

Company No 1700310

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

HIGHAMS SYSTEMS SERVICES GROUP PLC

(adopted by a special resolution passed on 7 September 2010)

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THE COMPANIES ACT 1985 AND 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
HIGHAMS SYSTEMS SERVICES GROUP PLC

(adopted by a special resolution passed on 7 September 2010)

PRELIMINARY

1 Interpretation

1.1 In these articles of association:

“**2006 Act**” means the Companies Act 2006, including any statutory modification or re-enactment for the time being in force;

“**articles**” means these articles of association, as amended from time to time by special resolution;

“**associated company**” has the meaning given in section 256 of the 2006 Act;

“**auditors**” means the auditors for the time being of the Company;

“**authenticated**” has the meaning given in section 1146 of the 2006 Act;

“**board**” means the board of directors of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present;

“**business day**” means a day (not being a Saturday or Sunday) on which clearing banks are open for business in London;

“Certificated Share” means a share which is not an Uncertificated Share and references to a share held in certificated form shall be construed accordingly;

“clear days” means, in relation to a period of notice, that period excluding the day when the notice is given and the day of the meeting;

“company” includes any body corporate (not being a corporation sole) or association of person whether or not a company within the meaning of the 2006 Act;

“connected” in relation to a director of the Company has the meaning given in section 252 of the 2006 Act;

“director” means, unless the context otherwise requires, a director of the Company;

“dividend” includes bonus;

“electronic address” any address or number used for the purposes of sending or receiving documents or information by electronic means;

“electronic copy”, “electronic form” and “electronic means” having the meaning given in section 1168 of the 2006 Act;

“entitled by transmission” means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law;

“executed” includes, in relation to a document, execution under hand or under seal or by another method permitted by law;

“hard copy” and “hard copy form” have the meaning given in section 1168 of the 2006 Act;

“holder” means, in relation to a share, the member whose name is entered in the register as the holder of that share;

“London Stock Exchange” means the London Stock Exchange Limited;

“member” has the meaning given in section 112 of the 2006 Act and includes, where relevant and subject to section 145 of the 2006 Act and to the provisions of these articles any person nominated in accordance with these articles to enjoy or exercise a member’s rights in relation to the Company;

“office” means the registered office of the Company;

“ordinary resolution” has the meaning given in section 282 of the 2006 Act;

“paid”, “paid up” and “paid-up” include credited as paid or paid up;

“recognised person” means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange (in each case as defined in the Financial Services 2006 Act 1986) which is designated for the purposes of section 185(4) of the 2006 Act;

“register” means, unless the context otherwise requires, the register of members kept pursuant to section 352 of the 2006 Act;

“Regulations” means the Uncertificated Securities Regulations 1995 (SI 1995/3272) (including any modification thereof or any regulations in substitution therefore made under section 207 of the Companies 2006 Act 1989 for the time being in force);

“Relevant System” means the computer-based system and procedures which enable title to units of a security to be evidenced and transferred without a written instrument and which facilitate supplementary and incidental matters in accordance with the Regulations;

“seal” means, unless the context otherwise requires, the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the 2006 Act;

“secretary” means the secretary of the Company and includes any joint, assistant or deputy secretary and a person appointed by the board to perform the duties of the secretary;

“special resolution” has the meaning given in section 283 of the 2006 Act;

“Share Option Schemes” means the Authorised Executive Share Option Scheme dated 17 May 1996 and the Unauthorised Employee Share Option Scheme dated 15 November 1995;

“Statutes” means the 2006 Act as defined in section 2 of the 2006 Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company;

“Uncertificated Share” means a share to which **article 12** applies and references to a shareholding in uncertificated form shall be construed accordingly;

“in writing” means hard copy form or to the extent agreed (or deemed to be agreed by a provision of the Statutes) electronic form or website communication.

- 1.2 Words and expressions contained in these articles which are not defined in **article 1.1** have, unless the contrary is indicated, the same meaning as in the 2006 Act or the Regulations, but excluding any statutory modification to the 2006 Act not in force at the date of adoption of these articles.
- 1.3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution shall also be effective for that purpose.

- 1.4 References to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.
- 1.5 The headings in the articles shall not affect the interpretation of the articles.
- 1.6 The provisions of the 2006 Act relating to sending documents apply where any provision in these articles uses the word 'sent', 'supplied', 'delivered', 'provided', 'given', 'produced', 'circulated' or any derivation of these words.
- 1.7 The word "**address**" where it appears in these articles includes postal address and electronic address and "**registered address**" and "**address for service**" shall be construed accordingly.
- 1.8 Where the word "**proxy**" appears in these articles it is deemed to include any proxy or proxies appointed in accordance with **article 62**.

2 Table A not to apply

No regulations contained in any statute or subordinate legislation, including the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended), apply as the regulations or articles of association of the Company.

GENERAL

3 Registered Office

The office of the company is to be situated in England and Wales.

4 Liability of Members

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

SHARE CAPITAL

5 Deferred Shares

The holders of Deferred Shares shall not by virtue of or in respect of their holdings of Deferred Shares have the right to receive notice of any general meetings of the Company nor the right to attend, speak or vote at any such general meeting. The Deferred Shares shall not entitle their holders to receive any dividend or other distribution or to participate in any way in the income or profits of the Company. The Deferred Shares shall on the return of assets in a winding up entitle the holders only to the repayment of the amount that is paid up on such shares after repayment of the capital paid up on the ordinary shares and the payment of £10,000,000 per ordinary share. Save as aforesaid, the holders of the Deferred Shares shall have no interest or right to participate in the assets of the Company. The Company shall have an irrevocable authority at any time after the adoption of this **article 5**:

- (a) to appoint any person on behalf of any holder of Deferred Shares to enter into an agreement to transfer and to execute a transfer of the Deferred

Shares to such person as the board may determine and to execute any other documents which such person may consider necessary or desirable to effect such transfer or to give instructions to transfer any Deferred Shares held in uncertificated form to such person as the board may determine, in each case without obtaining the sanction of the holder(s) of them and without any payment being made in respect of that transfer;

- (b) to acquire all or any of the Deferred Shares (in accordance with the provisions of the 2006 Act) and in connection with any such acquisition to appoint any person on behalf of any holder of Deferred Shares to enter into any agreement to transfer and to execute a transfer of the Deferred Shares in favour of the Company and to execute any other documents which such person may consider necessary or desirable to effect such transfer or to give instructions to transfer any Deferred Shares held in uncertificated form to the Company, in each case without obtaining the sanction of the holder(s) of them and for a payment of not more than 4.99p for all the Deferred Shares the subject of such acquisition;
- (c) to cancel all or any of the Deferred Shares for no consideration to means of a reduction in capital effected in accordance with the provisions of the 2006 Act without sanction on the part of the holders of the Deferred Shares; and
- (d) pending any such transfer or cancellation or acquisition to retain the certificate for any Deferred Shares held in certificated form.

Other than as specified in this **article 5**, the Deferred Shares shall not be transferable nor shall the holders of them be entitled to mortgage, pledge, charge or otherwise encumber them or create or dispose of or agree to create or dispose of any interest (within the meaning of section 820 of the 2006 Act) whatsoever in any Deferred Shares.

6 Allotment

- 6.1 Subject to the 2006 Act and relevant authority of the Company in general meeting required by the articles and the 2006 Act, the board has general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of unissued shares (whether forming part of the original or any increased capital), or rights to subscribe for or convert any security into shares, to such persons, at such times and on such terms and conditions as the board may decide but no share may be issued at a discount.
- 6.2 The board has general and unconditional authority, pursuant to section 551 of the 2006 Act, to exercise all powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 551 amount, for each prescribed period.
- 6.3 The board has general power, pursuant to section 570 of the 2006 Act, to allot equity securities pursuant to the authority conferred by **article 6.2**, as if section 561(1) of the 2006 Act does not apply to such allotment, for each prescribed period.

This power is limited to:

- (a) allotments of equity securities where the securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of ordinary shares made in proportion (as nearly as practicable) to their existing holdings of ordinary shares but subject to the board having a right to make such exclusions or other arrangements in connection with such offering as it deems necessary or expedient:
 - (1) to deal with equity securities representing fractional entitlements; and
 - (2) to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in any territory;
- (b) the allotment of equity securities pursuant to the terms of the Share Option Schemes; and
- (c) allotments of equity securities for cash other than pursuant to **article 6.3(a)** up to an aggregate nominal amount equal to the section 561(1) amount.

6.4 By the authority and power conferred by **articles 6.2** and **6.3**, the board may during a prescribed period make an offer or agreement which would or might require equity securities or other relevant securities to be allotted after the prescribed period and may allot securities in pursuance of that offer or agreement.

6.5 In this **article 6**:

- (a) “**prescribed period**” means, first, the period from the date of adoption of these articles to the date 15 months after the date of adoption of these articles and, after expiry of that prescribed period any subsequent period (not exceeding 15 months on any occasion) for which the authority conferred by **article 6.2** is renewed by ordinary or special resolution stating the section 551 amount, and the power conferred by **article 6.3** is renewed by special resolution stating the section 561 amount;
- (b) “**section 551 amount**” means, for the first prescribed period, £2,300 and, for a subsequent prescribed period, the amount stated in the relevant ordinary or special resolution or, in either case, another amount fixed by resolution of the Company;
- (c) “**section 561 amount**” means, for the first prescribed period, £345.09 and, for a subsequent prescribed period, the amount stated in the relevant special resolution;
- (d) the nominal amount of securities is, in the case of rights to subscribe for or convert any securities into shares of the company, the nominal amount of shares which may be allotted pursuant to those rights.

6.6 The board may at any time after the allotment of a share but before a person has been entered in the register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on the terms and conditions the board thinks fit.

7 Power to attach rights

Subject to the 2006 Act and without prejudice to the rights attached to existing shares, any shares may be allotted or issued with or have attached to them such special rights or restrictions as the Company may by ordinary resolution decide, or, if no resolution is passed, as the board may decide.

8 Redeemable shares

Subject to the 2006 Act and without prejudice to the rights attached to existing shares, shares may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed.

9 Variation of rights

9.1 Subject to the 2006 Act, the rights attached to a class of shares may be varied whether or not the Company is being wound up (i) in such a manner (if any) as may be provided by those rights, or (ii) in the absence of provision, either with the consent in writing of the holders of at least three-quarters of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with the articles, but not otherwise.

9.2 The rights attached to a class of shares are not, unless otherwise expressly provided in the rights attaching to those shares, deemed to be varied by the creation or issue of further shares ranking pari passu with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the 2006 Act and **article 41**.

10 Commission

The Company may exercise all powers conferred or permitted by the 2006 Act of paying commission or brokerage. Subject to the 2006 Act, commission or brokerage may be satisfied by the payment of cash or the allotment of fully- or partly-paid shares or the grant of an option to call for an allotment of shares or by any combination of these methods.

11 Trusts not recognised

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

SHARE CERTIFICATES

12 Uncertificated Shares

- 12.1 Unless otherwise determined by the directors and permitted by the Regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument by virtue of the Regulations. The directors shall have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing and transfer of Uncertificated Shares (subject always to the Regulations and the facilities and requirements of the relevant system concerned).
- 12.2 Conversion of Certificated shares into Uncertificated Shares and vice versa, may be made in such manner as the directors may, in their absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the Relevant System concerned).
- 12.3 The Company shall enter on the register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the register in each case as is required by the Regulations and the Relevant System concerned. Unless the directors otherwise determine, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.
- 12.4 A class of share shall not be treated as two classes by virtue only of that class comprising both of Certificated Shares and Uncertificated Shares or as a result of any provision of these articles or the Regulations which apply only in respect of Certificated Shares or Uncertificated Shares.

13 Right to certificate

- 13.1 The provisions of this **article 13** shall not apply to Uncertificated Shares.
- 13.2 Subject to the 2006 Act and the requirements of the London Stock Exchange, a person (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) on becoming the holder of a share is entitled, unless the terms of issue of the shares provide otherwise, without charge, to one certificate for all the shares of a class registered in his name, or, in the case of shares of more than once class being registered in his name to a separate certificate for each class of shares.
- 13.3 Where a member (other than a recognised person) transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of shares retained by him.
- 13.4 The Company is not bound to issue more than one certificate for shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.

- 13.5 A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares. It shall be issued under a seal, which may be affixed to or printed on it, or in such other manner having the same effect as if issued under a seal as the board may approve.

14 Replacement certificates

- 14.1 Where a member holds two or more certificates for shares of one class, the board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate.
- 14.2 At the request of a member, the board may cancel a certificate and issue two or more in its place (representing shares in such proportions as the member may specify), on surrender of the original certificate and on payment of such reasonable sum as the board may decide.
- 14.3 Where a certificate is worn out, defaced, lost or destroyed, the board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out-of-pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity and security as the board may decide, and on surrender of the original certificate (where it is worn out or defaced).

LIEN

15 Company's lien on shares not fully paid

- 15.1 The Company has a first and paramount lien on every share (other than a fully-paid share) registered in the name of a member (whether solely or jointly with another person) for an amount payable in respect of the share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared or other amounts payable in respect of the share.
- 15.2 The board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this **article 15**. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

16 Enforcement of lien by sale

- 16.1 For the purpose of enforcing the lien, the board may sell shares subject to the lien in such manner as they may decide, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 clear days after the service of a notice in writing (stating, and demanding payment of, the amounts and giving notice of the intention to sell in default of payment) on the member concerned (or to a person entitled by transmission to the shares).
- 16.2 To give effect to a sale, the board may authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder of or the person entitled by

transmission to the shares to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the same.

17 Application of proceeds of sale

The net proceeds of a sale effected under the previous article, after payment of the costs of the sale, shall be applied by the Company in or towards satisfaction of the amount in respect of which the lien exists. Any residue shall (on surrender to the Company for cancellation of the certificate for the shares sold, or the provision of any indemnity (with or without security) as to any lost or destroyed certificate required by the board and subject to a like lien for amounts not presently payable as existed on the shares before the sale) be paid to the member or a person entitled by transmission to the shares immediately before the sale.

CALLS ON SHARES

18 Calls

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

19 Power to differentiate

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

20 Interest on calls

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

21 Payment in advance

The board may, if it thinks fit, receive from a member all or part of the amounts uncalled and unpaid on shares held by him. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made. The Company

may pay interest on the amount paid in advance, or on so much of it as from time to time exceeds the amount called on the shares in respect of which the payment in advance has been made, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent, per annum) as the board may decide.

22 Amounts due on allotment treated as calls

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

FORFEITURE

23 Notice if call not paid

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

24 Forfeiture for non-compliance

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

25 Notice after forfeiture

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

26 Disposal of forfeited shares

26.1 Until cancelled in accordance with the 2006 Act, a forfeited share and all rights attaching to it are deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before the forfeiture the holder or to another person, on such terms and in such manner as the board may decide. Where for this purpose a forfeited share is to be transferred, the board may authorise a person to execute an instrument of transfer of the share to the transferee. The Company may

receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.

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

26.3 A statutory declaration by a director or the secretary that a share has been forfeited on the date stated in the declaration is conclusive evidence of the 2006 Act stated in the declaration against all persons claiming to be entitled to the share. The declaration (subject if necessary to the execution of an instrument of transfer) constitutes good title to the share and the person to whom the share is disposed of is not bound to see the application of the consideration (if any). His title to the share is not affected by an irregularity in or invalidity of the proceedings connected with the forfeiture or disposal.

27 Arrears to be paid notwithstanding forfeiture

A person whose share has been forfeited ceases on forfeiture to be a member in respect of it and shall surrender to the Company for cancellation the certificate for the forfeited share or shares. He remains liable to pay, and shall immediately pay to the Company, all calls, interest, costs, charges and expenses owing in respect of the share at the time of forfeiture, with interest, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide. The board may if it thinks fit enforce payment without allowance for the value of the share at the time of forfeiture or for consideration received on disposal.

28 Surrender

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

UNTRACED SHAREHOLDERS

29 Power of sale

29.1 The Company is entitled to sell a share if:-

- (a) for a period of not less than 12 years before the date of publication of the advertisements referred to in **article 29.1(b)** (or, if published on two different dates, the first date) ("**the relevant period**"), and during the relevant period the Company has paid at least three cash dividends (whether interim or final), (a) no cheque, order or warrant sent by the Company by post in a pre-paid envelope addressed to the holder of the share, or to the person entitled by transmission to the share, at his address on the register or other last-known address given by the member or other person has been cashed, and (b) no communication, has been received by the Company from the member or person entitled by transmission (in his capacity as member or person entitled by transmission);

- (b) on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in both a national daily newspaper and in a newspaper circulating in the area of the address referred to in **article 29.1(a)**;
- (c) the Company has not during a further period of three months after the date of the advertisements referred to **article 29.1(b)** (or the later advertisement if the advertisements are published on different dates) and before the exercise of the power of sale received a communication from the member or person entitled by transmission (in his capacity as member or person entitled by transmission); and
- (d) the Company has first given notice in writing to the London Stock Exchange of its intention to sell the share.

29.2 In addition to the power of sale conferred by **article 29.1**, if during the relevant period or a further period ending on the date when all the requirements of **articles 29.1(a) to (d)** have been satisfied an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods and all the requirements of **article 29.1(a) to (d)** have been satisfied in respect of the additional share, the Company is entitled to sell the additional share.

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

30 Application of proceeds of sale

The Company shall account to the member or other person entitled by transmission to the share for the net proceeds of sale by carrying all amounts received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of those amounts for the member or other person. Amounts carried to the separate account may either be employed in the business of the Company or invested as the board may think fit. No interest is payable on those amounts and the Company is not required to account for money earned on them.

TRANSFER OF SHARES

31 Form of transfer

31.1 A member may transfer all or any of his Uncertificated Shares in accordance with and subject to the Regulations and the facilities and the requirements of the Relevant System concerned and, subject thereto, in accordance with any arrangements made by the board pursuant to **article 12**.

31.2 A member may transfer all or any of his Certificated Shares by instrument of transfer in writing in any usual form or in another form approved by the board, and the instrument shall be executed by or on behalf of the transferor and (in case of a transfer of a share which is not fully paid) by or on behalf of the transferee.

31.3 In relation to all transfers of shares, the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

32 Right to refuse registration

32.1 Subject to **article 69**, the board may refuse to register the transfer of a Certificated Share or renunciation of a renounceable letter of allotment unless the instrument of transfer:

- (a) is in respect of only one class of shares;
- (b) is duly stamped (if required); and
- (c) is delivered for registration to the office or such other place as the board may decide, accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person where a certificate has not been issued, or in the case of a renunciation) and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

32.2 The board may, in its absolute discretion and without giving a reason, refuse to register any transfer of any share which is not fully paid or on which the Company has a lien provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

32.3 The board may also refuse to register a transfer of Uncertificated Shares in such other circumstances as may be permitted by the Regulations and the requirements of the Relevant System concerned.

32.4 If the board refuses to register the transfer of a share it shall, within two months after the date on which, in respect of Certificated Shares, the transfer was lodged with the Company or, in respect of Uncertificated Shares, the date on which the appropriate instruction was received by or on behalf of the Company, send notice of the refusal to the transferee. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may, subject to **article 146**, be retained by the Company.

33 Fees on registration

No fee may be charged by the Company for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

34 Suspension of registration and closing of register

The registration of transfers may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may decide and either generally or in respect of a particular class of shares.

TRANSMISSION OF SHARES

35 On death

- 35.1 The Company may recognise only the personal representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.
- 35.2 Nothing in the articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him.

36 Election of person entitled by transmission

- 36.1 A person becoming entitled by transmission to a share may, on production of any evidence the board may require, elect either to be registered as a member or to have a person nominated by him registered as a member.
- 36.2 If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of the articles relating to the transfer of shares apply to the notice or instrument or transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event giving rise to a transmission of entitlement had not occurred.
- 36.3 The board may give notice requiring a person to make the election referred to in **article 36.1**. If that notice is not complied with within 60 days the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

37 Rights on transmission

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may, however, give a good discharge for dividends and other amounts payable in respect of the share and, subject to **articles 36** and **126**, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however, before he is registered as the holder of the share, entitled in respect of it to receive notice of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

ALTERATION OF SHARE CAPITAL

38 Increase, consolidation, sub-division and cancellation

The Company may by ordinary resolution:

- 38.1 consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- 38.2 subject to the 2006 Act, sub-divide all or any of its shares into shares of a smaller amount and may by the resolution decide that the shares resulting from the sub-division have amongst themselves a preference or other advantage or be subject to a restriction; and
- 38.3 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by a person and diminish the amount of its share capital by the amount of the shares so cancelled.

39 Fractions

Whenever as the result of consolidation and division or sub-division of shares members become entitled to fractions of a share, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, the board may:

- 39.1 sell fractions of a share to a person (including, subject to the 2006 Act, to the Company) for the best price reasonably obtainable and distribute the net proceeds of a sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sums as the board may decide, the sum may be retained for the benefit of the Company). To give effect to a sale the board may authorise a person to execute an instrument of transfer of shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or
- 39.2 subject to the 2006 Act, issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to **article 133**. In relation to the capitalisation the board may exercise all the powers conferred on it by **article 133** without an ordinary resolution of the Company.

40 Reduction of capital

Subject to the 2006 Act, the Company may by special resolution reduce its share capital, capital redemption reserve and share premium account in any way.

41 Purchase of own shares

Subject to the 2006 Act, the Company may purchase shares of any class (including redeemable shares) in any way.

GENERAL MEETINGS

42 Annual general meeting

The Company shall hold annual general meetings, which shall be convened by the board, in accordance with the 2006 Act.

43 General meetings

All general meetings of the Company other than annual general meetings shall be called general meetings.

44 Convening of general meetings

The board may convene a general meeting whenever it thinks fit. The board must convene a general meeting immediately on receipt of a requisition from members in accordance with the 2006 Act and in default a meeting must be convened by requisitionists as provided in the 2006 Act. At a meeting convened on a requisition or by requisitionists no business may be transacted except that stated by the requisition or proposed by the board.

45 Length and form of notice

45.1 An annual general meeting or (save as provided by the 2006 Act) any general meeting at which it is proposed to pass a resolution of which special notice has been given to the Company shall be called by at least 21 clear days' notice in writing. Any other general meetings shall be called by at least 14 clear days' notice.

45.2 Subject to the 2006 Act, and although called by shorter notice than that specified in **article 45.1**, a general meeting is deemed to have been duly called 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 another meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

45.3 The notice of meeting shall specify:

- (a) whether the meeting is an annual general meeting or a general meeting;
- (b) the place, the date and the time of the meeting;

- (c) in the case of special business, the general nature of that business;
- (d) if the meeting is convened to consider a special resolution, the intention to propose the resolution as such and the text of the resolution; and
- (e) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

45.4 The notice of meeting shall be given to the members (other than any who, under the provisions of the articles or restrictions imposed on shares, are not entitled to receive notice), to all persons entitled to a share in consequence of the death or bankruptcy of a member, to each of the directors, to the auditors for the time being of the Company and, as required under the 2006 Act, the former auditors of the Company.

45.5 For the purposes of giving notice to members of any general meeting, the board may determine that the members entitled to receive such notices are those persons entered on the register at the close of business on a day determined by them, such day not being more than 21 days before the day that the notice of the general meeting is despatched.

45.6 A notice of any general meeting may specify a time, being not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes made to entries on the register after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting.

45.7 For the purposes of this **article 45** and **article 46**, a notice a meeting must be given in accordance with the 2006 Act that is in hard copy form, electronic form or by means of a website.

46 Types of Notice

46.1 Electronic Form

If notice of meeting is sent in electronic form the Company must have complied with all applicable regulatory requirements and the person entitled to receive such notice must have agreed that the notice can be sent to him in that way and not revoked that agreement or, in the case of a company, be deemed to have agreed to receive notice in that way by a provision in the 2006 Act; and the notice must be sent to the address specified by the person entitled to receive such notice or, in the case of notice sent to a company, an address which is deemed to have been specified by any provision of the 2006 Act.

46.2 Website

The Company may send or supply a notice of meeting by making it available on a website and where the Company makes that notice of meeting available on a website, the Company must:

- (a) comply with the provisions of **article 139**;
- (b) notify persons entitled to receive such notice that the notice of meeting has been published on the website, such notification to state that it concerns a notice of meeting, to specify the place, date and time of the meeting and whether the meeting will be an Annual General Meeting; and
- (c) ensure that the notice is available on the website throughout the period beginning with the first date on which the notice of meeting is given and ending with the conclusion of the meeting.

A notice which is treated as given to a person by virtue of **article 45.7**. is treated as given at the same time as the notification referred to in this **article 46** is given.

46.3 **Advertisement**

If at any time postal services in the United Kingdom are suspended or curtailed for whatever reason and the Company is unable effectively to convene a general meeting, a general meeting may be convened by a notice advertised in at least one national daily newspaper. The notice in the national newspaper shall be deemed to have been duly served on all members at noon on the day when the advertisement appears. In any such case the Company must send confirmatory copies of the notice in writing at least 7 days before the meeting, if it becomes practicable to do so.

47 **Omission to send notice**

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

48 **Special business**

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

- 48.1 the receipt and consideration of the annual accounts, the directors' report and auditors' report on those accounts;
- 48.2 the appointment of directors and other officers in place of those retiring by rotation or otherwise ceasing to hold office;
- 48.3 the declaration of dividends;
- 48.4 the appointment of the auditors (when special notice of the resolution for appointment is not required by the 2006 Act) and the fixing, or determination of the manner of the fixing, of their remuneration; and

- 48.5 the renewal of the authorities of the Company in general meeting required by the 2006 Act and the articles in relation to the allotment of shares.

PROCEEDINGS AT GENERAL MEETINGS

49 Quorum

- 49.1 No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with the articles, which is not treated as part of the business of the meeting.
- 49.2 The quorum for a general meeting is for all purposes two members present in person or by proxy and entitled to vote.

50 Procedure if quorum not present

- 50.1 If a quorum is not present within five minutes (or such longer period as the chairman in his absolute discretion thinks fit) from the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the meeting, if convened by or on the requisition of members, is dissolved. In any other case it stands adjourned to such time (being not less than 14 days nor more than 28 days later) and place as the chairman (or, in default, the board) decides.
- 50.2 At an adjourned meeting the quorum is two members present in person or by proxy and entitled to vote. If a quorum is not present within five minutes (or such longer period as the chairman in his absolute discretion thinks fit) from the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the adjourned meeting is dissolved.
- 50.3 The Company shall give not less than seven clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

51 Chairman

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

52 Director's right to attend and speak

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

53 Power to adjourn

- 53.1 The chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn a meeting from time to time and from place to place or for an indefinite period.
- 53.2 Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order (i) to secure the proper and orderly conduct of the meeting, or (ii) to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting, or (iii) to ensure that the business of the meeting is properly disposed of.

54 Notice of adjourned meeting

Without prejudice to **article 50.3**, whenever a meeting is adjourned for 28 days or more or for an indefinite period, at least seven clear days' notice specifying the place, the date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of the articles or restrictions imposed on any shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances, and subject to **article 50.3**, it is not necessary to give notice of an adjourned meeting or of the business to be transacted at the adjourned meeting.

55 Business at adjourned meeting

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

56 Accommodation of members at meeting

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

VOTING

57 Method of voting

- 57.1 At a general meeting, a resolution put to the vote of the meeting is decided by a show of hands unless (before or on the declaration of the result of the show of hands) a poll is duly demanded.
- 57.2 Subject to the 2006 Act, a poll may be demanded on any question by:
- (a) the chairman of the meeting; or

- (b) not less than five members present in person or by proxy and entitled to vote; or
- (c) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

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

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

58 Procedure on a poll

- 58.1 If a poll is properly demanded, it shall be taken in such manner as the chairman of the meeting directs. He may appoint scrutineers, who need not be members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- 58.2 A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time and place as the chairman decides either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand).
- 58.3 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 58.4 The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. In the case of a poll demanded before the declaration of the result of a show of hands, the meeting shall continue as if the demand has not been made.
- 58.5 The demand for a poll (other than on the election of the chairman of the meeting or on a question of adjournment) does not prevent the meeting continuing for the transaction of business other than the question on which a poll has been demanded.
- 58.6 On a poll, votes may be given in person or by proxy or, (being a corporation), present by a duly authorised representative, and a person 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.

59 Votes of members

- 59.1 Subject to the provisions of the 2006 Act special terms as to voting on which shares have been issued, or a suspension or abrogation of voting rights pursuant to the articles, at a general meeting:
- (a) every member present in person shall have one vote;
 - (b) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote unless the proxy has been appointed by more than one member entitled to vote on the resolution in which case where the proxy has been instructed by one or more of such members to vote for the resolution and by one or more of such members to vote against the resolution the proxy has one vote for and one vote against the resolution; and
 - (c) each person authorised by a corporation to exercise voting powers on behalf of the corporation is entitled to exercise the same voting powers as the corporation would be entitled to. Where a corporation authorises more than one person, this is subject to the following provisions:
 - i) if more than one person authorised by the same corporation purport to exercise the power to vote on a show of hands in respect of the same shares in the Company and exercise the power in the same way as each other, the power is treated as exercised in that way;
 - ii) if more than one person authorised by the same corporation purport to exercise the power to vote on a show of hands in respect of the same shares in the Company and do not exercise the power in the same way as each other, the power is treated as not exercised.
- 59.2 Subject to the provisions of the 2006 Act and any restrictions imposed by these articles and any rights or restrictions attached to any class of shares in the capital of the Company, on a vote on a resolution on a poll every member present in person or by proxy or (being a corporation) present by a duly appointed representative shall have one vote for every ordinary share in the capital of the Company held by him or his appointor and if entitled to more than one vote need not, if he votes, use all his votes or cast all his votes he uses in the same way.
- 59.3 In the case of a joint holder of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority is determined by the order in which the names of the holders stand in the register.
- 59.4 A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show or hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator

bonis or other person may, on a poll, vote by proxy if evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is deposited at the office (or at another place specified in accordance with the articles for the deposit of instruments of proxy) within the time limits prescribed by the articles for the deposit of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

60 Casting vote

In the case of an equality of votes the chairman has, on a show of hands and on a poll, a casting vote in addition to any vote to which he is entitled as a member.

61 Restriction on voting rights for unpaid calls etc.

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

62 Voting by proxy

62.1 An instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the board) executed by the appointer or his duly constituted attorney or, if the appointer is a company, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign. If the directors in their discretion decide, a proxy appointment may be sent in electronic form.

62.2 An instrument of proxy, including one sent in electronic form, is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to vote on a resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.

62.3 A proxy need not be a member.

62.4 A member may appoint more than one proxy to attend and to speak and to vote on the same occasion, provided that each proxy is appointed to exercise the rights attached to a different share or share held by the member. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed.

62.5 Deposit of an instrument of proxy does not prevent a member who is entitled to attend and vote from attending and voting in person at the meeting or an adjournment of the meeting or on a poll.

62.6 An instrument of proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. An instrument of proxy is valid for 12 months from the date of execution.

- 62.7 Subject to the 2006 Act, the Company may send an instrument of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting. If sent the instrument shall provide for two-way voting (without prejudice to a right to abstain) on all resolutions set out in the notice of meeting.
- 62.8 If more than one proxy is appointed in accordance with this **article 62** in respect of a different share or shares held by a member but the proxy appointment does not specify to which share or share the appointment or appointments relate or the total number of shares in respect of which appointments are made exceeds the total holding of the member, the directors in their absolute discretion shall decide which of the proxies so appointed shall be entitled to attend and vote and be counted in the quorum at any general meeting of the Company.
- 62.9 The Company shall be under no obligation to check whether a person appointed as a proxy for one or more members has voted in accordance with the instructions of such member or members and the vote or votes of such proxy shall not be invalidated should any such instructions not have been followed.

63 Deposit of proxy

- 63.1 An instrument of proxy, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, that is not being sent in electronic form shall be:
- (a) deposited at the office, or another place in the United Kingdom specified in the notice convening the meeting or in an instrument or proxy or other accompanying documents sent by the Company in relation to the meeting, not less than 48 hours before the time of holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote; or
 - (b) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, deposited as required by **article 63.1(a)** not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
 - (c) in the case of a meeting adjourned for less than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the secretary or to a director.
- 63.2 A proxy appointment form which is being sent in electronic form must be received at an address specified by the company for the purpose of receiving such communications in electronic form:
- (a) in (or by way of a note to) the notice convening the meeting;
 - (b) in any form of proxy appointment sent out by the Company; or

- (c) in any invitation contained in an electronic form to appoint a proxy issued by the Company;

in each case not less than 48 hours before the time of the meeting or adjourned meeting at which the person named in the proxy form proposes to vote or in the case of a poll taken not more than 48 hours after it is demanded, not less than 24 hours before the poll is taken at which the proxy appointment is to be issued.

63.3 In calculating the time periods in this **article 63**, no account shall be taken of any part of a day that is not a working day.

63.4 An instrument of proxy not deposited or delivered in accordance with this **article 63** is invalid and if two or more apparently valid forms of proxy are deposited in respect of the same share, the one which was deposited last in accordance with this **article 63** (regardless of its date or the date it was executed) will be the only one which is acceptable to the directors in accordance with this **article 63**.

64 When votes by proxy valid though authority revoked

A vote given or poll demanded by a proxy or authorised representative of a company is valid despite termination of his authority unless notice of termination is received by the Company at the office (or other place specified for depositing the instrument of proxy) at least one hour before the time for holding the meeting or adjourned meeting at which the vote is given or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

MEETINGS AND VOTING – GENERAL PROVISIONS

65 Corporate Representative

A company which is a member may, by resolution of its directors or other governing body, authorise a person(s) to act as its representative(s) at a meeting or at a separate meeting of the holders of a class of shares ('the representative(s)'). The representative(s) will be entitled to exercise on behalf of the company (in respect of that of the company's holding of shares to which the authorisation relates) those powers that the company could exercise if it were an individual member. The company is for the purposes of the articles deemed to be present in person at a meeting if the representative(s) is present. All references to attendance and voting in person shall be construed accordingly. A director, the secretary or other person authorised for the purpose by the secretary may require the representative(s) to produce a certified copy of the resolution of authorisation before permitting the representative(s) to exercise his powers. The Company shall be under no obligation to check whether any person or persons authorised to act as the representative(s) of a corporation that is a member of the Company has voted in accordance with the instructions of such member and the vote or votes of such representative(s) shall not be invalidated should any such instructions not have been followed.

66 Objections to and error in voting

No objection may be made to the qualification of a voter or to the counter of, or failure to count, a vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at

which the error occurs. An objection properly made shall be referred to the chairman of the meeting and only invalidates the result of the voting if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman is conclusive and binding on all concerned.

67 Amendments to Resolutions

If an amendment proposed to a resolution under consideration is ruled out of order by the chairman of the meeting the proceedings on the substantive resolution are not invalidated by an error in his ruling.

68 Class Meetings

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

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

69 Failure to disclose Interests in shares

- 69.1 Where notice is served by the Company under section 793 of the 2006 Act (a 'section 793 notice') on a member, or another person appearing to be interested in shares held by that member and the member or other person has failed in relation to any shares ('**the default shares**', which expression includes any shares issued after the date of the section 793 notice in right of those shares) to give the Company the information required within the prescribed period from the date of the section 793 notice, the following sanctions apply, unless the board otherwise decides:
 - (a) the member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and
 - (b) where the default shares represents at least 0.25 per cent in nominal value of the issued shares of their class, in addition to the sanctions in **article 69.1(a)** above then a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to

pay interest on it, and the member is not entitled to elect, pursuant to **article 129**, to receive shares instead of a dividend.

- 69.2 The sanctions under **article 69.1** cease to apply:
- (a) on receipt by the Company of notice that the default shares have been sold or transferred to a bona fide unconnected third party; and
 - (b) in relation to other shares, five business days after receipt by the Company, in a form satisfactory to the Company, of all the information required by the section 793 notice.
- 69.3 Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of **article 69.1**.
- 69.4 For the purposes of this **article 69**:
- (a) a person, other than the member holding a share, is treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member or pursuant to section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;
 - (b) 'interested' is construed as it is for the purpose of section 793 of the 2006 Act;
 - (c) reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
 - (d) the 'prescribed period' means:
 - (1) in case where the default shares represent at least 0.25 per cent of their class, 14 days; and
 - (2) in any other case, 28 days.
- 69.5 The provisions of this **article 69** are in addition and without prejudice to the provisions of the 2006 Act.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

70 Number of directors

Unless and until otherwise decided by the company by ordinary resolution the number of directors is not subject to a maximum but must not be less than two.

71 Power of the company to appoint directors

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

72 Power of the board to appoint directors

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

73 Appointment of executive directors

Subject to the 2006 Act, the board may appoint one or more of its body to hold employment or executive office (including that of managing director) with the Company for such term (subject to the 2006 Act) and on any other conditions the board thinks fit. The board may revoke or terminate an appointment, without prejudice to a claim for damages for breach of contract.

74 Eligibility of new directors

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

- (a) he is recommended by the board; or
- (b) not less than seven or more than 42 days before the date fixed for the meeting, notice has been given to the Company by a member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall (a) state the particulars which would, if the proposed director were appointed or reappointed, be required to be included in the Company's register of directors, (b) be accompanied by notice given by the proposed director of his willingness to be appointed or reappointed, and (c) be lodged at the office.

74.2 A director need not be a member.

75 Voting on resolution for appointment

A resolution for the appointment of two or more persons as directors by a single resolution is void unless an ordinary resolution that the resolution for appointment is proposed in this way has first been agreed to by the meeting without a vote being given against it.

76 Retirement by rotation

At each annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office. If there are fewer than three directors who are subject to retirement by rotation, one shall retire from office.

77 Directors subject to retirement

Subject to the 2006 Act and the articles, the directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a director who wishes to retire and not offer himself for reappointment, and, second, those directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length or time, the director to retire shall, in default of agreement between them, be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined on the basis of the composition of the board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the directors after that time but before the close of the meeting.

78 Position of retiring director

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

79 Deemed reappointment

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

80 Removal by ordinary resolution

In addition to any power of removal conferred by the 2006 Act, the Company may by ordinary resolution remove a director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract) and may (subject to the articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. A person appointed in this way is treated, for the purposes of determining the time at which he or another director is to retire, as if he had become a director on the date on which the person in whose place it is appointed was last appointed or reappointed a director.

81 Vacation of office by director

- 81.1 Without prejudice to the provisions for retirement (by rotation or otherwise) contained in the articles, the office of a director is vacated if:
- (a) he resigns by notice delivered to the secretary at the office or tendered at a board meeting;
 - (b) he ceases to be a director by virtue of a provision of the 2006 Act, is removed from office pursuant to the articles or becomes prohibited by law from being a director;
 - (c) he becomes bankrupt, has an interim receiving order made against him, makes an arrangement or compounds 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;
 - (d) an order is made by a court of competent jurisdiction on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis, or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1984 and the board resolves that his office be vacated;
 - (e) both he and his alternate director appointed pursuant to the provisions of the articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated; or
 - (f) he is removed from office by notice addressed to him at his last known address and signed by all his co-directors (without prejudice to a claim for damages for breach of contract).
- 81.2 A resolution of the board declaring a director to have vacated office under the terms of this **article 81** is conclusive as to the fact and grounds of vacation stated in the resolution.

ALTERNATE DIRECTORS

82 Appointment

- 82.1 A director (other than an alternate director) may by notice delivered to the secretary at the office, or in any other manner approved by the board, appoint as his alternate director:
- (a) another director; or
 - (b) another person approved by the board and willing to act. No appointment of an alternative director, who is not already a director is effective until his consent to

act as a director in the form prescribed by the 2006 Act has been received at the office.

82.2 An alternate director need not be a member and is not counted in reckoning the number of directors for the purpose of **article 70**.

83 Revocation of appointment

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

84 Participation in board meetings

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

85 Responsibility

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

REMUNERATION, EXPENSES AND PENSIONS

86 Directors' fees

Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the directors (but not alternate directors) for their services as directors such amount of aggregate fees as the board decides (not exceeding £150,000 per annum or such larger amount as the Company may by ordinary resolution decide). The aggregate fees shall be divided among the directors in such proportions as the board decides or, if no decision is made, equally. A fee payable to a director pursuant to this **article 86** is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the articles and accrues from day to day.

87 Additional remuneration

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

88 Expenses

A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director, including expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures.

89 Remuneration and expenses of alternate directors

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

90 Directors' pensions and other benefits.

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

90.2 A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under **article 90.1** and is not obliged to account for it to the Company.

91 Remuneration of executive director

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

POWERS AND DUTIES OF THE BOARD

92 Powers of the board

Subject to the 2006 Act, the articles and to directions given by special resolution of the Company, the business of the Company is managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association or of the articles and no direction given by the Company invalidate a prior act of the board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of the articles giving specific powers to the board do not limit the general powers given by this **article 92**.

93 Powers of directors being less than minimum required number

If the number of directors is less than the minimum prescribed by the articles or decided by the company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office (subject to the articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

94 Powers of executive directors

The board may delegate to a director holding executive office (including a managing director) any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. The board may at any time revoke the delegation or alter its terms and conditions.

95 Delegation to committees

The board may delegate any of its powers, authorities and discretions (including, without prejudice to the generality hereof, all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the directors) for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more directors and (if thought fit) one or more other persons, but only if a majority of the members of the committee are directors or alternate directors. No resolution of a committee is effective unless a majority of those present when it is passed are directors or alternate directors. In particular, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter its terms and conditions or discharge the committee in whole or in part. Where a provision of the articles refers to the exercise of a power, authority or discretion by the board and that power, authority or discretion has been delegated by the board to a committee or by that committee to a sub-committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee or sub-committee, as the case may be.

96 Local management

The board may establish local or divisional boards or agencies for managing the affairs of the Company in a specified locality, either in the United Kingdom or elsewhere, and may appoint persons to be members of a local or divisional board or agency, and may fix their remuneration. The board may delegate to a local or divisional board or agency any of its powers, authorities and discretions for such time and on such terms and condition as it thinks fit. In particular, the board may grant the power to sub-delegate, may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional board or agency and may authorise the members of a local or divisional board or agency (or any of them) to fill a vacancy or to act despite a vacancy. The board may at any time revoke or alter the terms and conditions of the appointment or delegation. Subject to terms and conditions imposed by the board, the proceedings of a local or divisional board or agency with two or more members are governed by those articles that regulate the proceedings of the board, so far as applicable.

97 Power of attorney

The board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation.

98 Associate directors

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word 'director' or attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word 'director' in the designation or title of an office or employment does not imply that the person is, or is deemed to be, or is empowered to act, as a director for any of the purposes of the 2006 Act or the articles.

99 Exercise of voting powers

Subject to **article 104**, the board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in such manner as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

100 Gratuities, Pensions and Insurance

100.1 The directors may pay, or agree to pay, gratuities, pensions or other retirement, superannuation, insurance, death or disability benefits to any past or present employee or director of the company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and to any widow or any

dependents of such a person (as well as before as after he ceases to hold such office or employment) and for this purpose may contribute to any scheme or fund or pay premiums for the purchase or provision of any such benefit.

- 100.2 Without prejudice to the provisions of **article 148**, the directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were, at any time, 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.
- 100.3 No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this **article 100** and the receipt of any such benefit shall not disqualify any person from being or becoming a director.

101 Overseas register

Subject to the 2006 Act, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas or local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register.

102 Borrowing powers

- 102.1 The board may (subject to the 2006 Act and the provisions of these articles) exercise all the powers of the Company to borrow money, to enter into guarantees and indemnities and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part thereof and to issue debentures and other securities outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The board shall however restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries for the time being so as to ensure (as regards subsidiaries so far as by such exercise they can ensure) that the aggregate nominal or principal amount for the time being remaining undischarged of all moneys borrowed by the Group (being the Company and its subsidiaries for the time being or any of such companies) (exclusive of intra-Group borrowing) shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the greater of £5 million or two and one half times the aggregate from time to time of:
- (a) the amount paid up or credited as paid up on the issued share capital of the Company; and

- (b) the amount standing to the credit of the consolidated reserves of the Company and its subsidiaries and the Group's interest in the reserves of associated or related companies, and including for the purposes of this **article 102.1(b)** any credit balance on any share premium account and/or capital redemption reserve and/or special reserve and any debit or credit balance on profit and loss account all as shown by or calculated by reference to the then latest audited consolidated balance sheet of the Company and its subsidiaries;

but so that **article 102.1(a)** and **(b)** shall be adjusted (to the extent that such adjustments have not already been made) to:-

- (a) deduct any amounts attributable to goodwill, patents and trademarks and similar intangible assets of the Group; and
- (b) exclude amounts attributable to minority interests; and
- (c) exclude any revaluation reserve of the Group except to the extent that it arises from a revaluation carried out by an independent professional valuer or from a revaluation of assets on their acquisition by the Group; and
- (d) reflect any variation in the amount of paid up share capital of the Company, any share premium account and/or capital redemption reserve and/or special reserve since the date of the then latest audited consolidated balance sheet of the Company and its subsidiaries (including for this purpose any underwritten element of any issue or proposed issue of shares by the Company from the date that such underwriting is unconditional).

102.2 For the purposes of the foregoing, amounts borrowed shall be deemed to be the aggregate of:

- (a) the aggregate outstanding principal amount of all borrowings and other moneys raised by the Group including moneys raised by acceptance credits (not being acceptances in relation to the purchase of goods or services in the ordinary course of business) and the principal amount of any debenture bond note loan stock or other security; and
- (b) the aggregate amount of all guarantees given by the Group to secure liabilities of a type included in **article 102.2(a)** above of any person not a member of the Group, save to the extent that the amount guaranteed itself fails to be included under **article 102.2(a)** above; and
- (c) the aggregate of any premiums due on final redemption in addition to any principal amounts falling to be included under **article 102.2(a)** above but only to the extent that such premiums have been charged to the profit and loss account or any reserve of the Group; and
- (d) the aggregate of any share capital other than equity share capital (as defined in s 548 of the 2006 Act) issued after 17 February 1983 by a subsidiary when a subsidiary and not beneficially owned by another subsidiary or by the Company.

less the aggregate of:

- (e) cash in hand of the Group; and
- (f) cash deposits and the balance on each current account of the Group with banks in the United Kingdom and/or elsewhere if the remittance of the cash to the United Kingdom is not prohibited by any law, regulation, treaty or official directive; however if the remittance of such cash is prohibited it shall nonetheless be deducted from amounts borrowed but only to the extent that it may be set-off against or act as security for any amounts in **article 102.2 (a) to (d)** above; and
- (g) any cash securing the repayment by the Group of any amount borrowed by the Group deposited or otherwise placed with the trustee or similar entity in respect of the relevant borrowing; and
- (h) the realisable value of any certificates of deposit or similar instruments held by the Group; and
- (i) the discount arising on issue of any debenture bond note loan stock or other security to the extent that such discount has not been charged to the profit and loss account or any reserve of the Group; and
- (j) an amount equal to the amount of borrowings (as defined above) of a body corporate on the day on which it became a member of the Group but only for a period of six months from such day.

102.3 A report or certificate of the auditors as to the amount of the adjusted total of capital and reserves or the aggregate amount of moneys borrowed for the purposes of this **article 102** is conclusive and binding on all concerned. Nevertheless the board may at any time act in reliance on a bona fide estimate of the amount of the adjusted total of capital and reserves or the aggregate amount of moneys borrowed and if in consequence the limit of moneys borrowed set out in this **article 102** is inadvertently exceeded, the amount of moneys borrowed equal to the excess may be disregarded for 90 days after the date on which by reason of a determination of the auditors or otherwise the board becomes aware that this situation has or may have arisen.

102.4 If as a result only of changes in exchange rates the limit on borrowings contained herein is breached then such breach shall be disregarded until such breach shall have persisted for three months.

102.5 No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this **article 102** is invalid or ineffectual except where express notice that the limit has been or will be exceeded has been given to the lender or recipient of the security at the time when the debt is incurred or security given. No lender or other person dealing with the Company is concerned to see or enquire whether the limit is observed.

103 Register of Charges

The Company shall keep a register of charges in accordance with the 2006 Act and the fee to be paid by a person other than a creditor or member for each inspection of the register of charges is the maximum sum prescribed by the 2006 Act, or failing which, decided by the board.

104 A Director's interests in contracts with the Company

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

104.2 Subject to the provisions of the 2006 Act, a director or intending director may enter into any contract, arrangement, transaction or proposal with the Company relating to the tenure of any other office or employment referred to in **article 104.1**.

104.3 Any contract, arrangement, transaction or proposal entered into pursuant to **article 104.2** or authorised by the board under **article 106** cannot be avoided and a director is not liable to account to the Company for any benefit realised from any such contract, arrangement, transaction or proposal by reason of either holding office as a director or because of the fiduciary relationship established by that office if the director has declared his interest in accordance with the 2006 Act.

105 Restrictions on a Director's power to vote where he has an interest

105.1 Save as provided in this **article 105**, or by the terms of any authorisation given by the board under **article 106** a director shall not vote as a director in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal in which he has any interest which conflicts or may conflict with the interests of the Company as defined in **article 106** (other than an interest in shares or debentures or other securities of or otherwise in or through the Company). If he does vote his vote shall not be counted. A director shall not be counted in the quorum present at the meeting in relation to any resolution of the board or of a committee of the board on which he is debarred from voting.

105.2 For the purposes of **article 105.1** interests of a person connected with the director are aggregated with the director's interest but interests in shares or debentures or other securities of or connected with the Company are to be disregarded.

105.3 Provided that a director has no other interest save for that referred to in this **article 105** he shall be entitled to vote as a director and be counted in the quorum in respect of any resolution of the board or of a committee of the board relating to any of the following matters:

- (a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or

- (b) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or
- (c) the granting of any indemnity or provision of funding pursuant to **article 148** unless the terms of such arrangement confer upon such director a benefit not generally available to any other director; or
- (d) an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or as an underwriter or sub-underwriter; or
- (e) any matters involving or relating to any other company in which he or any person connected with him has a direct or indirect interest (whether as an officer or shareholder or otherwise), provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this **article 105** to be a material interest in all circumstances); or
- (f) an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or
- (g) the purchase and/or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.

105.4 A director shall not vote as a director or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or employment with the Company or any company in which the Company is interested including fixing or varying the terms, or the termination of, his appointment.

105.5 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of 2 or more directors to offices or employment with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned (if not debarred from voting under the proviso to **article 105.3(e)**) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

105.6 If any question arises at any meeting as to the materiality of a director's interest or the entitlement of any director to vote and the director does not voluntarily agree to abstain from voting, the question shall be referred to the chairman of the meeting and his ruling in relation to any director (other than himself) will be final and conclusive unless the

nature or extent of the director's interests has not been fairly disclosed. If any such question arises in respect of the chairman, it shall be determined by the board (other than the chairman). The board's resolution will be final and conclusive unless the nature or extent of the chairman's interest has not been fairly disclosed.

106 Board's authorisation of situations in which a Director has an interest

106.1 The board may, subject to the provisions of this **article 106** and **article 107**, at any time authorise a director to be involved in a situation in which the director has or may have a direct or indirect interest which conflicts or may conflict with the interests of the Company ("a conflict of interest") provided that:

- (a) in the case of a proposed appointment of a person as a director, the board authorises the conflict of interest before or at the time the director is appointed to office;
- (b) in the case of any other director the board authorises the conflict of interest at the time the conflict is declared to them in accordance with **article 107**;
- (c) the director subject to the conflict of interest or any other interested director shall not vote and shall not be counted in the quorum in respect of the authorisation given under this **article 106** and if he or any other interested director does vote, those votes shall not be counted;
- (d) the board may in their absolute discretion impose such terms or conditions on the grant of the authorisation as they think fit and in doing so the board will act in such a way in good faith they consider will be most likely to promote the success of the Company;
- (e) a director will not be in breach of his duty under sections 172, 174 and 175 of the 2006 Act or the authorisation given by this **article 106** by reason only that he receives confidential information from a third party relating to the conflict of interest which has been authorised by this **article 106** and either fails to disclose it to the board or fails to use it in relation to the Company's affairs and neither will he be in breach of his duty under the said section 175 for anything done or omitted to be done by him in accordance with the provisions of **articles 104** and **105**; and
- (f) where approval to a transaction which falls within Chapter 4 of Part 10 of the 2006 Act is given by members in accordance with that Chapter further authorisation for that transaction by the board under this **article 106** is not necessary.

106.2 For the purposes of this **article 106**, 'conflict of interest' includes a conflict of interest and a conflict of duty and a conflict of duties.

107 Declaration of Director's interests in contracts

A director who is in any way, whether directly or indirectly and whether for himself or through a person connected with him, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company and where relevant as a consequence of any situation arising from a conflict of interest within the meaning of **article 106**, shall declare the nature of his interest in accordance with the 2006 Act.

PROCEEDINGS OF DIRECTORS AND COMMITTEES

108 Board meetings

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

109 Notice of board meetings

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

110 Quorum

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

111 Chairman of board

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

112 Voting

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

113 Participation by telephone

A director or his alternate director may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the 2006 Act, all business transacted in this way by the board or a committee of the board is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the board or committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

114 Resolution in writing

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

115 Proceedings of committees

115.1 Proceedings of committees of the board shall be conducted in accordance with regulations prescribed by the board (if any). Subject to those regulations and **article 115.2**, proceedings shall be conducted in accordance with applicable provisions of the articles regulating the proceedings of the board.

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

116 Minutes of proceedings

116.1 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 of any remuneration fixed by the board; and

- (b) the names of directors present at every meeting of the board, committees of the board, the company or the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.

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

117 Validity of proceedings of board or committee

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

SECRETARY AND AUTHENTICATION OF DOCUMENTS

118 Secretary

Subject to the 2006 Act, the board shall appoint a secretary or joint secretaries and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including remuneration) as it thinks fit. The board may remove a person appointed pursuant to this **article 118** from office and appoint another or others in his place.

119 Authentication of documents

A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including the memorandum of association and the articles) and resolutions passed by the Company or holders of a class of shares or the board or a committee of the board and books, records, documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts.

SEALS

120 Safe custody

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

121 Application of seals

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

particular case, that a signature may be dispensed with or affixed by mechanical means. Unless otherwise decided by the board:

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

121.2 every other instrument to which a seal is affixed shall be signed by one director and by the secretary or a second director.

122 Official seal for use abroad

122.1 The Company may exercise the powers conferred by the 2006 Act with regard to having an official seal for use abroad and those powers shall be vested in the board.

122.2 Where the 2006 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 and expressed to be executed by the Company, shall have the same effect as if executed under the seal.

122.3 A document which is executed by the board 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.

DIVIDENDS AND OTHER PAYMENTS

123 Declaration of dividends

Subject to the 2006 Act and the articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the board.

124 Interim dividends

Subject to the 2006 Act, the board may declare and pay such interim dividends (including a dividend payable at a fixed rate) as appear to it to be justified by the profits of the company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on shares with preferred rights, unless at the time of payment a preferential dividend is in arrear. If the board acts in good faith, it does not incur any liability to the holders of shares conferring preferred rights for a loss they may suffer by the lawful payment of an interim dividend on shares ranking after those with preferred rights.

125 Entitlement to dividends

Except as otherwise provided by the rights attached to shares, a dividend shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this **article 125** as paid up on the shares. Subject as aforesaid 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.

126 Method of Payment

- 126.1 The Company may pay a dividend, interest or another amount payable in respect of a share in cash or by cheque, dividend warrant or money order, or by a bank or other funds transfer system, or by such other method as the holder or joint holders of the share in respect of which the payment is made (or the person or persons entitled by transmission to the share) may in writing direct (subject always, in the case of Uncertificated Shares, to the facilities and requirements of the Relevant System concerned where payment is to be made by means of such system). Any joint holder or other person jointly entitled to a share may give an effective receipt for a dividend, interest or other amount paid in respect of the share.
- 126.2 The Company may send a cheque, warrant or order by post (i) in the case of a sole holder, to his registered address, or (ii) in the case of joint holders, to the registered address of the person whose name stands first in the register, or (iii) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with **article 141**, or (iv) in any case, to a person and address that the person or persons entitled to the payment may in writing direct.
- 126.3 Every cheque, warrant or order is sent at the risk of the person entitled to the payment and shall be made payable to the order of the person or persons entitled. The payment of the cheque, warrant or order is a good discharge to the Company. If payment is made by a bank or other funds transfer, or by another method at the direction of the holder or holders or other person or persons entitled, the Company is not responsible for amounts lost or delayed in the course of the transfer or in carrying out such directions.
- 126.4 Without prejudice to **article 69**, the board may withhold payment of a dividend (or part or a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the board may reasonably require.

127 Dividends not to bear interest

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

128 Calls or debts may be deducted from dividends etc

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

129 Unclaimed dividends etc

All unclaimed dividends, interest or other amounts payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. Dividends unclaimed for a period of 12 years or more after having been declared

are forfeited and cease to remain owing by the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

130 Uncashed dividends

If, in respect of a dividend or other amount payable in respect of a share on two consecutive occasions:

130.1 a cheque, warrant or order is returned undelivered or left uncashed; or

130.2 a transfer made by a bank or other funds transfer system is not accepted,

the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to the person entitled to it until he notifies the Company of an address or account to be used for that purpose.

131 Payment of dividends in specie

Without prejudice to **article 69**, the board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Where a difficulty arises in connection with the distribution, the board may settle it as it thinks fit and in particular may issue fractional certificates (or ignore fractions), may fix the value for distribution of the specific assets (or any part of them), may decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution, and may vet assets in trustees on trust for the persons entitled to the dividend as may seem expedient to the board.

132 Payment of scrip dividends

132.1 Subject to the 2006 Act, but without prejudice to **article 69**, the board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or ordinary shares, in either case credited as fully paid ('new shares') instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the board may in its absolute discretion deem necessary or expedient to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in any territory.

132.2 Where a resolution under **article 132.1** is to be proposed at a general meeting and the resolution relates in whole or in part to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting.

132.3 A resolution under **article 132.1** may relate to a particular dividend or to all or any dividends declared or paid within a specified period, but that period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed.

- 132.4 The board shall determine the basis of allotment of new shares so that, as nearly as may be considered convenient, without involving rounding up of fractions, the value of the new shares (including a fractional entitlement) to be allotted (calculated by reference to the average quotation, or the nominal value of the new shares, if greater) equals (disregarding an associated tax credit) the amount of the dividend which would otherwise have been received by the holder (the 'relevant dividend'). For this purpose, the 'average quotation' of each of the new shares is the average of the middle-market quotations for a fully-paid share of the Company of that class derived from the Stock Exchange Alternative Trading system on the business day on which the relevant class of shares is first quoted 'ex' the relevant dividend (or such other date as the board may deem appropriate to take account of any subsequent issue of shares by the Company) and the four subsequent business days or shall be as determined by or in accordance with the ordinary resolution.
- 132.5 The board may make any provision it considers appropriate in relation to an allotment made pursuant to this **article 132**, including but not limited to:
- (a) the giving of notice to holders of the right of election offered to them;
 - (b) the provision of forms of election (whether in respect of a particular dividend or dividends generally);
 - (c) determination of the procedure for the making and revoking elections;
 - (d) the place at which, and the latest time by which, forms of election and other relevant documents must be lodged in order to be effective; and
 - (e) the disregarding or rounding up or down or carrying forward of fraction entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the holders concerned).
- 132.6 The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made (the 'elected shares'); instead new shares are allotted to the holders of the elected shares on the basis of allotment calculated as in **article 132.4**. For that purpose, the board may resolve to capitalise out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by the ordinary resolution of the Company pursuant to **article 133**. In relation to the capitalisation the board may exercise all the powers conferred on it by **article 133** without an ordinary resolution of the Company.
- 132.7 The new shares will rank pari passu in all respects with each other and with the fully-paid shares of the same class in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other

distribution or entitlement which has been declared or paid by reference to that record date.

132.8 Unless the board otherwise determines (and subject always to the Regulations and the requirements of the Relevant System concerned) the new shares shall be issued as Certificated Shares (where the ordinary shares in respect of which they have been allotted were Certificated Shares at the record date) or as Uncertificated shares (where the ordinary shares in respect of which they have been allotted were Uncertificated Shares at the record date) provided that if the Company is unable under the facilities and requirements of the Relevant System concerned to issue ordinary shares in respect of the person entitled thereto as Uncertificated Shares able to be evidenced and transferred without a written instrument, such shares shall be issued as Certificated Shares.

133 Capitalisation of Profits

133.1 Subject to the 2006 Act, the board may, with the authority of an ordinary resolution of the Company:

- (a) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account) whether or not available for distribution;
- (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of ordinary shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
 - (1) paying up the amounts (if any) for the time being unpaid on shares held by them respectively, or
 - (2) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this **article 133**, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, where shares or debentures become distributable in fractions, the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);

- (d) authorise a person to enter (on behalf of all the members concerned) an agreement with the Company providing for either:
 - (1) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation; or
 - (2) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,

an agreement made under the authority being effective and binding on all those members; and

- (e) generally do all acts and things required to give effect to the resolution.

133.2 **Article 133.3** applies, without prejudice to the generality of **article 133.1**, where:

- (a) a person is granted pursuant to an employees' share scheme a right to subscribe for shares in the capital of the Company on terms that the subscription price payable in cash on the allotment of those shares is a price less than their nominal value; and
- (b) pursuant to the terms of an employees' share scheme, the terms which a person is entitled to subscribe for shares in the capital of the Company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price payable in cash on the allotment of those shares is a price less than their nominal value.

133.3 Where this **article 133** applies, the board shall:

- (a) transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the shares (the 'cash deficiency') from the reserves of the Company available for distribution and not required for the payment or provision of any fixed preferential dividend; and
- (b) subject to **article 133.5**, not apply that reserve account for any purpose other than paying up the cash deficiency on the allotment of those shares.

133.4 Whenever the Company is required to allot shares pursuant to such a right to subscribe, the board shall, subject to the provisions of the 2006 Act:

- (a) capitalise out of the reserve account an amount equal to the cash deficiency applicable to those shares;
- (b) apply that amount in paying up the deficiency on the nominal value of those shares; and

(c) allot those shares credit as fully paid to the person entitled to them.

133.5 If a person ceases to be entitled to subscribe for shares as described, the restrictions on the reserve account cease to apply in relation to that part of the account that equals the amount of the cash deficiency applicable to those shares.

133.6 No right may be granted under an employees' share scheme under **article 133.2** and no adjustment may be made as mentioned in **article 133.2(b)** unless the Company has sufficient reserves available for distribution and not required for the payment or provision of a fixed preferential dividend to permit the transfer to a reserve account in accordance with **article 133.3** of an amount sufficient to pay up the cash deficiency applicable to the shares concerned.

134 Record Dates

Notwithstanding any other provision of the articles, but without prejudice to the rights attached to shares, the Company or the board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

ACCOUNTS

135 Inspection of accounts

135.1 The board shall cause accounting records to be kept in accordance with the 2006 Act.

135.2 The accounting records shall be kept at the office or, subject to the 2006 Act, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) has the right to inspect an accounting record or other document except if a right is conferred by statute or he is authorised by the board.

136 Accounts to be sent to members etc

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

- (a) every member (whether or not entitled to receive notices of general meetings),
- (b) every holder of debentures (whether or not entitled to receive notices of general meetings), and
- (c) every other person who is entitled to receive notices of general meetings,

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the 2006 Act. This **article 136** does not require copies of the documents to which it applies to be sent or delivered to:

- (a) a member or holder of debentures of whose address the Company is unaware; or
- (b) more than one of the joint holders of shares or debentures.

136.2 Where permitted by the 2006 Act, a summary financial statement derived from the Company's annual accounts and the directors' report in the form and containing the information prescribed by the 2006 Act may be sent or delivered to a member in place of the documents required to be sent or delivered by the preceding article.

NOTICES

137 Form of Notice

A notice to be given to or by a person pursuant to the articles shall be given in accordance with 2006 Act, that is, in writing, hard copy form, electronic form or by means of a website, except that a notice convening a meeting of the board or of a committee of the board need not be in writing.

138 Service of notices and other documents on members

- 138.1 A notice or other document may be given to a member by the Company either personally or by sending it by post in a pre-paid envelope addressed to the member at his registered address, or in leaving it at that address (or at another address notified for the purpose) in an envelope addressed to the member.
- 138.2 In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding and notice given in this way is sufficient notice to all joint holders.
- 138.3 If a member (or, in the case of joint holders, the person first named in the register) has a registered address outside the United Kingdom but has notified the Company of an address in the United Kingdom at which notices or other documents may be given to him, he is entitled to have notices given to him at that address, but otherwise no such member or person is entitled to receive a notice or other document from the Company.
- 138.4 Any notice or document sent in electronic form shall be deemed to be served or delivered on the day of transmission. Proof that a notice or other document sent in electronic form was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that notice was given.
- 138.5 Any notice or document served or delivered by making it available on a website, shall be deemed to be served or delivered when it is first made available on the website or, if later, when the member received or was deemed to have received notice of the fact that the document or notice was available on the website.

139 Documents sent by the Company in electronic form

Subject to any requirement of the 2006 Act, the Company may send any documents or notices to its members in electronic form and such documents or notices will be validly sent provided that:

- (a) the member has agreed (generally or specifically) (or in the case of a company is deemed to have agreed by a provision in the Statutes) that documents or notices can be sent in electronic form;
- (b) the documents are documents to which the agreement applies; and
- (c) copies of the documents are sent in electronic form to the address notified by the member to the Company for that purpose.

140 Documents communicated to the Company by means of a website

140.1 Subject to any requirement of the 2006 Act, the Company may send documents or notices to its members by means of a website and any such documents or notices will be validly sent provided that:

- (a) the member has expressly agreed (generally or specifically) that documents or notices may be sent by means of a website to him or he has been asked (individually) to agree that documents and notices can be sent by means of a website and the Company has received no response to that request within 28 days from the date on which the request was sent; and
- (b) the documents are documents to which the agreement applies; and
- (c) the member is notified of the presence of the documents on the website, the address of the website, the place on the website where the documents may be accessed and how they may be accessed.

140.2 Documents must be available on the website for a period of not less than 28 days from the date of notification unless the Statutes make provision for any other time period.

140.3 If the documents are published on the website for a part only of the period of time referred to in **article 140.2** they will be treated as being published throughout the period if the failure to publish throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

141 Evidence of service

141.1 A notice or other document addressed to a member at his registered address or address for service in the United Kingdom is, if sent by post, deemed to be given within 24 hours if pre-paid as first class post and within 48 hours if pre-paid as second class post after it has been posted, and in proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre-paid and posted.

- 141.2 A notice or document not sent by post but left at a registered address or address for service in the United Kingdom is deemed to be given on the day it is left.
- 141.3 Where notice is given by newspaper advertisements, the notice is deemed to be given to all members and other persons entitled to receive it at noon on the day when the advertisements appear, or if they appear on different days, at noon on the last of the days when the advertisements appear.
- 141.4 A member present in person or by proxy at a meeting or of the holders of a class of shares is deemed to have received due notice of the meeting and where required, of the purposes for which it was called.
- 141.5 Without prejudice to the provisions of **article 45**, the accidental failure to send or the non-receipt by any person entitled to any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.

142 Notice binding on transferees etc.

A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 793 of the 2006 Act) which, before his name is entered in the register, has been properly served on a person from whom he derives his title.

143 Notice in case of entitlement by transmission

Where a person is entitled by transmission to a share, the Company may give a notice or other document to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by similar designation) at an address in the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which this might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this **article 143** is sufficient notice to all other persons interested in the share.

DOCUMENTS

144 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.

145 Documents sent to the Company

- 145.1 Where the 2006 Act permits documents to be sent to the Company only such documents as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose.

145.2 If the document in electronic form is sent by hand or by post, it must be sent to the Company's registered office.

145.3 A document sent to the Company in electronic form is sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.

146 Destruction of documents

146.1 The Company may destroy:

- (a) a share certificate which has been cancelled at any time after one year from the date of cancellation;
- (b) a mandate for the payment of dividends or other amounts or a variation or cancellation of a mandate or a notification of change of name or address at any time after two years from the date the mandate, variation, cancellation or notification was recorded by the Company;
- (c) an instrument of transfer of shares (including a document constituting the renunciation of an allotment of shares) which has been registered at any time after six years from the date of registration; and
- (d) any other document on the basis of which any entry in the register is made at any time after six years from the date an entry in the register was first made in respect of it.

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

- (a) the provisions of this **article 146** apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document is relevant to a claim;
- (b) nothing contained in this **article 146** imposes on the Company liability in respect of the destruction of a document earlier than provided for in this **article 146** or in any case where the conditions of this **article 146** are not fulfilled;
- (c) references in this **article 146** to the destruction of a document include reference to its disposal in any manner;
- (d) references in this **article 146** to instruments of transfer shall include, in relation to Uncertificated Shares, instructions and/or notifications made in accordance with the Relevant System concerned relating to the transfer of such shares; and

- (e) in relation to Uncertificated Shares, the provisions of this **article 146** shall apply only to the extent the same are consistent with the Regulations.

MISCELLANEOUS

147 Winding up

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

148 Indemnity

148.1 Subject to the 2006 Act, but without prejudice to an indemnity to which he may otherwise be entitled, every officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without prejudice to the generality of the foregoing) a liability incurred:

- (a) defending proceedings (whether criminal, civil or regulatory) in which judgement is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
- (b) in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

148.2 The board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

148.3 Subject to the provisions of, and so far as may be permitted by, the 2006 Act, the Company shall be entitled to fund the expenditure of every officer of the Company incurred or to be incurred:

- (a) in defending any criminal, civil or regulatory proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by such officer in relation to the Company or any associated company; or

- (b) in connection with any application under section 1157 of the 2006 Act or section 661(3) or (4) of the 2006 Act,

provided that any officer will be obliged to repay such amounts no later than:

- (c) in the event of the director being convicted in the proceedings, the date when the conviction becomes final; or
- (d) in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or
- (e) in the event of the court refusing to grant him relief on the application, the date when the refusal of relief becomes final.

148.4 For the purposes of this **article 148** the reference to any conviction, judgment or refusal of relief is a reference to the final decision in proceedings. A conviction, judgment or refusal of relief becomes final:

- (a) if not appealed against, at the end of the period for bringing an appeal; or
- (b) if appealed against, at the time when the appeal (or any further appeal) is disposed of (ie if it is determined and the period for bringing a further appeal has ended or if it is abandoned or otherwise ceases to have effect).