law shall,

upon such evidence being produced as the Board may properly require as to his entitlement, have the same rights in relation to the share as he would have had if he were the Holder of the share, and may give a good discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the Holder of the share, be entitled in respect of it to receive notice of or to attend or vote at any meeting of the Company or to receive notice of or to attend or vote at any separate meeting of the Holders of any class of shares in the Company.

## 14. Section 793 of the Act

### 14.1 Restrictions if in default

If at any time the Board is satisfied (in its absolute discretion) that any Member, or any other person appearing to be interested in shares held by such Member, has been duly served with a notice under Section 793 of the Act (a "**Section 793 notice**") or any other provision of the Act concerning the disclosure on interests in voting shares and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice (a "**direction notice**") to such Member direct that:

- (a) in respect of the shares in relation to which the default occurred (the "**default shares**") the Member shall not be entitled to be present or vote at a general meeting either in person (including by corporate representative) or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company;
- (b) where the default shares represent at least 0.25 per cent. of the total number of shares of the class concerned less any shares of that class held in treasury, that:
  - (i) except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the default shares, whether in respect of capital or dividend or otherwise, and the Company shall not meet any liability to pay interest on any such payment when it is finally paid to the Member;
  - (ii) no other distribution shall be made on the default shares; and
  - (iii) no transfer of any of the shares held by such Member shall be registered unless:
    - (A) the Member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the Member in such form as the Board may in its absolute discretion require to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or
    - (B) the transfer is an approved transfer; or
    - (C) registration is required by regulation 27 of the Regulations.

## 14.2 Notice of restrictions

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of such notice, but the failure or omission by the Company to do so or non-receipt by the Member of the direction notice shall not invalidate or otherwise affect such notice.

## 14.3 When restrictions cease to have effect

A direction notice shall cease to have effect:

- (a) in relation to any shares which are transferred by such Member in any of the circumstances set out in Article 14.1(b)(iii), at the end of the period of seven days (or such shorter period as the Board may determine) following receipt by the Company of notice of such transfer; or
- (b) when the Board is satisfied (in its absolute discretion) that such Member, and any other person appearing to be interested in shares held by such Member, has given to the Company the information required by the relevant Section 793 notice.

## 14.4 Board may cancel restrictions

The Board may at any time give notice cancelling a direction notice.

## 14.5 Supplementary provisions

For the purposes of this Article 14:

- (a) references to "**persons interested in shares**" and to "**interest in shares**" respectively shall be construed as they are for the purposes of Part 22 of the Act;
- (b) the prescribed period is 14 days from the date of service of the relevant Section 793 notice;
- (c) a transfer of shares is an approved transfer if (but only if) the Board is satisfied (in its absolute discretion) that the transfer is made pursuant to a sale of the whole of the beneficial ownership of those shares to a party unconnected with the Member and with other persons appearing to be interested in those shares, whether:
  - (i) by way or in pursuance of acceptance of a takeover offer (as defined in Section 974 of the Act); or
  - (ii) made through a recognised investment exchange as defined in the Financial Services and Markets Act 2000, as amended, or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
  - (iii) otherwise.

## 14.6 Section 794 of the Act

Nothing contained in this Article 14 shall limit the power of the Company under Section 794 of the Act.



#### **14.7 Section 808 of the Act**

For the purposes of Section 808 of the Act any information received by the Company following the service of a Section 793 notice on a Member pursuant to this Article 14 is deemed to have been received by the Company as though the Member had been required to provide the information under Section 793 of the Act.

### **15. General Meetings**

#### **15.1 Annual general meetings**

An annual general meeting of the Company shall be held in each period of six months beginning with the day following its accounting reference date (in addition to any other general meetings held during that period). Subject to this Article and the Act, the annual general meeting shall be held at such time as the Board shall decide.

#### **15.2 Convening general meetings**

Subject to the provisions of Article 15.1, the Board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the requirements of the Act. If there are not sufficient Directors to form a quorum for a meeting of the Board, any Director may call a general meeting.

#### **15.3 Class meetings**

All provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply to every separate general meeting of the Holders of any class of shares in the capital of the Company, except that:

- (a) the necessary quorum shall be two individuals, being two Holders together holding at least one-third in nominal value of the issued shares of the class present either in person (including by corporate representative) or by proxy, or, at any adjourned meeting of such Holders, one Holder present either in person (including by corporate representative) or by proxy, whatever the amount of his holding, who shall be deemed to constitute a meeting; and
- (b) any Holder of shares of the class present either in person (including by corporate representative) or by proxy may demand a poll; and
- (c) each Holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.

### **16. Notice of General Meetings**

#### **16.1 Period of notice**

An annual general meeting shall be called by at least 21 clear days' notice. All general meetings other than annual general meetings shall be called by at least 14 clear days' notice. This Article does not apply to an adjourned meeting.

## **16.2 Short notice**

Subject to the provisions of the Act and notwithstanding that it is convened by shorter notice than that specified in Article 16.1, a general meeting shall be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote at the meeting; and
- (b) in the case of any other general meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

## **16.3 Persons entitled to notice**

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all the Members, to each of the Directors and to the Auditors.

## **16.4 Record date**

The Directors may determine that the Members entitled to receive notice of general meetings are those Members entered on the Register at the close of business on a day determined by the Directors, not being more than 21 clear days before the date on which the relevant notice is sent.

## **16.5 Contents of notice**

The notice shall:

- (a) specify the time, date and place of the meeting and the general nature of the business to be dealt with;
- (b) with reasonable prominence, specify that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member;
- (c) in the case of an annual general meeting, specify the meeting as such; and
- (d) in the case of a meeting to pass a special resolution, specify the intention to propose the resolution as a special resolution.

## **16.6 Manner of giving notice**

The notice must be given in hard copy form, electronic form or by means of a website in accordance with Article 35. Where the notice is given by means of a website:

- (a) when the Company notifies a Member of the presence of the notice on the website, the notification must state that it concerns a notice of meeting, specify the place, date and time of the meeting and state whether the meeting will be an annual general meeting; and
- (b) the notice must be available on the website throughout the period beginning with the date of notification and ending with the conclusion of the meeting.

## **16.7 General meetings at more than one place**

The Board may resolve to hold a general meeting at more than one place. The provisions of Articles 16.8 to 16.11 shall apply if any general meeting is convened at or adjourned to more than one place.

## **16.8 Notice and conditions for holding**

The notice of the meeting or adjourned meeting shall specify the place at which the chairman of the meeting shall preside (the "**Specified Place**") and the Directors shall make arrangements for simultaneous attendance and participation by persons at other places (whether adjoining the Specified Place or in a different and separate place or places altogether), provided that persons attending at any particular place shall be able to see and hear and be seen and heard (whether by audio visual links or otherwise) by persons attending at the other places at which the meeting is convened.

## **16.9 Controlling level of attendance**

The Board may from time to time make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some means of selection or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a Member who is not able to attend, either in person (including by corporate representative) or by proxy, at any particular place shall be able so to attend at one of the other places; and the entitlement of any Member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.

## **16.10 Place of meeting**

For the purposes of all other provisions of these Articles any such meeting shall be treated as being held at the Specified Place.

## **16.11 Adjournment to more than one place**

If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these Articles.

## **16.12 Accidental omission to give notice**

The accidental omission to give notice of a meeting, or to send or supply any other document or information relating to the meeting where required by these Articles, to one or more persons entitled to receive the same, or the non-receipt of a notice of meeting or any such document or information by any such persons, shall not invalidate the proceedings at that meeting.

## **17. Proceedings at General Meetings**

### **17.1 Quorum**

No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two individuals, being two Members present either in person (including by corporate

representative) or by proxy and entitled to attend and vote upon the business to be transacted, shall be a quorum.

#### **17.2 If quorum not present**

If a quorum is not present within five minutes (or such longer time not exceeding 30 minutes as the chairman of the meeting may decide to wait) from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of Members, shall be dissolved, and in any other case shall stand adjourned to such time and place as the chairman of the meeting may determine. If at the adjourned meeting a quorum is not present within 15 minutes after the time appointed for holding the meeting, the meeting shall be dissolved.

#### **17.3 Chairman**

The chairman, if any, of the Board or, in his absence, any deputy chairman of the Board or, in his absence, some other Director nominated by the Board, shall preside as chairman of the meeting, but if neither the chairman, deputy chairman nor such other Director (if any) is present within five minutes after the time appointed for holding the meeting and willing to act as chairman, the Directors present shall elect one of their number to be chairman. If there is only one Director present and willing to act, he shall be chairman. If no Director is willing to act as chairman, or if no Director is present within five minutes after the time appointed for holding the meeting, the Members present either in person (including by corporate representative) or by proxy and entitled to vote shall choose one of their number to be chairman.

#### **17.4 Directors entitled to speak**

A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting and at any separate meeting of the Holders of any class of shares in the Company.

#### **17.5 Adjournments**

The chairman of any general meeting at which a quorum is present may, with the consent of the meeting, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place. In addition, the chairman may adjourn the meeting from time to time (or indefinitely) and from place to place without such consent if it appears to him that it is necessary to do so in order to secure the proper and orderly conduct of the meeting. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 30 days or more or for an indefinite period, at least seven clear days' notice shall be given specifying the time, date and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **17.6 Amendments to resolutions**

If an amendment shall be proposed to any resolution to be proposed 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 any error in such ruling. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon.

### **17.7 Amendment of ordinary resolutions**

An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

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

### **17.8 Amendment of special resolutions**

A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:

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

### **17.9 Methods of voting**

A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of a vote on the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) (except on the election of the chairman of the meeting or on a question of adjournment) at least five Members present either in person (including by corporate representative) or by proxy having the right to vote on the resolution; or
- (c) (except on the election of the chairman of the meeting or on a question of adjournment) any Member or Members present either in person (including by corporate representative) or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares) and so that a demand by a proxy counts as a demand by a Member representing the voting rights that the proxy is authorised to exercise; or
- (d) (except on the election of the chairman of the meeting or on a question of adjournment) any Member or Members present either in person (including by corporate representative) or by proxy and holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right (excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares) and so that a demand by a proxy counts as a demand by a Member holding the shares to which the voting rights that the proxy is authorised to exercise are attached.

#### **17.10 Declaration of result**

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

#### **17.11 Withdrawal of demand for poll**

The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other Member entitled may demand a poll.

#### **17.12 Conduct of poll**

A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

#### **17.13 When poll to be taken**

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time, date and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

#### **17.14 Notice of poll**

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

### **18. Votes of Members**

#### **18.1 Right to vote on a show of hands**

Subject to the Act and these Articles and any rights or restrictions attached to any shares, on a vote on a resolution on a show of hands at a meeting:

- (a) every Member who is present in person has one vote;
- (b) subject to Article 18.1(c), every proxy present who has been duly appointed by one or more Members entitled to vote on the resolution has one vote;
- (c) a proxy has one vote for and one vote against the resolution if:
  - (i) the proxy has been duly appointed by more than one Member entitled to vote on the resolution, and

- (ii) the proxy has been instructed by one or more of those Members to vote for the resolution and by one or more other of those Members to vote against it,

and for this purpose, references to a proxy being instructed to vote either for or against a resolution by one or more Members include references to a proxy being given discretion as to how to vote on the resolution and electing to exercise that discretion to vote either for or against the resolution (as the case may be); and

- (d) any person duly authorised to act as the representative of a corporate Member (or each of them if more than one) has the same voting rights as the Member would be entitled to.

## **18.2 Right to vote on a poll**

Subject to the Act and these Articles and any rights or restrictions attached to any shares, on a vote on a resolution on a poll every Member has one vote in respect of each share of which he is the Holder and all or any of the voting rights of a Member may be exercised by one or more duly appointed proxies or corporate representatives.

## **18.3 Voting instructions**

For the avoidance of doubt, the Company shall be under no obligation on any resolution to ensure that a proxy or a corporate representative votes in accordance with any instructions given by his appointing Member, and the validity of any resolution passed shall not be affected in any way by any failure to comply with any such instructions.

## **18.4 Votes of joint Holders**

In the case of joint Holders of a share the vote of the senior who tenders a vote, whether in person (including by corporate representative) 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 of the Holders stand in the Register.

## **18.5 Member under incapacity**

A Member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised for that purpose appointed by that court or official, and any such receiver, curator bonis or other person may exercise the rights of the Member to appoint another person as the Member's proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote or to appoint a proxy shall be delivered to the place (or one of the places) and by the time specified in accordance with these Articles for the delivery of proxy notices and in default the right to vote shall not be exercisable.

## **18.6 Calls in arrears**

No Member shall, unless the Board otherwise determines, be entitled to vote at any general meeting or at any separate meeting of the Holders of any class of shares in the Company, either in person (including by corporate representative) or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

## **18.7 Errors in voting**

If any votes are 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 is pointed out at the same meeting, or at any adjournment thereof, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.

## **18.8 Objection to voting**

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered, and every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

## **18.9 Supplementary provisions on voting**

A Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

## **19. Proxies and Corporate Representatives**

### **19.1 Proxies**

A Member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak and vote at a general meeting. A Member may appoint more than one proxy in relation to a general meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by that Member. A proxy need not be a Member. Appointment of a proxy shall not preclude a Member from attending and voting in person (including by corporate representative) at the meeting or poll concerned.

### **19.2 Appointment of proxy**

A proxy may validly be appointed only by a notice in writing (a "**proxy notice**") which:

- (a) states the name and address of the Member appointing the proxy;
- (b) identifies the person appointed to be that Member's proxy, the general meeting in relation to which that person is appointed and, where the Member appoints more than one proxy in relation to a general meeting, specifies the shares in respect of which that proxy is appointed;
- (c) is signed by or on behalf of the Member appointing the proxy; and
- (d) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which the proxy notice relates.

### **19.3 Form of proxy notice**

The Board may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes. The Board may, if it thinks fit, but subject to the provisions of the Act, at the Company's expense send out with the notice of any meeting forms of proxy notice for use in relation to the meeting.



#### **19.4 Proxy instructions**

Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions. A proxy must vote in accordance with any instructions given by the Member by whom he is appointed. Unless a proxy notice indicates otherwise, it shall be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting or on any amendment of a resolution put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### **19.5 Delivery of proxy notice**

A proxy notice and any power of attorney or other written authority (if any) under which it is executed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority shall:

- (a) be delivered to the Office, or to such other address within the United Kingdom as is specified in the notice convening the meeting or in any proxy notice sent out by the Company in relation to the meeting, not less than 48 hours before the time appointed for holding the meeting at which the person named in the proxy notice proposes to vote; or
- (b) in the case of an adjourned meeting held not more than 48 hours after the time fixed for holding the original meeting, be delivered at the original meeting to the chairman or to the Secretary or to any Director; or
- (c) in the case of an adjourned meeting held 48 hours or more after the time fixed for holding the original meeting, be delivered as aforesaid after the meeting has been adjourned and not less than 24 hours before the time fixed for the adjourned meeting; or
- (d) in the case of a poll which is not taken forthwith but is taken not more than 48 hours after it is demanded, be delivered at the meeting at which the poll is demanded to the chairman or to the Secretary or to any Director, or
- (e) in the case of a poll taken 48 hours or more after it is demanded, be delivered as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll,

and a proxy notice which is not deposited, delivered or received in a manner so permitted shall be invalid.

#### **19.6 Non-working days**

The Board may in its discretion determine that in calculating the periods referred to in Article 19.5, no account shall be taken of any part of a day which is not a working day.

#### **19.7 Expiry and revocation**

No proxy notice shall be valid after the expiration of 12 months from the date stated in it as the date of its execution. If the Company receives more than one appointment of a proxy in respect

of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

## **19.8 Corporate representatives**

In accordance with Section 323 of the Act, any corporation which is a Member may (by resolution of its directors or other governing body) authorise a person to act as its representative or representatives at any meeting of the Company. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual Member save that, where a corporation authorises more than one person:

- (a) Article 18.1(d) shall apply on a vote on a resolution on a show of hands at a general meeting; and
- (b) where Article 18.1(d) does not apply and more than one authorised person purport to exercise a power on behalf of the corporation in respect of the same shares:
  - (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;
  - (ii) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

## **19.9 Termination of authority**

The termination of the authority of a person to act as proxy or corporate representative does not affect:

- (a) whether he counts in deciding whether there is a quorum at a general meeting, the validity of anything he does as chairman of the meeting, or the validity of a poll demanded by him at the meeting, unless the Company receives notice of the termination at least three hours before the commencement of the meeting; or
- (b) the validity of a vote given by him unless the Company receives notice of the termination at least three hours before the commencement of the meeting or adjourned meeting at which the vote is given or, in the case of a poll taken more than 48 hours after it is demanded, at least three hours before the time appointed for taking the poll.

## **20. Appointment and Removal of Directors**

### **20.1 Number of Directors**

Unless otherwise determined by the Company by ordinary resolution and subject to the Act, the number of Directors (other than alternate Directors) shall be not less than 4 nor more than 9 in number. The Company shall have at least one Director who is a natural person.

### **20.2 Retirement of Directors**

At every annual general meeting the following Directors shall retire from office:

- (a) any Director who is bound to retire under Article 20.8; and
- (b) any Director who was not appointed or re-appointed at one of the preceding two annual general meetings.

### **20.3 Position of retiring Directors**

A Director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

### **20.4 When Director deemed to be re-appointed**

If the Company, at the meeting at which a Director retires, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.

### **20.5 Eligibility for appointment**

No person other than a Director retiring at the meeting shall be appointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) not less than seven nor more than 42 clear days before the date appointed for the meeting, notice executed by a Member qualified to vote at the meeting (not being the person to be proposed) has been given to the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors and register of Directors' residential addresses, together with notice executed by that person of his willingness to be appointed.

### **20.6 Separate resolutions on appointment**

Except as otherwise authorised by the Act, the appointment of each person proposed as a Director shall be effected by a separate resolution.

### **20.7 Appointment by Company**

Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director and for a fixed or indefinite term. The appointment of a person to fill a vacancy or as an additional Director shall take effect from the end of the meeting.

### **20.8 Appointment by Board**

The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director and for a fixed or indefinite term, provided that the appointment does not cause the number of Directors to exceed the number, if any, fixed by or in accordance with these Articles as the maximum number of Directors. Irrespective of the terms of his appointment, a Director so appointed shall retire at the next following annual general meeting.

### **20.9 Appointment by Investors**

The Investors may collectively from time to time appoint any person to be a director of the Company with the title of investor director (the "**Investor Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove the Investor Director from office, provided always that there shall not be

more than one Investor Director at any one time. In relation to the Investors' right to appoint an Investor Director, the following provisions shall apply:

- (a) any appointment or removal of the Investor Director shall be in writing served on the Company signed by or on behalf of both of the Investors, and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier; and
- (b) for so long as the Investors have not appointed an Investor Director in accordance with Article 20.9(a), the Investors may collectively from time to time appoint a representative as an observer (the "**Observer**"), to attend and speak (but not vote) at any meeting of the Board and from time to time to remove such person so appointed. Any such appointment shall take effect when notice is received by the Company or at any later date specified for this purpose in the notice. For the avoidance of doubt, such Observer shall not be appointed as a director of the Company,

provided always that the rights of the Investors set out in this Article 20.9 shall only apply for so long as the Investors collectively hold at least 20% of the issued share capital of the Company.

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

A Director ceases to be a Director as soon as:

- (a) he ceases to be a Director by virtue of any provision of the Act or these Articles or he becomes prohibited or disqualified by law from being a Director; or
- (b) a bankruptcy order is made against him or he makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act or an analogous event occurs in another jurisdiction; or
- (c) the Directors resolve to remove him from office on the grounds that they reasonably believe he has become mentally or physically incapable of acting as a director and may remain so for more than three months; or
- (d) he resigns his office by notice in writing delivered to the Company or tendered at a meeting of the Board and such resignation has taken effect in accordance with its terms; or
- (e) having been appointed for a fixed term, that term expires; or
- (f) he and his alternate (if any) are absent from meetings of the Board for the greater of six consecutive months and six consecutive meetings and the Board resolves that he ceases to be a Director; or
- (g) he is removed from office by notice in writing delivered to him, signed by all of the other Directors or their alternates (which removal shall be treated as an act of the Company and shall have effect without prejudice to any claim he may have for damages for breach of contract).

#### **20.11 Power of Company to remove Director**

The Company may, in accordance with and subject to the provisions of the Act, 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, by ordinary resolution, appoint another person in place of a Director so removed from office. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

#### **20.12 No share qualification**

A Director shall not be required to hold any shares of the Company by way of qualification.

### **21. Alternate Directors**

#### **21.1 Power to appoint alternates**

Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Board and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him.

#### **21.2 Alternates entitled to receive notice**

An alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a Member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor (except as regards power to appoint an alternate) as a Director in his absence.

#### **21.3 Alternates representing more than one Director**

A person may act as alternate Director to represent more than one Director, and an alternate Director shall be entitled at meetings of the Board or any committee of the Board to one vote for every Director whom he represents (and who is not present) in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

#### **21.4 Expenses and remuneration of alternates**

An alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director but shall not in respect of his services as an alternate Director be entitled to receive any remuneration from the Company except such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

#### **21.5 Termination of appointment**

An alternate Director shall cease to be an alternate Director:

- (a) if his appointor ceases to be a Director; but, if a Director retires but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his re-appointment;
- (b) on the happening of any event which, if he were a Director, would cause him to vacate his office as Director; or

(c) if he resigns his office by notice in writing delivered to the Company.

## **21.6 Method of appointment and revocation**

Any appointment or removal of an alternate Director shall be by notice in writing to the Company signed by the Director making or revoking the appointment and shall take effect upon receipt of such notice by the Company.

## **21.7 Alternate not an agent of appointor**

Save as otherwise expressly provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and, accordingly, except where the context otherwise requires, references to a Director shall be deemed to include a reference to an alternate Director. An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

## **22. Powers of the Board**

### **22.1 Board's general authority**

Subject to the provisions of the Act and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may pay all expenses incurred in forming and registering the Company and may exercise all the powers of the Company, including the power to dispose of all or any part of the undertaking of the Company. No alteration of these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by these Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

### **22.2 Committees of the Board**

The Board may delegate any of its powers, authorities and discretions to any committee consisting of one or more Directors. The Board may also delegate to any Director holding any executive office such of its powers, authorities and discretions as the Board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the Board may specify, and may be revoked or altered. The Board may co-opt on to any such committee persons other than Directors, who may enjoy voting rights in the committee. The co-opted Members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the Members present are Directors. Subject to any conditions imposed by the Board, the proceedings of a committee with two or more Members shall be governed by these Articles regulating the proceedings of Directors so far as they are capable of applying.

### **22.3 Local boards, etc.**

The Board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be Members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, with power to

sub-delegate, and may authorise the Members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made upon such terms and subject to such conditions as the Board may decide and the Board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

## **22.4 Agents**

The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the Board) and on such conditions as the Board determines, including authority for the agent to delegate all or any of his powers, authorities and discretions, and may from time to time revoke, withdraw, alter or vary such delegation.

## **22.5 Offices including the title "director"**

The Board may appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title and may terminate 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 shall not imply that the holder is a director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these Articles.

## **23. Borrowing Powers**

### **23.1 Power to borrow**

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

### **23.2 Persons dealing with the Company**

No person dealing with the Company shall be concerned to see or enquire whether the restriction imposed by the provisions of this Article is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the said limit had been or would thereby be exceeded.

### **23.3 Determining whether limit breached**

A certificate or report by the Auditors as to the amount of Moneys Borrowed or the amount of the Adjusted Capital and Reserves or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article. Nevertheless for the purposes of this Article the Board may at any time act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves and if, in consequence, the foregoing restriction would otherwise have been breached, an amount equal to the excess of Moneys Borrowed shall be disregarded until the expiration of six months after the date on which by reason of a determination of the Auditors or otherwise the Board become aware that such a situation has or may have arisen.

## 23.4 Definitions

For the purposes of Articles 23.1 to 23.3:

**"Adjusted Capital and Reserves"** means a sum equal to the aggregate of:

- (a) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and
- (b) the amount standing to the credit of the reserves of the Group (including, without limitation, any share premium account, capital redemption reserve or revaluation reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account of the Group;

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

- (c) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose:
  - (i) if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional); and
  - (ii) share capital (including any premium) shall be deemed to have been paid up as soon as it has been unconditionally agreed to be subscribed or taken up (within six months of such agreement) by any person;
- (d) making such adjustments as may be appropriate in respect of any 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 latest audited balance sheet of the Company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (e) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;
- (f) making all such adjustments, if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any body corporate is to become or cease to be a subsidiary, as would be appropriate if such transaction had been carried into effect;
- (g) excluding minority interests in subsidiaries;
- (h) treating as an investment any shareholding in a subsidiary undertaking of the Company included in the consolidation which is not a subsidiary of the Company;



**"audited balance sheet"** means the audited balance sheet of the Company prepared for the purposes of the Act or, if an audited consolidated balance sheet dealing with the state of affairs of the Company and all its subsidiaries to be dealt with in group accounts has been prepared for those purposes for the same financial year, that audited consolidated balance sheet, in which event all references to reserves and profit and loss shall be deemed to be references to consolidated reserves and consolidated profit and loss and any amounts attributable to outside interests shall be excluded;

**"Moneys Borrowed"** means the outstanding moneys borrowed of the Group determined as follows:

- (a) in addition to borrowings, there shall be deemed, subject as provided below, to have been borrowed and to be outstanding as moneys borrowed of the Group (but only to the extent that the same would not otherwise fall to be taken into account):
  - (i) the principal amount of all debentures of any Member of the Group, whether issued or incurred in whole or in part for cash or otherwise, which are not for the time being beneficially owned within the Group;
  - (ii) the nominal amount of any issued and paid up share capital (other than equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital) of any subsidiary of the Company not for the time being beneficially owned by any Member of the Group;
  - (iii) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other moneys borrowed (not being shares or debentures which are, or moneys borrowed the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption or repayment whereof is:
    - (A) guaranteed by any Member of the Group; or
    - (B) wholly or (to the extent of the part secured) partly secured on assets or the undertaking of any Member of the Group;
- (b) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other moneys borrowed falling to be taken into account;
- (c) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any Member of the Group;
- (d) any fixed amount in respect of any Finance Lease payable by any Member of the Group which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the latest audited balance sheet;
  - (i) moneys borrowed by any Member of the Group for the purposes of repaying or redeeming (with or without premium) in whole or in part any other moneys borrowed falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not, during such period, except to the extent so applied, themselves fall to be taken into account;

- (ii) any amounts borrowed by any Member of the Group for the purpose of financing any contract up to an amount not exceeding those moneys receivable under such contract which are guaranteed or insured by the Export Credits Guarantee Department or other institution or body carrying on a similar business shall be deemed not to be moneys borrowed;
- (iii) moneys borrowed by a partly owned subsidiary of the Company and not owing to the Company or any of its wholly owned subsidiaries shall be taken into account subject to the exclusion of a proportion thereof equal to the Minority Proportion of the borrower; moneys borrowed by the Company or any of its wholly owned subsidiaries from and owing to a partly owned subsidiary of the Company shall be taken into account to the extent of a proportion thereof equal to the Minority Proportion of the lender; where moneys have been borrowed by one partly owned subsidiary of the Company and are owing to another partly owned subsidiary of the Company, the amount to be taken into account shall be reduced in accordance with the foregoing provisions of this sub-paragraph to take account of the Minority Proportion of the borrower and that of the lender;
- (iv) an amount equal to the moneys borrowed by a body corporate which were outstanding at the time it becomes a subsidiary of the Company shall, for a period of six months after that date be deemed not to be moneys borrowed;
- (v) if any fixed amount payable by the Company or any of its subsidiaries in respect of any Finance Lease increases as a result of any change in legislation relating to or affecting taxation matters, for a period of six months after the date on which the Board become aware of the increase an amount equal to the increase shall be deemed not to be moneys borrowed;
- (vi) there shall be deducted from the amount of any moneys borrowed any amounts beneficially owned by any Member of the Group which are deposited with any bank or other person (whether on current account or otherwise) not being a Member of the Group and which are repayable to any Member of the Group on demand or within three months of any demand, subject, in the case of money deposited by a partly owned subsidiary, to the exclusion of a proportion thereof equal to the Minority Proportion;
- (vii) moneys borrowed shall not include any moneys borrowed which are for the time being deposited with any governmental authority or body in any part of the world in connection with import deposits or any similar governmental scheme to the extent that the Member of the Group making such deposit retains its interest therein;
- (viii) where at any material time the amount of money which, under the terms of any borrowing, would be required, if it fell to be repaid (whether at the option of the borrower or by reason of default) at such material time, to discharge in full the principal amount of moneys borrowed thereunder, is less than the amount which would otherwise be taken into account in respect of such moneys borrowed for the purposes of this Article, the amount of such moneys borrowed to be taken into account shall be such lesser amount;
- (ix) when the aggregate amount of moneys borrowed at any material time is being ascertained, any moneys borrowed by any Member of the Group denominated

or repayable in a currency other than sterling shall be translated for the purposes of calculating the sterling equivalent:

- (x) with the exception of Excepted Foreign Currency Borrowings, at the lower of:
  - (A) the rate of exchange used for the purposes of translating assets and liabilities in the latest audited balance sheet; and
  - (B) the middle market rate at approximately 11 a.m. in London on the business day preceding the relevant day, as supplied by such person or calculated on such basis as the Auditors may determine or approve;
- (xi) in the case of any Excepted Foreign Currency Borrowings, at the rate of exchange which would be applicable to such moneys borrowed on their repayment to the extent that such rate of exchange is fixed under any Exchange Cover Scheme in connection with such moneys borrowed, unless the Auditors determine that it is not practicable to determine the rate of exchange applicable at the time of repayment of any such moneys borrowed, when they shall be translated into sterling on such other basis as the Auditors may determine reasonably reflects the effect of the Exchange Cover Scheme or, if no such basis is determined, in accordance with the provisions of paragraph (x) above;
- (xii) for the avoidance of doubt, the following shall be deemed not to be moneys borrowed of the Group:
- (xiii) sums advanced or paid to any Member of the Group (or its agent or nominee) by customers of any Member of the Group as prepayments or progress payments or payments on account or by way of deposit or security in respect of products or services or any guarantees or indemnities given by any Member of the Group in relation thereto;
- (xiv) sums which otherwise would fall to be treated as moneys borrowed of any Member of the Group which:
  - (A) were outstanding at the date of the latest audited balance sheet and were treated therein, with the concurrence of the Auditors and in accordance with any current Statement of Standard Accounting Practice, Financial Reporting Standard or other accountancy principle or practice generally accepted for the time being in the United Kingdom, as otherwise than borrowings;
  - (B) were incurred after the date of the latest audited balance sheet and, in the reasonable opinion of the Board, would have been so treated had they been outstanding at that date;

**"Excepted Foreign Currency Borrowings"** means moneys borrowed denominated or repayable in a currency other than sterling which have the benefit of an Exchange Cover Scheme;

**"Exchange Cover Scheme"** means any exchange cover scheme, forward currency contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risks associated with fluctuations in exchange rates;

**"Finance Lease"** means a contract between a lessor and a Member of the Group as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by the lessee or sub-lessee;

**"Minority Proportion"** shall mean the proportion of the issued equity share capital of the partly owned subsidiary which is not attributable, directly or indirectly, to the Company or any of its wholly owned subsidiaries.

## **24. Remuneration of Non-Executive Directors**

### **24.1 Ordinary remuneration**

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of these Articles) shall not exceed in aggregate £250,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.

### **24.2 Additional remuneration for special services**

Any Director who does not hold executive office and who serves on any committee of the Directors, by the request of the Board goes or resides abroad for any purpose of the Company or otherwise performs special services or duties which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may (without prejudice to the provisions of Article 24.1) be paid such extra remuneration by way of salary, commission, fees or otherwise as the Board may determine.

## **25. Directors' Expenses**

The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or separate meetings of the Holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

## **26. Executive Directors**

### **26.1 Appointment to executive office**

Subject to the provisions of the Act, the Board may appoint one or more Directors to be the holder of any executive office (except that of Auditor) under the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the Board determines. The Board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company by reason thereof.

### **26.2 Termination of appointment to executive office**

Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any rights or claims which he may have against the Company by reason of such cessation. A Director appointed to an executive office shall not ipso facto cease to be a Director if his appointment to such executive office terminates.

### **26.3 Emoluments to be determined by the Board**

The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

## **27. Directors' Interests**

### **27.1 Permitted interests**

Provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; and
- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested.

### **27.2 Notification of interests**

For the purposes of the provisions of these Articles relating to Directors' interests:

- (a) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his;
- (c) an interest arising solely from a Director being a director or other officer of, or employed by, any subsidiary undertaking of the Company is not a material interest;
- (d) a Director need not disclose an interest if it cannot be reasonably regarded as likely to give rise to a conflict of interest; and
- (e) a Director need not disclose an interest if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware).

### **27.3 Authorisation of conflicts of interest**

The Board shall have power, subject to and in accordance with Articles 27.4 to 27.6, to authorise (an "**Authorisation**") any matter which would or might constitute or give rise to any breach of the

duty of a Director under Section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it).

#### **27.4 Effectiveness of Authorisation**

An Authorisation may be proposed to and resolved on by the Board in accordance with these Articles in the same way as any other matter but shall only be effective where:

- (a) reasonable details of the matter to which the Authorisation relates were disclosed to the Board; and
- (b) in accordance with Section 175(6) of the Act, any requirement as to the quorum at the meeting at which the Authorisation is considered is met without counting the Director in question or any other interested Director and the Authorisation was agreed to without their voting or would have been agreed to if their votes had not been counted.

#### **27.5 Scope of Authorisation**

An Authorisation may be given in respect of:

- (a) a person who is proposed to be appointed as a Director, with regard to such appointment; or
- (b) an appointed Director with regard to his continuing performance of his duties.

#### **27.6 Terms of Authorisation**

An Authorisation may be given subject to such terms and conditions as the Board determines at its absolute discretion, and the Director in question shall comply with all such terms and conditions, which may (but need not) include all or any of the following:

- (a) the period for which the Authorisation shall subsist, or any date or event upon which it shall expire or be modified;
- (b) any events, matters or consequences which do not fall within the Authorisation or whereby a further Authorisation would be required;
- (c) the exclusion of the Director in question from receipt of or access to certain information or documentation of the Company connected with the matter to which the Authorisation relates (including any general classes or categories of information or documentation);
- (d) the exclusion of the Director in question from discussions (whether at Board meetings, general meetings of the Company or otherwise) connected with the matter to which the Authorisation relates, and whether the Director in question may count in the quorum at Board meetings at which any matter to which the Authorisation relates is considered and/or vote upon any such matter (in which case such terms shall prevail over any other provisions of these Articles); and
- (e) requirements or permissions with respect to the disclosure of confidential information of the Company to any other person, or the disclosure of confidential information of any other person to the Company.

Save as provided in any terms and conditions determined by the Board in accordance with this Article, an Authorisation shall be deemed to be given to the fullest extent permissible at law, and shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of or in connection with the matter so authorised.

#### **27.7 Record of Authorisation**

The Board shall ensure that the terms of each Authorisation are recorded in writing and a copy retained by the Company (but the Authorisation shall be effective whether or not the terms are so recorded).

#### **27.8 Revocation of Authorisation**

The Board may revoke or vary an Authorisation at any time, but this shall not affect anything done or omitted to be done by the Director in question in accordance with the terms of the Authorisation prior to receiving notice of the revocation or variation.

#### **27.9 Disclosure of confidential information**

A Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director and in respect of which he owes a duty of confidentiality to another person. In particular, the Director shall not be in breach of any duty he owes to the Company because he fails to disclose any such information to the Board or to any Director or other officer or employee of the Company or to use or apply any such information in performing his duties as a Director. However, to the extent that the Director's relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this Article applies only:

- (a) if the existence of that relationship is the subject of an existing Authorisation (and it applies subject to the terms of that Authorisation); or
- (b) that relationship is that the Director is a director or other officer of, or employed by, any body corporate promoted by the Company or in which the Company is otherwise interested.

#### **27.10 Directors not liable to account**

A Director shall not (save as may be provided by the terms and conditions of the Authorisation) be liable to account to the Company for any remuneration, profit or other benefit resulting from any interest permitted under Article 27.1 or any matter to which any Authorisation relates, and no contract shall be liable to be avoided on the grounds of any such remuneration, profit or benefit, nor shall the receipt of any such remuneration, profit or benefit constitute a breach of Section 176 of the Act.

#### **27.11 No breach of duties**

A Director shall not be in breach of any duty he owes to the Company by virtue of the fact that where he has an interest permitted under Article 27.1 or pursuant to the terms of an Authorisation (for so long as he reasonably believes the matter to which the Authorisation relates subsists) he:

- (a) absents himself from Board meetings or other proceedings of the Board at which matters relating to the matter to which the Authorisation relates will or may be discussed; or

- (b) makes arrangements not to receive, or refrains from considering, any documents relating to the matter to which the Authorisation relates, or makes arrangements for a professional adviser to receive any such documents on his behalf.

#### **27.12 Equitable principle or rule of law**

The provisions of these Articles are without prejudice to any equitable principle or rule of law which may excuse a Director from:

- (a) disclosing information in circumstances where disclosure would otherwise be required under these Articles or otherwise; or
- (b) attending meetings or discussions or receiving documents or information in circumstances where such attendance or receiving would otherwise be required under these Articles.

#### **27.13 Directors' power to vote on matters in which they are interested**

A Director shall not vote on any resolution of the Board concerning an Authorisation relating to himself or, save as otherwise provided by these Articles or as permitted by the terms of an Authorisation, concerning any other matter in relation to which he has a duty to someone other than the Company, or an interest which together with any interest of any person connected with him is to his knowledge a material interest (other than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company), unless his duty or interest arises only because the case falls within one or more of the following paragraphs:

- (a) the resolution relates to the giving of any guarantee, security, or indemnity in respect of money lent, or obligations incurred by him or by any other person at the request of or for the benefit of, the Company or any of its subsidiaries;
- (b) the resolution relates to the giving of any guarantee, security, or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security;
- (c) he is, or intends to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange;
- (d) the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer or invitation to Members or debenture holders of the Company, or any class of them;
- (e) 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 defined in Article 14.5(a)) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company;
- (f) the resolution relates to an arrangement for the benefit of employees of the Company or of any of its subsidiaries and does not provide in respect of the Director any privilege or benefit not awarded to the employees to whom such arrangement relates; and
- (g) any proposal concerning any insurance which the Company is empowered to purchase or maintain for the benefit of any directors of the Company or for the benefit of persons



who include directors of the Company provided that for the purposes of this paragraph insurance shall mean only insurance against liability incurred by a Director in respect of any such act or omission by him as is referred to in Article 28.2 or any other insurance which the Company is empowered to purchase or maintain for or for the benefit of any groups of persons consisting of or including directors of the Company.

#### **27.14 Supplementary provisions**

For the purposes of Article 27.13:

- (a) in determining whether any matter concerns a body corporate in which a Director is interested, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust in which the Director is only interested as a unit holder;
- (b) a Director is connected with another person if connected within the meaning of Section 252 of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Company); and
- (c) in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director in addition to any interest which the alternate Director otherwise has.

#### **27.15 Determination by chairman**

If any question arises at any meeting as to whether an interest of a Director (other than the chairman's interest) shall reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of any Director (other than the chairman) to vote or be counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be referred to the chairman of the meeting. The chairman's ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned (so far as it is known to him) has not been fairly disclosed to the Board.

#### **27.16 Interests of chairman**

If any question arises at any meeting as to whether an interest of the chairman shall reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of the chairman to vote or be counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the chairman), whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the chairman (so far as it is known to him) has not been fairly disclosed to the Board.

#### **27.17 Power of Company to suspend**

The Company may by ordinary resolution suspend or relax the provisions of this Article 27 to any extent. Subject to the Act, the Company may by ordinary resolution ratify any transaction or arrangement not properly authorised by reason of a contravention of this Article 27.

## **27.18 Exercise by Company of voting rights**

The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing any Director as a director of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

## **27.19 References to conflicts of interest**

Any reference to a conflict of interest in these Articles shall include a conflict of interest and duty, and a conflict of duties, and any reference to an interest includes both direct and indirect interests.

## **28. Gratuities, Pensions and Insurance**

### **28.1 Gratuities and pensions**

The Board may (by establishment of or maintenance of schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present director or employee of the Company or any of its subsidiaries or any body corporate associated with, or any business acquired by, any of them, and for any Member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

### **28.2 Insurance**

Without prejudice to the provisions of Article 38, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

### **28.3 Directors not liable to account**

No Director or former Director shall be accountable to the Company or the Members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

### **28.4 Section 247 of the Act**

Pursuant to Section 247 of the Act, the Board is hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary. Any such provision may be made by a resolution of the Board in accordance with the said section.

## **29. Proceedings of Directors**

### **29.1 Board decisions**

Decisions of the Board shall be taken by resolution at a Board meeting or by Directors' written resolution. Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit.

### **29.2 Convening meetings**

A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board by giving notice (which need not be in writing) to each director of the proposed date and time of the meeting and where it is to take place. Any Director may waive notice of a meeting and any such waiver may be retrospective.

### **29.3 Meetings by telephone, etc.**

Without prejudice to Article 29.1, a meeting of the Board may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by any form of communication equipment) to speak to each of the others, and to be heard by each of the others simultaneously. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is.

### **29.4 Voting at meetings**

Resolutions at a meeting of the Board shall be passed by a simple majority of votes and, subject to these Articles, each Director present shall have one vote. In the case of an equality of votes, the chairman shall have a second or casting vote.

### **29.5 Quorum**

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be two persons each being a Director or an alternate Director whose appointor is not present. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no Director objects.

### **29.6 Exclusion of Director from quorum**

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

### **29.7 Powers of Directors if number falls below minimum**

The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting and if they are not able or willing to act, any two Members may requisition a general meeting for the purpose of appointing Directors.

## **29.8 Chairman and deputy chairman**

The Board may appoint one of their number to be the chairman, and one of their number to be the deputy chairman, of the Board and may at any time remove either of them from such office. Unless he is unwilling to do so, the Director appointed as chairman, or in his stead the Director appointed as deputy chairman, shall preside at every meeting of the Board at which he is present. If there is no Director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

## **29.9 Validity of acts of the Board**

All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director or alternate Director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or any member of the committee or alternate Director or that any of them were disqualified from holding office, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.

## **29.10 Proposing a Directors' written resolution**

Any Director may propose a Directors' written resolution. The Secretary must propose a Directors' written resolution if a Director so requests. A Directors' written resolution is proposed by giving notice of the proposed resolution to the Directors. Notice of a proposed Directors' written resolution must indicate the proposed resolution and the time by which it is proposed that the Directors should adopt it. Notice of a proposed Directors' written resolution must be given in writing to each Director. Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

## **29.11 Adoption of a Directors' written resolution**

A proposed Directors' written resolution is adopted when all the Directors who are entitled to vote on the resolution have signed one or more copies of it, provided that those Directors would have formed a quorum at a Board meeting. It is immaterial whether any Director signs the resolution before or after the time by which the notice proposed that it should be adopted. Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Board meeting in accordance with these Articles. The Secretary must ensure that the Company keeps a record, in writing, of all Directors' written resolutions for at least 10 years from the date of their adoption.

## **29.12 Division of proposals**

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned shall, subject as otherwise provided in these Articles, be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

### **29.13 Secretary**

Subject to the provisions of the Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

### **29.14 Minutes**

The Board shall cause minutes to be made in books kept for the purpose of:

- (a) all appointments of officers and committees made by the Board; and
- (b) all orders, resolutions and proceedings at meetings of the Company, of the Holders of any class of shares in the Company, of the Board, and of committees of the Board, including the names of the Directors present at each such meeting.

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

## **30. Execution of Documents and Certified Copies**

### **30.1 Authority required for use of seal**

The seal shall only be used by the authority of a resolution of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by at least one Director and the Secretary or by at least two Directors.

### **30.2 Certificates for shares and debentures**

The Board may by resolution determine either generally or in any particular case that any certificates for shares or debentures or representing any other form of security to which the seal is affixed may have signatures affixed to them by some mechanical means, or printed thereon or that such certificates need not bear any signature.

### **30.3 Execution of instrument as a deed**

Where the Act so permits, any instrument signed, with the authority of a resolution of the Board or of a committee of the Board, by one Director and the Secretary or by two Directors or by one Director in the presence of a witness who attests the signature and expressed to be executed by the Company as a deed shall have the same effect as if executed under the seal, provided that no instrument which makes it clear on its face that it is intended by the persons making it to have effect as a deed shall be signed without the authority of the Board.

### **30.4 Delivery of deeds**

A document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of its having been executed by the Company.

### **30.5 Certified copies**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any

resolutions passed by the Company or the Holders of any class of shares of the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or the minutes of or an extract from the minutes of a meeting of the Company or the Holders of any class of shares of the Company or of the Board or any committee of the Board that 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 minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## **31. Dividends**

### **31.1 Declaration of dividends**

Subject to the provisions of the Act and these Articles, the Company may by ordinary resolution declare dividends in accordance with the respective rights and interests in the profits of the Members, but no dividend shall exceed the amount recommended by the Board.

### **31.2 Interim dividends**

Subject to the provisions of the Act, the Board may declare and pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. Provided the Board acts in good faith it shall not incur any liability to the Holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

### **31.3 Apportionment of dividends**

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

### **31.4 Dividends in specie**

A general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets of any kind, and in particular of paid up shares or securities or debentures of any other body corporate. Where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks fit and, in particular, may issue fractional certificates (or ignore fractions), may fix the value for distribution of any assets and may determine that cash shall be paid to any dividend recipient upon the footing of the value so fixed in order to adjust the rights of dividend recipients and may vest any assets in trustees.

### 31.5 Scrip dividends

The Board may, if authorised by an ordinary resolution of the Company, offer any dividend recipient the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Board) of all or any dividends specified by the ordinary resolution. The following provisions shall apply:

An ordinary resolution may specify a particular dividend, or may specify all or any dividends declared or paid within a specified period or periods.

The entitlement of each dividend recipient to new shares shall be such that the relevant value of the entitlement (calculated by reference to the average quotation) shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such dividend recipient elects to forego. For this purpose the "**average quotation**" of a share shall be the average of the middle market closing price for those shares on the London Stock Exchange plc, as derived from the AIM Appendix to the Daily Official List, on the day on which the shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution but shall never be less than the par value of the share.

A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount.

On or as soon as practicable after announcing that any dividend is to be declared or recommended, the Board, if it intends to offer an election in respect of that dividend, shall also announce that intention. If, after determining the basis of allotment, the Board decides to proceed with the offer, it shall notify the dividend recipients in writing of the terms and conditions of the right of election offered to them, specifying the procedure to be followed and place at which, and the latest time by which, elections or notices amending or terminating existing elections must be lodged in order to be effective.

The Board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be appropriated to give effect to it after the basis of allotment is determined.

The Board may exclude from any offer any dividend recipients where the Board believes the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them or in respect of their shares.

The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on shares in respect of which an election has been made by the relevant dividend recipient and instead additional shares shall be allotted to those dividend recipients on the basis stated above. For such purpose the Board shall appropriate out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the Board may determine a sum equal to the aggregate nominal amount of the additional shares to be allotted and apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to those dividend recipients on the basis stated above.

The additional shares when allotted shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue except that they will not be entitled to participation in the relevant dividend.

No fraction of a share shall be allotted. The Board may make such provision as it thinks fit for any fractional entitlements including provision whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any dividend recipient and such accruals or retentions are applied to the allotment of fully paid shares to such dividend recipient and/or provision whereby cash payments may be made to dividend recipients in respect of their fractional entitlements.

The Board may do all acts and things considered necessary or expedient to give effect to the allotment and issue of any shares pursuant to this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person, acting on behalf of the dividend recipients concerned, to enter into an agreement with the Company providing for such allotment and incidental matters and any agreement made under such authority shall be effective and binding on all concerned.

The Board may, in their discretion, amend, suspend or terminate any offer which is in operation.

### **31.6 Permitted deductions**

The Board may deduct from any dividend or other moneys payable to any dividend recipient in respect of a share any moneys presently payable by him to the Company in respect of that share. The Company may apply any sum so deducted in or towards satisfaction any amount presently so payable.

### **31.7 Interest not payable**

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

### **31.8 Methods of payment**

Any dividend or other moneys payable in respect of a share may, subject to Article 31.9, be paid by one or more of the following methods:

- (a) transfer to a bank or building society account specified by the dividend recipient in writing;
- (b) sending a cheque made payable to the dividend recipient by post to the dividend recipient at the dividend recipient's registered address (if the dividend recipient is a Holder of the share), or (in any other case) to an address specified by the dividend recipient in writing;
- (c) sending a cheque made payable to such person by post to such person at such address as the dividend recipient has specified in writing;
- (d) in respect of shares in uncertificated form, by means of CREST or any other relevant system operated pursuant to the Regulations in such manner as may be consistent with the facilities and requirements of that relevant system; or
- (e) by any other method as the Board may decide to an account, or in accordance with the details, specified by the dividend recipient in writing.



### **31.9 Procedure for payment**

In respect of the payment of any dividend or other moneys payable in respect of a share, the Board may decide, and notify dividend recipients, that:

- (a) one or more of the methods described in Article 31.8 will be used for the payment and a dividend recipient may elect to receive the payment by one of the methods so notified in the manner prescribed by the Board;
- (b) one or more of such methods will be used for the payment unless a dividend recipient elects otherwise in the manner prescribed by the Board; or
- (c) one or more of such methods will be used for the payment and that dividend recipients will not be able to elect otherwise.

The Board may, for this purpose, decide that different methods of payment may apply to different dividend recipients or groups of dividend recipients.

### **31.10 Good discharge to Company**

Payment of any dividend or other moneys payable in respect of a share is made at the risk of the dividend recipient. The Company is not responsible for a payment which is lost or delayed. Payment, in accordance with these Articles, of any cheque by the bank upon which it is drawn, or the transfer of funds by any method, or (in respect of shares in uncertificated form) the making of payment by means of a CREST or any other relevant system operated pursuant to the Regulations, shall be a good discharge to the Company.

### **31.11 Unclaimed dividends**

In the event that:

- (a) a dividend recipient does not specify an address, account or other details necessary in order to make a payment of a dividend or other moneys payable in respect of a share by the method decided on by the Board or elected by the dividend recipient in accordance with these Articles; or
- (b) payment cannot for any reason be made by the Company using the details provided by the dividend recipient,

then the dividend or other moneys payable in respect of a share shall be treated as unclaimed for the purposes of these Articles.

### **31.12 Right to stop sending dividend cheques by post**

Where the Board has decided or a dividend recipient has elected in accordance with these Articles for payment of dividends to be made by cheque sent by post to the dividend recipient's registered address or other address specified in writing, the Company may stop sending dividend cheques by post to that dividend recipient (and such dividends shall be treated as unclaimed for the purposes of these Articles) if dividend cheques have been sent by post to that address and returned undelivered or left uncashed during the periods for which the same are valid:

- (a) on two consecutive occasions; or

- (b) on one occasion and reasonable enquiries have failed to establish any new address for such dividend recipient.

### **31.13 Use and forfeiture of unclaimed dividends**

Any unclaimed dividend may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment by the Board of any unclaimed dividend or other moneys payable in respect of a share into a separate account shall not constitute the Company a trustee thereof.

### **31.14 Dividend recipient**

For the purposes of this Article 31, "**dividend recipient**" means, in relation to a share in respect of which a dividend or other moneys is payable:

- (a) the Holder of the share;
- (b) if the share has two or more joint holders, whichever of them is named first in the Register; or
- (c) if a person has become entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law, the person so entitled.

## **32. Capitalisation of profits and reserves**

The Board may with the authority of an ordinary resolution of the Company:

- (a) subject as hereinafter provided, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including the Company's share premium account, capital redemption reserve, redenomination reserve, if any or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised to the Members or any class of Members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares, debentures or other obligations of the Company of a nominal amount equal to that sum, and allot the shares, debentures or other obligations credited as fully paid to those Members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, the capital redemption reserve, the redenomination reserve, any other undistributable reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up bonus shares to be allotted to Members credited as fully paid;
- (c) make such provision by authorising the sale and transfer to any person of fractions to which any Members would become entitled or resolve that the distribution be made as nearly as practicable in the correct proportion but not exactly so or may ignore fractions altogether or resolve that cash payments be made to any Members in order to adjust the rights of all parties or otherwise as (in each case) the Board determines where

shares or debentures become, or would otherwise become, distributable under this Article in fractions;

(d) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for either:

(i) the allotment to such Members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled upon such capitalisation; or

(ii) the payment up by the Company on behalf of such Members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares, and any agreement made under such authority shall be binding on all such Members; and

generally do all acts and things required to give effect to such resolution as aforesaid.

### **33. Record Dates**

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

### **34. Accounts**

#### **34.1 Rights to inspect records**

The accounting records and other books and documents of the Company shall at all times be open to inspection by the Directors or the Secretary. No other person (including a Member as such) shall have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the Board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

### **35. Communications**

#### **35.1 Communications by or to the Company**

Anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act provides for documents or information to be sent or supplied by or to the Company for the purposes of the Act. The Company may send or supply documents or information to Members, for the purposes of the Act or under these Articles, by making them available on a website in accordance with the Act.

#### **35.2 Communications to Directors**

Any notice or document to be sent or supplied to a Director in connection with the taking of decisions by the Board may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being. A Director may agree with the Company that notices or documents sent to that Director in a particular way are to

be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

### **35.3 Failure to notify contact details**

If the Company sends or supplies documents or information to a Member on at least two consecutive occasions over a period of at least 12 months and on each occasion the document or information is returned undelivered, or the company receives notification that it has not been delivered, that Member shall cease to be entitled to receive notices from the Company. A Member who has ceased to be entitled to receive notices shall become entitled to receive notices again by sending the Company a new address to be recorded in the Register or a new address for the purpose of communicating with him by electronic means.

### **35.4 Joint Holders**

In the case of joint Holders of a share, all notices or other documents or information shall be sent or supplied to the joint Holder whose name stands first in the Register in respect of the joint holding and any notice or other document or information so sent or supplied shall be deemed for all purposes to have been sent or supplied to all the joint Holders.

### **35.5 Overseas shareholders**

A Member whose registered address is not within the United Kingdom and who gives to the Company a postal address within the United Kingdom for the purposes of communicating with him, or an address for the purpose of communicating with him by electronic means, shall be entitled to have notices sent to him at that address, but otherwise:

- (a) no such Member shall be entitled to receive any notice from the Company; and
- (b) without prejudice to the generality of the foregoing, any notice of general meeting of the Company which is in fact given or purports to be given to such Members shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

### **35.6 Deemed receipt of notice**

A Member present, either in person (including by corporate representative) or by proxy, at any meeting of the Company or of the Holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

### **35.7 Notice to persons entitled by transmission**

A notice or other document or information may be sent or supplied by the Company to the persons entitled by transmission to a share, whether in consequence of the death or bankruptcy of a Member or otherwise, by sending or supplying it, in any manner authorised by these Articles for the sending or supply of a notice or other document or information to a Member, addressed to them by name, or by the title of representatives of the deceased or trustee of the bankrupt or by any like description, at the postal address within the United Kingdom or address for communication by electronic means, if any, supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice or other document or information may be sent or supplied in any manner in which it might have been sent or supplied if the death or bankruptcy or other event giving rise to the transmission had not occurred.

### **35.8 Transferees etc. bound by prior notice**

Every person who by operation of law, transfer or by any other means becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been duly given to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a share shall be bound by any direction notice issued under Article 14 to a person from whom he derives his title.

### **35.9 Deemed delivery**

This Article applies where a notice or other document or information is sent or supplied by the Company to any Member pursuant to the Act, or by or to the Company under these Articles. Where it is sent by post and the Company is able to show that it was properly addressed, prepaid and posted, it is deemed to have been received by the intended recipient 24 hours after it was posted (irrespective of the class or type of post used). Where it is sent or supplied by electronic means and the company is able to show that it was properly addressed, it is deemed to have been received by the intended recipient on the same day on which it is sent or supplied. Where it is sent or supplied by means of a website, it is deemed to have been received by the intended recipient when (a) the material is first made available on the website or (b) if later, when the recipient received (or, in accordance with this Article, is deemed to have received) notification of the fact that the material was available on the website.

### **35.10 Notice during disruption of postal services**

If at any time by reason of the suspension, interruption 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, the Company need only give notice of a general meeting to those persons (who would otherwise be entitled to receive such notice) to whom the Company may send such a notice by electronic means. The Company shall also advertise the notice in at least one national newspaper published in the United Kingdom and make it available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment of it. In any such case the Company shall send confirmatory copies of the notice by post to those Members to whom notice cannot be given by electronic means if, at least seven days prior to the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

### **35.11 Right to hard copies**

Where the Company sends documents to Members otherwise than in hard copy form, any Member can require the Company to send him a hard copy version and the Company must do so free of charge and within 21 days of the date of the Member's request.

### **35.12 Signature of notice**

The signature to any notice to be given by the Company may be written or printed.

## **36. Destruction of Documents**

The Company shall be entitled to destroy all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the Register, at any time after the expiration of six years from the date of registration thereof and all dividend mandates or variations or cancellations thereof and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the

cancellation thereof and all paid cheques at any time after the expiration of one year from the date of actual payment thereof and all proxy notices which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all proxy notices which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy notice relates and at which no poll was demanded. It shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
- (c) references in this Article to the destruction of any document include references to the disposal thereof in any manner.

## **37. Untraced Shareholders**

### **37.1 Power to dispose of shares of untraced shareholders**

The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a Member or the shares to which a person is entitled by virtue of transmission on death, bankruptcy, or otherwise by operation of law if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (b) below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have been declared and all cheques which have been sent in the manner authorised by these Articles in respect of the shares in question have remained uncashed and no such dividend has been claimed by the person entitled to it; and
- (b) the Company shall as soon as practicable after expiry of the said period of 12 years have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such Member or other person giving notice of its intention to sell the shares; and
- (c) during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall have received no indication either of the whereabouts or of the existence of such Member or person.

If during any 12 year period referred to in paragraph (a) above, further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Article (other than the requirement that they be in issue for 12 years) have been satisfied in regard to the further shares, the Company may also sell the further shares.

### **37.2 Transfer on sale**

To give effect to any such sale of shares pursuant to this Article, the Board may authorise any person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser and an instrument of transfer executed by that person shall be as effective as if it had been executed by the Holder of, or person entitled by transmission to, the shares. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

### **37.3 Proceeds of sale**

The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds 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 as the Board from time to time thinks fit.

## **38. Indemnity**

### **38.1 Indemnity to Directors, officers, etc.**

Subject to Article 38.2, a relevant officer of the Company or an associated company may be indemnified (including by funding any expenditure incurred or to be incurred by him) out of the Company's assets against:

- (a) any cost, charge, loss, damage and liability incurred by that relevant officer in connection with any negligence, default, breach of duty, breach of trust or otherwise in relation to the Company or an associated company;
- (b) any cost, charge, loss, damage and liability incurred by that relevant officer in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Act); and
- (c) any other liability incurred by that relevant officer as an officer of the Company or an associated company.

### **38.2 Restriction on indemnity**

Article 38.1 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

### **38.3 Supplementary provisions**

In Article 38.1:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "**relevant officer**" means any director, former director, alternate director, secretary or other officer of the Company or an associated company but excluding in each case any

person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

#### **38.4 Funding of expenditure**

Every Director and alternate Director (and every director or alternate director of any associated company of the Company) shall be entitled to:

- (a) have funds provided to him by the Company to meet expenditure incurred or to be incurred by him in defending himself in any proceedings (whether civil or criminal) or in connection with an application for relief (as defined in Section 205(5) of the Act) or in an investigation, or against action proposed to be taken, by a regulatory authority; or
- (b) receive assistance from the Company as will enable him to avoid incurring such expenditure, where such proceedings, application, investigation or action are in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company of the Company.

#### **38.5 Repayment of funds provided**

A Director will be obliged to repay any funds provided to him under Article 38.4 no later than:

- (a) in the event he is convicted in such proceedings, the date when the conviction becomes final; or
- (b) in the event of judgment being given against him in such proceedings, the date when the judgment becomes final; or
- (c) in the event of the court refusing to grant him such relief, the date when the refusal becomes final; or
- (d) in the event he becomes liable for any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising, the date on which any appeal relating to such sum becomes final (within the meaning of Section 205(3) of the Act).