

**THE COMPANIES ACTS 1985 TO 2006**

**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

of

**KELLER GROUP PLC**

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**(Adopted by Special Resolution passed on 17 May 2010)**

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**PRELIMINARY**

1. No regulation or articles set out in any schedule to, or contained in any order, regulation or other subordinate legislation made under any statute concerning companies shall apply as regulations or articles of the Company.
2. In these Articles the following words and expressions shall have the following meanings unless the context otherwise requires:

**"2006 Act"** means the Companies Act 2006.

**"Acts"** means those provisions of the Companies Act 1985 as amended by the Companies Act 1989 and the provisions of the 2006 Act for the time being in force and every other enactment for the time being in force concerning companies (including any orders, regulations or other subordinate legislation made under those Acts or enactments), so far as they apply to the Company.

**"address"** includes a number or address used for the purposes of sending or receiving notices, documents or information by electronic means and/or by means of a website.

**"Approved Depositary"** means a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Board whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that

such arrangements have been approved by the Board for the purpose of these Articles and shall include, where approved by the Board, the trustees (acting in their capacity as such) of any employees' shares scheme established by the Company or any other scheme or arrangements principally for the benefit of employees of the Company and/or its Subsidiaries which has been approved by the Company in general meeting; and shall also include the managers (acting in their capacity as such) of any investment or savings plan which the Board has approved.

**"these Articles"** means these Articles of Association or such other articles of association of the Company as are from time to time in force (and **"article"** means one of these Articles).

**"Auditors"** means the auditors for the time being of the Company.

**"Board"** means the board of Directors for the time being of the Company or the Directors present at a duly convened meeting of the Directors or any duly authorised committee at which a quorum is present.

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

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

**"Company"** means Keller Group plc.

**"CREST"** means the international electronic share settlement system operated by Euroclear UK & Ireland Limited.

**"Directors"** means the directors for the time being of the Company or, as the case may be, the directors present at a duly convened meeting of the Board or any duly authorised committee thereof at which a quorum is present.

**"electronic form"** and **"electronic means"** have the meanings given to them by section 1168 of the 2006 Act.

**"FSA"** means the Financial Services Authority exercising its functions as the competent authority under Part VI of the Financial Services and Markets Act 2000.

**"Group"** means the Company and its Subsidiaries from time to time.

**"hard copy"** and **"hard copy form"** have the meanings given to them by section 1168 of the 2006 Act.

**"holder"** means (in relation to any share) the member whose name is entered in the Register as the holder or where the context permits, the members whose names are entered in the Register as the joint holders, of that share.

**"member"** has the meaning given to it in section 112 of the 2006 Act.

**"month"** means calendar month.

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

**"Official List"** means the official list of the FSA.

**"officer"** means a director or secretary for the time being of the Company.

**"Operator"** means a person approved by H.M. Treasury under the uncertificated securities rules as an Operator of a relevant system.

**"paid up"** includes credited as paid up.

**"Register"** means the register of members to be kept by the Company pursuant to the Acts.

**"relevant system"** means a computer based system, and procedures, which enable title to units of security to be evidenced and transferred without a written instrument pursuant to the uncertificated securities rules.

**"Rules"** means the listing rules made by the FSA under section 74 of the Financial Services and Markets Act 2000, the prospectus rules made by the FSA under section 79(1) of the Financial Services and Markets Act 2000, and/or the Disclosure and Transparency Rules published by the FSA.

**"Secretary"** means the secretary for the time being of the Company and any assistant or deputy secretary, and any person appointed by the Directors to perform the duties of the secretary of the Company.

**"register of securities"** means:

- (a) in relation to shares, a register of members; and

- (b) in relation to units of a security other than shares, a register maintained by the issuer, whether by virtue of the uncertificated securities rules or otherwise, of persons holding the units.

**"Seal"** means the common seal of the Company, the securities seal and any official seal of the Company permitted under the Acts.

**"Subsidiary"** means a subsidiary and/or a subsidiary undertaking of the Company as each of the terms is defined in the Acts.

**"uncertificated securities rules"** means any provision of the Acts relating to the holding, evidencing of title to, or transfer of uncertificated shares and any legislation, rules or other arrangements made under or by virtue of such provision.

**"uncertificated unit of a security"** means a unit of a security title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which, by virtue of the uncertificated securities rules may be transferred by an Operator of a relevant system.

**"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

**"in writing and written"** in writing, or any substitute for writing, or a combination of the two.

**"working day"** means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 (c80) in England and Wales.

- 2.1 Words importing the singular number only include the plural number and vice versa.
- 2.2 Words importing one gender only include the other genders.
- 2.3 Words importing persons include corporations.
- 2.4 Words and expressions defined in the Acts shall, unless the context otherwise requires and save as provided below in relation to the uncertificated securities rules, have the same meanings in these Articles.
- 2.5 Unless the context requires otherwise, words and phrases used in the uncertificated securities rules have the same meaning when used in these Articles.

- 2.6 References to a document being "**signed**" or to "**signature**" include references to its being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, such references are to its being authenticated as specified by the Acts.
- 2.7 References to a person entitled by transmission are to a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted on the Register.
- 2.8 References to an uncertificated share, or to a share being held in uncertificated form, shall mean a share which is for the time being recorded on the Register as being held in uncertificated form; and references to a certificated share, or to a share being held in certificated form, shall mean any share other than an uncertificated share.
- 2.9 References to legislation, or to a specific provision of legislation, shall include any amendment to or re-enactment of such legislation or provision for the time being in force.
- 2.10 The headings in these Articles are inserted for convenience only and shall not affect the construction hereof.

### **LIMITED LIABILITY**

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

### **SHARE CAPITAL**

4. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the capital of the Company may be issued with such rights (including preferred, deferred or other special rights) or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine, or if no such determination is made, as the Board shall determine.
5. Subject to any rights attaching to existing shares, any shares may be issued on the terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles. The Board may determine the terms, conditions and manner of redemption of any redeemable share so issued.



6. The shares of the Company shall not be allotted at a discount and save as permitted by the Acts shall not be allotted except as paid up at least as to one-quarter of their nominal value and the whole of any premium thereon.
7. The Company may exercise the powers of paying commissions conferred by the Acts to the fullest extent thereby permitted. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
8. Subject to the provisions of the Acts or these Articles, or to any relevant authority of the Company in general meeting required by the Acts, all shares shall be at the disposal of the Directors who may (subject to the provisions of the Acts) allot (with or without conferring a right of renunciation), grant options over, offer or otherwise deal with or dispose of them to such persons at such times and generally on such terms and conditions as they may determine. The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
9. Save as otherwise provided in these Articles or as otherwise required by the Acts the Company shall be entitled to treat the person whose name appears on the Register in respect of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any trust or equity or any equitable, contingent, future, partial or other claim to or interest in any share on the part of any other person whether or not it shall have express or other notice thereof.

### **SHARE CERTIFICATES**

10. Every share certificate shall be issued under the common seal of the Company or under an official seal kept by the Company by virtue of the Acts or bearing an imprint or representation of the seal or such other form of authentication as the Directors may determine or in such other manner having the same effect as if issued under the seal as the Directors may approve and specify the number and class of shares to which it relates and the amount paid up thereon.
11. Any person (other than a recognised clearing house (within the meaning of the Financial Services and Markets Act 2000) or a nominee of a recognised clearing house or of a recognised investment exchange (within the meaning of the Financial Services and Markets

Act 2000) in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) upon becoming the registered holder of any shares in the Company shall be entitled, within the time limits prescribed by the Acts or if earlier within a time limit specified when the shares were issued and without payment, to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered. Shares of different classes may not be included in the same certificate. If a member (other than a clearing house or nominee as aforesaid) transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares retained by him and registered in his name.

12. Upon delivery of any certificate which is worn out or defaced to the Directors they may order the same to be cancelled and may issue a new certificate in its place, and if any certificate is lost, stolen or destroyed, then, subject to compliance with such conditions as to evidence and indemnity (with or without security) as the Directors shall deem fit, a new certificate shall be given to the party entitled, in place of the lost, stolen or destroyed certificate.
13. Every certificate issued under the last preceding article shall be issued without payment, but there shall be paid to the Company a sum equal to any exceptional out of pocket expenses incurred by the Company in respect of any such issue.
14. The Company shall not be bound to issue more than one certificate in respect of shares registered in the joint names of two or more persons and such certificate shall be delivered to the person first named on the Register in respect of such shares. The Company shall not be bound to register more than four persons as joint holders (except in the case of executors or trustees of a deceased member).

### **UNCERTIFICATED SHARES**

15. The Directors shall have the power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be in uncertificated form (subject always to the uncertificated securities rules and the facilities and requirements of the relevant system concerned). Where they do so, article 16 shall commence to have effect immediately prior to the time at which the Operator of the relevant system concerned permits the class of shares concerned to be in uncertificated form.

16.

16.1 In relation to any class of shares which is, for the time being, in uncertificated form, and for so long as such class remains in uncertificated form, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

16.1.1 the holding of shares of that class in uncertificated form;

16.1.2 the transfer of title to shares of that class by means of a relevant system; or

16.1.3 the provisions of the uncertificated securities rules,

and, without prejudice to the generality of this article, no provision of these articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the Operator, so long as that is permitted or required by the uncertificated securities rules, of an Operator register of securities in respect of that class of shares in uncertificated form.

16.2 Without prejudice to the generality of article 16.1 and notwithstanding anything contained in these Articles or the uncertificated securities rules, where any class of shares is, for the time being, in uncertificated form (such class being referred to hereinafter as the "**Relevant Class**"):

16.2.1 the Register relating to the Relevant Class shall be maintained at all times in England and Wales or at such other place as is permitted from time to time by the uncertificated securities rules;

16.2.2 shares of the Relevant Class may be issued in uncertificated form in accordance with and subject as provided in the uncertificated securities rules;

16.2.3 unless the Directors otherwise determine, shares of the Relevant Class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;

16.2.4 shares of the Relevant Class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the uncertificated securities rules;

- 16.2.5 title to shares of the Relevant Class which are recorded on the Register as being held in uncertificated form may be transferred by means of the relevant system concerned and accordingly (and in particular) articles 36 and 37 shall not apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the share to be transferred;
- 16.2.6 the provisions of these Articles with respect to meetings of or including holders of the Relevant Class, including notices of such meetings, shall have effect subject to the provisions of the uncertificated securities rules;
- 16.2.7 the provisions of these Articles and in particular article 11 shall not apply so as to require the Company to issue, produce or deliver (howsoever expressed) a certificate to any person holding shares of the Relevant Class in uncertificated form;
- 16.2.8 the provisions of these Articles whereby a person entitled by transmission to a share in the capital of the Company may elect that he or any other person be registered as the holder of it shall not apply to a share in uncertificated form (registration only being permitted on receipt by the Company of a properly authenticated dematerialised instruction);
- 16.2.9 the provisions of these Articles with respect to the payment of dividends or other monies payable in respect of a share in the capital of the Company shall, in relation to a share in uncertificated form, be subject to any properly authenticated dematerialised instruction received by the Company;
- 16.2.10 in relation to shares of the Relevant Class which are recorded on the Register as being held in uncertificated form, any provision of these Articles enabling a person to be appointed to execute an instrument of transfer shall have the effect of enabling that person to be appointed to authorise the giving of a relevant properly authenticated dematerialised instruction (not being inconsistent with the provision in question) as may be requisite for the disposal of the shares in accordance with the terms of his appointment;
- 16.2.11 where the Company has a lien over shares, to give effect to any sale permitted under these Articles in the case of a share in uncertificated form, the Directors may take such other steps (including the giving of directions to

or on behalf of the holder who shall be bound by them) as they think fit to effect the transfer;

16.2.12 where the Directors have the power to transfer a forfeited share to any person in the case of a share in uncertificated form, the Directors may take such other steps (including the giving of directions to or on behalf of the holder who shall be bound by them) as they think fit to effect the transfer;

16.2.13 the Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse (or is excepted from the requirements) under the uncertificated securities rules to register the transfer, and they may refuse to register any such transfer in favour of more than four transferees;

16.2.14 where the Directors have a power to sell fractions of shares and distribute the net profits in proportion among the members, the Directors may, in the case of shares in uncertificated form, take such other steps (including the giving of directions to or on behalf of the holder who shall be bound by them) as they think fit in relation to such fractions of shares; and

16.2.15 where the Directors have a power to give effect to the sale of any share pursuant to provisions regarding untraced members in the case of shares in uncertificated form, the Directors may take such other steps (including the giving of directions to or on behalf of the holder who shall be bound by them) as they think fit to effect the transfer.

16.3 The Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the uncertificated securities rules and regularly reconciled with the relevant Operator register are a complete and accurate reproduction of the particulars entered in the Operator register and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance on such assumption; in particular, any provision of these articles which requires or envisages that action will be taken in reliance on information contained in the Operator register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled by the Company).

- 16.4 If there is any conflict or inconsistency between this article 16 and any other article, the provisions of this article 16 shall prevail.

### **VARIATION OF RIGHTS**

17. If at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may, subject to the provisions of the Acts, be varied or abrogated either in such manner (if any) as may be provided by such rights, or in the absence of any such provision either (a) with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class (excluding any shares of that class held as treasury shares) or (b) with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class shall not (unless otherwise expressly provided by these Articles or the rights attached to such last mentioned shares as a class) be deemed to be a variation of the rights of such shares.
18. To every such separate general meeting all of the provisions of these Articles relating to general meetings and the provisions of the Acts shall *mutatis mutandis* and so far as applicable, apply provided that:
- 18.1 the necessary quorum at such meeting shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares) and at an adjourned meeting one person holding shares of the class in question or his proxy;
- 18.2 any holder of shares of the class in question present in person or by proxy or by a duly authorised corporate representative and entitled to vote at the meeting may demand a poll.

### **CALLS ON SHARES**

19. The Directors may (subject to the terms of allotment thereof) from time to time make such calls as they think fit upon the members in respect of all monies unpaid on the shares held by them whether on account of the nominal amount of the shares or by way of premium provided that at least 14 days' notice be given of each call. Each member shall pay the amount of each call made on him to the person and at the time and place specified by the Directors in the said notice.

20. A call may be made payable by instalments and may, at any time before receipt by the Company of a sum due thereunder, either be revoked or postponed in whole or in part.
21. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.
22. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment, the holder for the time being of the share in respect of which the sum is due, shall pay interest on the sum at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the appropriate rate (as defined by the Acts) from the time appointed for payment until the actual payment, and all expenses that may have been incurred by the Company by reason of such non-payment but the Directors may, if they think fit, waive the payment of such interest and expenses or any part thereof.
23. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the money unpaid upon the shares held by him beyond the sums actually called up; and upon the money being paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance shall have been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, the appropriate rate aforesaid) as the member paying such sum in advance and the Directors agree upon, but no part of such monies shall be included or taken into account in ascertaining the amount of the dividend payable upon the shares in respect of which such advance has been made.
24. If by the terms of issue of any shares, or otherwise, any amount is made payable at any fixed date or by instalments and whether on account of the nominal value of the shares or by way of premium thereon, every such amount shall be payable as if it were a call duly made by the Directors of which due notice had been given and all the provisions of these Articles as to the payment of calls and interest and expenses in connection therewith and as to the forfeiture of shares for non-payment of calls shall apply to every such amount and the shares in respect of which it is payable.

#### **FORFEITURE AND LIEN**

25. If any member fails to pay any call or instalment of a call on or before the day appointed for payment, the Directors may at any time thereafter during such time as the call or instalment or

any part thereof remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued thereon and all expenses incurred by the Company by reason of such non-payment.

26. The notice shall name a further day (not being less than 14 days from the date of the notice) on or before which and a place where such call or instalment and all such interest and expenses are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
27. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice shall have been given may, at any time thereafter but before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Forfeiture shall be deemed to occur at the time of the passing of the said resolution and shall extend to all dividends declared in respect of the forfeited shares but not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder on such terms as they think fit.
28. When any share has been forfeited or surrendered, notice of forfeiture or surrender shall be served upon the person who was, before forfeiture or surrender, the holder of the share or the person entitled thereto by transmission and an entry of the forfeiture or surrender made in the Register; but no forfeiture shall be invalidated by any omission or neglect to give such notice or make such entry as aforesaid. Subject to the provisions of the Acts any share so forfeited or surrendered shall be deemed to be the property of the Company and the Directors may, within three years of such forfeiture or surrender sell, re-allot, or otherwise dispose of the same in such manner as they think fit, either to the person who was the holder of the shares before the forfeiture or surrender, or to any other person and either with or without any past or accruing dividends and in the case of re-allotment, with or without any money paid up thereon by the former holder being credited as paid up thereon. Any share not disposed of within a period of three years from the date of its forfeiture or surrender shall be cancelled in accordance with the provisions of the Acts.
29. The Directors may at any time before any share so forfeited or surrendered is cancelled, sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as they think fit.



30. Any member whose shares have been forfeited or surrendered shall immediately cease to be a member in respect of those shares and shall, in the case of shares held in certificated form, surrender to the Company for cancellation the certificate for the forfeited or surrendered shares but shall remain liable for and shall forthwith pay to the Company all monies which at the date of forfeiture or surrender were then payable by him in respect of the shares, together with interest thereon, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the shares or, if no rate is so fixed, at the appropriate rate aforesaid but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received upon their disposal.
31. The Company shall have a first and paramount lien upon every share (not being a fully paid share) registered in the name of each member (whether solely or jointly with others) for any amount (whether presently payable or not) called or payable in respect of such share, and such lien shall apply to all dividends from time to time declared or other monies payable in respect of such share. The registration of a transfer of a partly paid share shall not and shall not be deemed to operate as a waiver of the Company's lien on such share and the transferee thereof shall be liable to pay any amount called or payable in respect of such share.
32. The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien but no sale shall be made unless a sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a written notice stating and demanding payment of the sum payable and giving notice of the intention to sell in default of such payment being made has been given to the registered holder for the time being of the share or the person entitled thereto by transmission.
33. The net proceeds of such sale after payment of the costs thereof, shall be applied in or towards payment or satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The balance, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to or in accordance with the directions of the purchaser.
34. Upon any sale or re-allotment after forfeiture or surrender or upon any sale for enforcing any lien in purported exercise of the powers hereinbefore given, the Directors may in the case of a sale nominate some person to execute a transfer of the shares sold in the name and on behalf of the registered holder (or other persons entitled thereto by transmission) and may in any

such case cause the name of the purchaser or allottee to be entered in the Register in respect of the shares sold or re-allotted, and the purchaser or allottee shall not be bound to see to the regularity of the proceedings or to the application of the purchase or subscription money, and after his name has been entered in the Register in respect of such shares, the validity of the sale or forfeiture shall not be impeached by any person and the remedy of any person aggrieved by the sale or forfeiture shall be in damages only and against the Company exclusively.

35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to such share.

### **TRANSFER OF SHARES**

36. The instrument of transfer of any share, in the Company shall be in any usual or common form or in such other form as shall be approved by the Directors and shall be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share, by the transferee) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it. When registered the instrument of transfer shall be retained by the Company.
37. The Directors may, save as provided below (and subject (where appropriate) to the provisions of the uncertificated securities rules), refuse to register any instrument of transfer or renunciation of a renounceable letter of allotment unless:
- 37.1 it is in respect of a fully paid share;
  - 37.2 it is in respect of a share on which the Company does not have a lien;
  - 37.3 it is in respect of only one class of shares;
  - 37.4 it is duly stamped (if so required) or is duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty;
  - 37.5 it is in favour of not more than four joint holders as transferees;
  - 37.6 the transferee is not a minor, infant, bankrupt or person of unsound mind; and
  - 37.7 the conditions referred to in article 38 have been satisfied.

Provided always that, if any of the class of shares which are not fully paid up are admitted to the Official List, the Directors shall not refuse to register any instrument of transfer if this would prevent dealings in such shares on an open and proper basis.

38. Every instrument of transfer must be left at the Office (duly stamped if necessary), or at such other place as the Directors may from time to time determine, accompanied by any certificate for the shares to which it relates, (save in the case of a transfer by a recognised clearing house (within the meaning of the Financial Services and Markets Act 2000) or a nominee of a recognised clearing house or a recognised investment exchange (within the meaning of that Act)) where pursuant to article 11 no certificate has been issued) and such evidence as the Directors may reasonably require to prove the title of the transferor and the due execution by him of the transfer.
39. No fee shall be payable for registering any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice, court order or other document relating to or affecting the title to any shares or the right to transfer the same.
40. All instruments of transfer which are registered shall, subject to article 41, be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in the case of fraud) be returned to the person depositing the same.
41. The Company shall be entitled to destroy all instruments of transfer and all documents on the faith of which entries have been made in the Register at any time after the sixth anniversary of the date of registration thereof and all dividend mandates and notifications of change of address at any time after the second anniversary of the date of recording thereof and all share certificates which have been cancelled at any time after the first anniversary of the date of the cancellation thereof and it shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided always that:

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

### **TRANSMISSION OF SHARES**

42. In the case of the death of a member, the survivor or survivors, where the deceased was a joint holder, and the legal personal representative(s) of the deceased, where he was a sole holder or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in any share(s); but nothing in these Articles shall release the estate of a deceased member from any liability in respect of any share which has been held by him solely or jointly with any other person.
43. Any person becoming entitled to a share by transmission may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the member registered as the holder of any such share before his death or bankruptcy or other event, as the case may be.
44. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member or other event had not occurred and the notice of transfer were a transfer signed by the member registered as the holder of any such share.

45. A person becoming entitled to a share by transmission shall, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company (including meetings of the holders of any class of shares in the Company) **provided** always that the Directors may at any time give notice requiring any such person to elect either to be registered or to transfer the share, and if the notice is not complied with within 60 days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

### UNTRACED SHAREHOLDERS

46. Subject to the uncertificated securities rules, the Company shall be entitled to sell at the best price reasonably obtainable at the time of sale any share of a member or any share to which a person is entitled by transmission if and provided that:
- 46.1 for a period of not less than 12 years (during which at least three cash dividends (whether interim or final) shall have been paid to members of the class to which the shares concerned belong):
- 46.1.1 no cheque, warrant or money order sent by the Company through the post in a pre-paid envelope addressed to the member, or to the person entitled by transmission to the share, at his address on the Register (or other last known address given by such member or person to which cheques, warrants and money orders in respect of such share are to be sent) has been cashed; or
- 46.1.2 all funds paid by any bank or other funds transfer system to such member or person have been returned to the Company;
- 46.2 at the expiration of the said period of twelve years the Company has given notice of its intention to sell such share by advertisement in a national daily newspaper and a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these Articles is located (but so that such advertisements need not refer to the names of the holder(s) of the share or identify the share in question); and

- 46.3 the Company has not during such period of twelve years and the further period of three months after the publication of the advertisements and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission.
47. If during any twelve year period or three month period referred to in paragraphs 46.1 and 46.3 of the preceding article further shares have been issued in respect of those held at the beginning of such twelve year period or of any previously issued during such periods and all the other requirements of such article (other than paragraph 46.1) have been satisfied in respect of the further shares, the Company may also sell the further shares.
48. To give effect to any sale pursuant to the previous Articles the Directors may, if the share is held in certificated form, authorise any person to execute as transferor an instrument of transfer of the said share and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share or, if the share is held in uncertificated form, exercise any of the Company's powers under article 16 to give effect to the sale. The transferee shall not be bound to see to the application of the purchase monies and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company (if any)) as the Directors may from time to time think fit.
49. If on two consecutive occasions cheques, warrants or orders in payment of dividends or other monies payable in respect of any share have been sent through the post or otherwise in accordance with the provisions of these Articles but have been returned undelivered or left uncashed during the periods for which the same are valid or any transfer by bank or other funds transfer system has not been satisfied, the Company need not thereafter despatch further cheques, warrants or orders and need not thereafter transfer any sum (as the case may be) in payment of dividends or other monies payable in respect of the share in question until the member or other person entitled thereto shall have communicated with the Company and supplied in writing to the Office an address for the purpose.

## **FRACTIONS**

50. Subject to any direction given to the Directors by the Company in general meeting, whenever as the result of any consolidation or division of shares members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which members are so entitled in fractions to any person (including, subject to the provisions of the Acts, the Company) and pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale or where the net proceeds in respect of any holding do not exceed £5.00 or such other nominal amount as may be decided by the Directors from time to time such proceeds may be paid to the Company or distributed to an organisation which is a charity, for the purposes of the laws of England and Wales, Scotland or Northern Ireland. For the purpose of giving effect to any such sale the Directors may nominate a person to execute a transfer in respect of the shares sold in favour of the purchaser and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
51. Subject to the provisions of the Acts, if the necessary shares are available, the Directors may issue to each such holder credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding to a whole number (such issue being deemed to have been effected immediately before consolidation) and the amount required to pay up such shares shall be appropriated at their discretion from any sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or to the credit of profit and loss account or retained earnings and capitalised by applying the same in paying up such shares.

## **GENERAL MEETINGS**

52. The Directors may convene a general meeting of the Company whenever they think fit.
53. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, the Directors in the United Kingdom capable of acting may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

## **NOTICE OF GENERAL MEETINGS**

54. If the Board, in its absolute discretion, considers that it is impractical or undesirable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least one national newspaper in the United Kingdom. Notice of the business to be transacted at such postponed meeting shall not be required.
55. The accidental omission to give any notice of a meeting or to send or supply any document or other information relating to any meeting, to any person entitled to receive the notice, document or other information, or the non-receipt for any reason of any such notice, document or other information by that person shall not invalidate the proceedings at that meeting.

## **PROXIES**

- 56.
- 56.1 Subject to article 56.10, a form appointing a proxy shall be:
- 56.1.1 in writing in the usual form, or in such other form as may be approved by the Directors;
- 56.1.2 signed by the appointor or his duly authorised attorney or, if the appointor is a corporation, executed under its seal or signed under the hand of its duly authorised officer or attorney or other person or persons authorised to sign.
- 56.2 Subject to any contrary direction contained in the appointment of a proxy, a proxy may demand or join in demanding a poll and, subject to the provisions of these Articles, may speak at a general meeting and, may vote on any resolution or amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given, as the proxy thinks fit.
- 56.3 A proxy need not be a member of the Company.
- 56.4 A member may appoint more than one proxy to attend on the same occasion, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such member and further provided, in each case, that evidence



(to the satisfaction of the Board) of the authority of the person claiming to exercise the right to vote is received by the Company within the time limits prescribed by these articles for the receipt of appointments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised. Where a member appoints more than one proxy, each such appointment shall specify the number of shares in respect of which each proxy is entitled to exercise the related votes and the member shall ensure that no proxy is appointed to exercise the votes which any other proxy has been appointed by that member to exercise.

56.5 The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or any adjournment of it or on any poll.

56.6 The appointment of a proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting(s) to which it relates. No appointment of a proxy shall be valid after the expiry of 12 months from the date it is given.

56.7 In order to be valid the appointment of a proxy must:

56.7.1 (in the case of an appointment of a proxy in hard copy form) be received at the Office (or at such other place within the United Kingdom as may be specified by the Company for the receipt of appointments of proxy in hard copy form) by the relevant time together with the relevant documents, if any;

56.7.2 (in the case of an appointment of a proxy made by electronic means or by means of a website) be received at the address at the relevant time. Any relevant documents, must also be received at the address or at the Office by the relevant time;

56.7.3 if a proxy form is signed by an attorney, the power of attorney or other authority relied on to sign it, or a copy which has been certified by a notary or in accordance with Powers of Attorney Act 1971, or an office copy, must be delivered with the proxy form, unless the power of attorney has already been registered with the Company.

56.8 For the purposes of this article:

56.8.1 for the purpose of appointing a proxy by electronic communication, the **"address"** means the number or address which has been specified by the

Company for the purpose of receiving electronic communications appointing forms of proxy;

56.8.2 **"relevant documents"** means the power of attorney or other authority pursuant to which the appointment of proxy is made, or a copy of such document certified by a notary or certified in some other way approved by the Board;

56.8.3 the **"relevant time"** shall be:

56.8.3.1 48 hours before the time appointed for the commencement of the meeting or adjourned meeting at which the person appointed as proxy proposes to vote;

56.8.3.2 in the case of a poll taken more than 48 hours after it is demanded, 24 hours before the time appointed for the taking of the poll; or

56.8.4 in the case of a poll taken following the conclusion of a meeting or adjourned meeting 48 hours or less, after it was demanded before the end of the meeting at which it was demanded (or such later time as the Board may determine).

56.9 A vote given or poll demanded by a proxy or a duly authorised representative of a corporation shall be valid even though the authority of the person voting or demanding a poll has previously terminated unless notice of the termination was received by the Company:

56.9.1 (in the case of a duly authorised representative of a corporation) at the Office;  
or

56.9.2 (where the appointment of a proxy was made in hard copy form) at the Office (or such other place as is specified for depositing appointments of proxy); or

56.9.3 (where the proxy was appointed by electronic means or by means of a website) at the address,

in each case:

56.9.4 not less than 24 hours before the time appointed for the commencement of the meeting or adjourned meeting at which such vote is given; or

56.9.5 (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) not less than 24 hours before the time appointed for the taking of the poll at which the vote is cast.

56.10 The Board may in its absolute discretion determine that in calculating the periods of time referred to in this article 56, no account shall be taken of any part of a day which is not a working day.

57. Subject to the provisions of the Acts and the requirements of the FSA, the Company shall send out by post or fax or by electronic means proxy forms to all of the persons entitled to receive notice of and to vote at any meeting.

58. The accidental omission to send a notice of a meeting, or to send any notification where required by the Acts or these articles in relation to the publication of a notice of a meeting on a website, or to send a form of proxy to any person entitled to receive it, or the non-receipt for any reason of any such notice, notification or form of proxy by that person shall not invalidate the proceedings at the meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

59. Save as otherwise provided in these Articles the quorum for a general meeting shall be two members present in person or by proxy and entitled to vote.

60. No business shall be transacted at any general meeting unless the requisite quorum shall be present when the meeting proceeds to business and throughout the duration of the meeting. The appointment of a chairman of the meeting in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.

61. If within ten minutes (or such longer period as the chairman of the meeting may decide) from the time appointed for the meeting a quorum is not present, then the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than 14 days nor more than 28 days from then) and place as the chairman of the meeting (or in default, the Board) shall appoint. At any such adjourned meeting the member or members present in person or by proxy and entitled to vote shall constitute a quorum and have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for the want of a

quorum and the notice shall state that the member or members present as aforesaid shall form a quorum.

62. The chairman (if any) of the Board shall preside as chairman at every general meeting of the Company. If there is no chairman of the Board, or if he is not present at any meeting within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act, the Directors present shall select one of their number to be chairman of the meeting and failing that, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
63. The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
64. Whenever a meeting is adjourned for 28 days or more, at least seven clear days' notice in writing specifying the place, the day and time of the adjourned meeting shall be given to the members, the Directors and the Auditors but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment.
65. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution no amendment thereto (other than an amendment to correct a patent error) may in any event be considered or voted upon.
66. Without prejudice to any other power which he may have under these Articles or at common law, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting to another time or place or indefinitely if it appears to the chairman of the meeting that:
  - 66.1 the number of persons present or wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; or
  - 66.2 the unruly behaviour of any persons attending the meeting prevents or is likely to prevent the orderly conduct of the business of the meeting; or

- 66.3 an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
67. The Directors and, at any general meeting, the chairman of the meeting, may impose any restriction and may make any arrangements and impose any requirement or restriction which they or he (as appropriate) consider(s) appropriate to ensure the security and orderly conduct of a general meeting of the Company or a separate general meeting of the holder(s) of any class of shares of the Company, including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items which may be taken into the meeting place. The Directors, and at any general meeting the chairman of the meeting, may refuse entry to or eject a person who refuses to comply with such arrangements, requirements or restrictions or who disrupts the proper and orderly conduct of the meeting.
68. The Directors may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world. The members present in person or by proxy at satellite meeting places shall be counted in the quorum for, and shall be entitled to vote at, the general meeting in question. Provided that the chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending at all the meeting places are able to participate in the business for which the meeting has been convened, and to hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise), in the principal meeting place and any satellite meeting place, and to be heard and seen by all other persons so present in the same manner, such meeting shall be duly constituted and its proceedings valid. The chairman of the meeting shall be present at and the meeting shall be deemed to take place at the principal meeting place.
69. At any general meeting a resolution put to the vote of the meeting shall be decided by a show of hands unless (before, or upon the declaration of the result of, the show of hands) a poll is demanded:
- 69.1 by the chairman of the meeting; or
- 69.2 by not less than two members present in person or by proxy and entitled to vote on the resolution; or
- 69.3 by a member or members present in person or by proxy representing not less than 10 per cent. of the total voting rights of all the members having the right to vote on the

resolution (excluding any voting rights attached to any shares held as treasury shares);  
or

- 69.4 by a member or members holding shares conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right (excluding shares held as treasury shares).

Unless a poll is demanded, and that demand is not withdrawn, a declaration by the chairman of the meeting 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 of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. Except where a poll is demanded and held the chairman shall declare the number of proxies lodged in respect of each resolution and the number of votes for, against and abstaining in respect of the resolution after such resolution has been decided by a show of hands.

70. A valid instrument appointing a proxy shall be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll (and for the purposes of article 69 a demand by a proxy or a member or other person entitled to vote shall be deemed to be a demand by that member or other person) and to vote on any resolution or amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given, as the proxy thinks fit.
71. If a poll is properly demanded as aforesaid it shall be taken in such manner and at such time and place as the chairman of the meeting directs, and either at once, or after an interval or adjournment (but not more than 30 days after the date of the meeting or adjourned meeting at which the poll was demanded), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, but only with the consent of the chairman of the meeting. A demand so withdrawn shall validate the result (if any) on a show of hands declared before the demand was made. In the case of a poll demanded before the show of hands or the declaration of the result of it, the meeting shall continue as if the demand had not been made. 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 7 clear days' notice shall be given specifying the time and place at which the poll is to be taken.

72. Any poll duly demanded with regard to the election of a chairman of a meeting at which such poll is demanded or on any question of adjournment shall be taken at the meeting and without adjournment.
73. A demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

## **VOTING**

74. Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held and subject to these articles, on a show of hands every member who is present in person and every proxy present who has been duly appointed by a member entitled to vote on the resolution shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which such member is a holder. A member who is a patient within the meaning of the Mental Health Act 1983 may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by the court and such receiver, curator bonis or other person may, on a poll, vote by proxy.
75. If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the member whose name stands first on the Register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.
76. No member shall, unless the Directors otherwise determine, be entitled to be present, speak or to vote on any question, either in person or by proxy, at any general meeting of the Company or upon any poll, or to be reckoned in any quorum or to exercise any other right or privilege conferred by membership in relation to general meetings of the Company or of the holder of any class of shares in the Company in respect of any shares held by him if any calls or other monies due and payable by him to the Company in respect of those shares remain unpaid.
77. If (i) any objection shall be raised to the qualification of any voter (whether on a show of hands or on a poll) or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the

case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

78. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the instrument of proxy or the authority under which it was executed or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, or incapacity, revocation or transfer shall have been received at the Office or such other place as is specified for depositing the instrument of proxy in the notice convening the meeting and/or in any form of proxy or other accompanying document sent by the Company in relation to the meeting, before the time for holding the meeting or adjourned meeting or the holding of a poll subsequently thereto at which such vote is given.
79. Any corporation which is a member of the Company may by a resolution of its directors or other governing body authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or of any class of members of the Company. The provisions of the 2006 Act shall apply to determine the powers that may be exercised at any such meeting by any person or persons so authorised. The corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person or persons so authorised is present thereat. A Director, the Secretary or some other person authorised for the purpose by the Secretary may require any representative to produce a certified copy of the resolution so authorising him before permitting him to exercise his powers.

#### **DISCLOSURE OF INTERESTS IN SHARES**

- 80.
- 80.1 If any member, or any other person appearing to be interested in any shares in the capital of the Company held by such member, has been duly served with a notice under section 793 of the 2006 Act and is in default for the restriction period (as defined in paragraph 80.9.2 below) in supplying to the Company the information thereby required, then in respect of the shares comprising the shareholding account in the Register which comprises or includes the shares in relation to which the default



occurred and any other shares held by the member (the "**restricted shares**" which expression shall include any further shares which are issued in respect of such restricted shares), the member shall, for so long as the default continues, not, nor shall any transferee to which any of such shares are transferred other than pursuant to a permitted transfer (as defined in paragraph 80.9.3 below), be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting of the Company or meeting of the holders of any class of shares of the Company, or upon any poll or to be reckoned in a quorum, or to exercise any other right or privilege conferred by membership in relation to general meetings of the Company or meetings of the holders of any class of shares of the Company.

80.2 Where the restricted shares represent at least 0.25 per cent. (in nominal value) of the issued shares of the same class as the restricted shares (excluding any shares of that class held as treasury shares), the Directors may in their absolute discretion by notice ("**a restriction notice**") to such member direct that:

80.2.1 any dividend or part thereof or other money which would otherwise be payable on or in respect of the restricted shares shall be retained by the Company and shall not bear interest against the Company; and/or

80.2.2 where an offer of the right to elect to receive assets including shares of the Company instead of cash in respect of any dividend is or has been made by the Company, any election made thereunder by such member in respect of such restricted shares shall not be effective; and/or

80.2.3 (subject to the requirements of the relevant system in relation to shares in uncertificated form) no transfer of any of the shares held by such member shall be effective or shall be recognised or registered by the Company unless either:

80.2.3.1 the transfer is a permitted transfer; or

80.2.3.2 the member is not himself in default as regards supplying the information required; and

(a) the transfer is of part only of the member's holding;  
and

- (b) when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are restricted shares.

Upon the giving of a restriction notice its terms shall apply accordingly.

- 80.3 Any restriction notice may treat certificated and uncertificated shares of a member as separate holdings and either apply only to certificated shares or to uncertificated shares or make different provision for certificated and uncertificated shares. In the case of shares in uncertificated form the Directors can only use their discretion to prevent a transfer if this is allowed by the uncertificated securities rules.
- 80.4 The Company shall send a copy of the restriction notice to each other person appearing to be interested in the shares the subject of such notice, but the failure or omission by the Company to do so shall not invalidate such notice.
- 80.5 Any restriction notice shall have effect in accordance with its terms for so long as the default in respect of which the restriction notice was issued continues but shall immediately cease to have effect in relation to any shares which are transferred by such member by means of a permitted transfer or, in any other case, upon the Directors so determining that the default resulting in the notice under section 793 of the 2006 Act has been cured (such determination to be made within a period of one week of the default being duly remedied with written notice thereof being given forthwith to the member). The Directors may at any time give notice cancelling or suspending for a stated period the operation of a restriction notice in whole or in part.
- 80.6 A restriction notice also ceases to apply to any shares which are transferred by a member in a transfer which would be permitted under article 80.9.3 even where a restriction notice restricts transfers.
- 80.7 Where a person who appears to be interested in shares has been served with a notice under section 793 of the 2006 Act and the shares in which he appears to be interested are held by an Approved Depositary, this article shall be treated as applying only to the shares which are held by the Approved Depositary in which the person appears to be interested and not (so far as that person's apparent interest is concerned) to any other shares held by the Approved Depositary.

80.8 While the member on which a notice under section 793 of the 2006 Act is served is an Approved Depositary the obligations of the Approved Depositary as a member will be limited to disclosing to the Company any information relating to a person who appears to be interested in the shares held by it which has been recorded by it in accordance with the arrangement under which it was appointed as an Approved Depositary.

80.9 For the purposes of this article:

80.9.1 a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said section 793 which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and/or (after taking into account the said notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

80.9.2 the restriction period is 14 days from the date of service of the notice under the said section 793; and

80.9.3 a transfer of shares is a permitted transfer if but only if:

80.9.3.1 it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer (as defined in section 974 of the 2006 Act) for the Company; or

80.9.3.2 the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a bona fide third party unconnected with the transferring member and/or with any other person appearing to be interested in such shares (and for the purposes of this sub-paragraph any associate (as that term is defined in section 435 of the Insolvency Act 1986) shall be included among the persons who are connected with the member or any person appearing to be interested in such shares);  
or

80.9.3.3 the transfer results from a sale made through a recognised investment exchange (as defined in section 285 of the Financial

Services and Markets Act 2000) or any stock exchange outside the United Kingdom on which the Company's shares of the same class as the restricted shares are normally dealt in.

80.10 Reference to a person being in default as regards supplying to the Company the information required includes reference to his having failed or refused to give all or any part of it and 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 any material particular.

80.11 Nothing contained in this article shall limit the power of the Directors under sections 794 and 795 of the 2006 Act.

## **DIRECTORS**

81. Unless and until otherwise determined by the Company in general meeting the number of Directors (other than alternate directors) shall be not less than two and until so fixed there shall be a maximum of twelve Directors.

82. The Directors shall be paid out of the funds of the Company by way of fees for their services as Directors such sums (if any) as the Directors may from time to time determine (not exceeding in the case of Directors (other than alternate Directors) who do not hold executive office in the aggregate an annual sum (excluding amounts payable under any other provision of these Articles) of £500,000 or such larger amount as the Company may by ordinary resolution determine) and such remuneration shall be divided between such Directors as they shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day. The maximum aggregate level of fees stipulated by or in accordance with this article shall be increased on each anniversary of the date of the adoption of these Articles (or, if appropriate, the date upon which the maximum was fixed by ordinary resolution in accordance with this article) by the same percentage by which the General Index of Retail Prices for all items last published by the Office of National Statistics (or such other comparable index as may be substituted therefor from time to time before such anniversary) shall have increased over the index last published before the date falling one year before such anniversary. Any fee payable under this article shall be distinct from any remuneration or other amounts payable to a Director under other provisions of these Articles.

83. The Directors shall also be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as

Directors including any expenses incurred in attending meetings of the Board or of committees of the Board or general meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.

84. A Director shall not require a share qualification. A Director who is not a member of the Company shall be entitled to receive notice of and attend and speak at all general meetings of the Company and at all separate general meetings of the holders of any class of shares in the capital of the Company.

#### **ALTERNATE DIRECTORS**

85. Any Director (other than an alternate director) may, by notice delivered, sent to or received at the Office or at an address specified by the Company for the purpose of communication by electronic means, or in any other manner approved by the Board, appoint any other Director, or any other person who is approved by the Board as hereinafter provided, to be his alternate and every such alternate shall (subject to his giving to the Company an address at which notices may be served on him) be entitled to receive notices of all meetings of the Board and of any committee of the Board of which his appointor is a member and, in the absence of his appointor from meetings of the Board or any such committee to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor provided always that no appointment of a person other than a Director shall be operative unless and until such appointment shall have been approved by a majority of the Directors and such person shall have confirmed his willingness to act as an alternate.
86. A Director may at any time revoke the appointment of an alternate appointed by him and, subject to such approval as may be required, appoint another person in his place. If a Director shall die or cease to hold the office of Director, otherwise than by retiring and being re-elected at the same meeting at which he retires, the appointment of his alternate shall thereupon cease and determine. An alternate Director need not hold a share qualification and shall not be counted in reckoning the maximum or minimum number of Directors allowed by these Articles for the time being. A Director or any other person may act as alternate Director to represent more than one Director. A Director acting as alternate shall, in addition to his own vote (if any), have an additional vote at meetings of the Board or any committee thereof

for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum is present.

87. Every person acting as an alternate Director shall, whilst so acting, be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration (if any) of any such alternate Director shall be payable by the Director appointing him and shall be agreed between the alternate Director and his appointor.

### **EXECUTIVE DIRECTORS**

88. Subject to the provisions of the Acts the Directors may from time to time appoint one or more of their body to be a managing director or joint managing directors of the Company or as an executive director, to hold such other executive office in relation to the management of the business of the Company as they may decide and upon such terms and for such period as they may determine and, without prejudice to the terms of any service agreement entered into in any particular case, may at any time revoke any such appointment and appoint another or others in his or their place or places.
89. A managing director or executive director shall, while he continues to hold that office, be subject to retirement by rotation and he shall be taken into account in determining which Directors shall retire by rotation and (without prejudice to any claim for damages any such managing director or executive director may have for breach of any service agreement between him and the Company) he shall be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company, and if he ceases to hold the office of Director from any cause he shall automatically cease to be a managing director or such executive director immediately.
90. Without prejudice to article 82 the salary or remuneration of any managing director or executive director of the Company shall, subject as provided in any service agreement, be such as the Directors may from time to time determine and may either be a fixed sum of money, or may be determined in whole or in part by reference to the business done or profits made, or may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as the Directors determine.

91. The Directors may from time to time entrust to and confer upon a managing director or executive director for the time being such of the powers exercisable under these Articles by the Directors (other than power to make calls or forfeit shares) as they may think fit and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that connection and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **POWERS AND DUTIES OF DIRECTORS**

92. The business of the Company shall be managed by the Directors who in addition to the powers and authorities expressly conferred upon them, by these Articles or otherwise, may exercise all such powers and do all such acts and things as may be exercised or done by the Company, and as are not by the Acts or by these Articles required to be exercised or done by the Company in general meeting, subject nevertheless to such directions as may be given by the Company in general meeting provided that no direction given by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such direction had not been given, and the provisions contained in these Articles as to any specific power of the Directors shall not be deemed to abridge or restrict the general powers hereby given.
93. The Directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of such persons or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise) and may vote as a Director in respect of the exercise of any of the powers by this article conferred upon the Directors, notwithstanding that he is or may be or become interested therein.
94. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the

Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

95. The Company may exercise the powers conferred by the Acts with regard to having an official seal for sealing or evidencing securities, and such powers shall be vested in the Directors.
96. The Company may exercise the powers conferred upon the Company by the Act with regard to the keeping of an overseas branch register and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such register and shall give to the Registrar of Companies notice in the prescribed form of the situation of the office where any overseas branch register is kept.
97. Without prejudice to the provisions of these Articles, 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 directors, officers or employees of the Company, or of any other company which is its holding company or subsidiary or in which the Company or any such holding company or subsidiary or any of the predecessors of the Company or of any such holding company or subsidiary has any interest, whether direct or indirect, or of any other body (whether or not incorporated) in which the Company or any such other company has an interest, or who are or were at any time trustees of any pension fund or employees share scheme in which employees of the Company or any such other company or body 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 and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other company, body or pension fund.
98. Subject to the provisions of the Acts, a Director may hold any office or place of profit under the Company in conjunction with the office of Director for such period, and on such terms as to remuneration and otherwise, as the Directors may determine, and a Director or any firm in which he is interested may act in a professional capacity for the Company and he or such firm



shall be entitled to remuneration for professional services as if he were not a Director provided that a Director or any such firm shall not act as auditor to the Company or any subsidiary of the Company. Subject to part 10 of the 2006 Act a Director may enter into or be interested in contracts or arrangements with the Company (whether with regard to any such office or place of profit or acting in a professional capacity or as vendor, purchaser or otherwise howsoever) and may be interested in dealings of any nature whatsoever with the Company and shall not be disqualified from office thereby. No such contract, arrangement, or dealing shall be liable to be avoided, nor shall any Director so contracting, dealing or being so interested be liable to account to the Company for any profit arising out of any such contract, arrangement, or dealing to which he is a party or in which he is interested by reason of his being a Director.

99. Save as herein provided or by the Acts, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him) is a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
100. Subject to compliance with the Acts, a Director shall (in the absence of some other material interest than is indicated below) be entitled to be counted in the quorum and to vote in respect of any resolution concerning any of the following matters namely:
  - 100.1 the giving of any guarantee security or indemnity to him in respect of money lent by 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 insofar as the Acts permit; or
  - 100.2 the giving of any guarantee security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or
  - 100.3 any proposal concerning 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 may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting thereof; or

- 100.4 any proposal relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in section 820 and sections 822 to 825 of the 2006 Act) representing one per cent. or more of either any class of the equity share capital, or of the voting rights, in such company (excluding any shares of that class, or any voting rights attached to shares, which are held as treasury shares); or
- 100.5 any proposal relating to an arrangement for the benefit of 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 such arrangement relates; or
- 100.6 any proposal concerning any insurance which the Company proposes to purchase and/or maintain for or for the benefit of any Director or for the benefit of persons who include Directors.
101. A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.
102. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any 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 article 100.5) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
103. If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting whose ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed. If any question shall arise at any meeting as to the materiality of the chairman's interest or as to the entitlement of the chairman to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the chairman). The

majority vote of the Directors or committee members shall be final and conclusive (except in a case where the nature or extent of the interests of the chairman have not been fairly disclosed).

104. Save as set out in article 110 and to the extent such article is from time to time in force, a Director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or disposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he then knows that his interest exists and in any other case at the first meeting of the Board after he knows that he has become so interested. A general notice given to the Directors by a Director (if it is given at a meeting of Directors, or if such Director takes reasonable steps to secure that it is read at the next meeting of Directors after it is given) to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm, shall for the purpose of the Act be deemed to be a sufficient declaration of interest in relation to any contract so made. An interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his. For the purposes of articles 98 to 104, an interest of a person who is for the purposes of the Act connected with (within the meaning of section 346 of the Companies Act 1985 (notwithstanding its repeal)) a Director shall be treated as an interest of the Director and, in relation to an alternate, an interest of an appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has and, without prejudice to the foregoing, the provisions of this article shall apply to an alternate Director as if he were a Director otherwise appointed.
105. A Director may be or continue to be or may become a Director or other officer or servant of, or otherwise interested in any other company in which the Company is in any way interested and shall not (in the absence of agreement to the contrary) be liable to account to the Company for any emoluments or other benefits received or receivable by him as Director, officer or servant of, or from his interest in, such other company.
106. The Directors may exercise or procure the exercise of the voting rights attached to shares in any other body corporate in which the Company is or becomes in any way interested and may exercise any voting rights, to which they are entitled as Directors of any such other body corporate, in such manner as they shall in their absolute discretion think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them as directors,

officers or servants of such other body corporate, and fixing their remuneration as such, and may vote as Directors of the Company in connection with any of the matters aforesaid.

107. The Directors may make such arrangements as the Directors think fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the Directors (other than the power to borrow, to make calls and to forfeit shares) with power to sub-delegate and may at any time remove any person so appointed and may annul or vary any such delegation.
108. The Directors may from time to time appoint any person to an office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of such designation or title. The inclusion of the word "director" in the designation or title of any office or employment with the Company (other than the office of managing or joint managing or deputy or assistant managing director) shall not imply that the holder thereof is a Director of the Company nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these Articles.
109. The Directors may at any time require any corporate member to furnish any information, supported (if the Directors so require) by a statutory declaration, which they may consider necessary for the purpose of determining whether or not such member is a close company within the meaning of section 414 of the Income and Corporation Taxes Act 1988 (or any statutory modification or re-enactment thereof for the time being in force).
110. The provisions of this article 110 shall apply to the extent the relevant parts of chapters 2 and 3 of Part 10 of the 2006 Act come into force.
- 110.1 If a situation (a "**Relevant Situation**") arises in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it, but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest) the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company:

- 110.1.1 If a Relevant Situation arises from the appointment or proposed appointment of a person as a Director of the Company, the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the Director and the Relevant Situation on such terms as they may determine;
- 110.1.2 If the Relevant Situation arises in circumstances other than in article 110.1.1 above, the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Relevant Situation and the continuing performance by the Director of his duties on such terms as they may determine.
- 110.2 Any reference in article 110.1 above to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 110.3 Any terms determined by Directors under article 110.1.1 or 110.1.2 above may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):
- 110.3.1 whether the interested Director(s) may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
- 110.3.2 the exclusion of the interested Director(s) from all information and discussion by the Company of the Relevant Situation; and
- 110.3.3 (without prejudice to the general obligations of confidentiality) the application to the interested Director(s) of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.
- 110.4 An interested Director must act in accordance with any terms determined by the Directors under articles 110.1.1 or 110.1.2 above.
- 110.5 Except as specified in article 110.1 above, any proposal made to the Directors and any authorisation by the Directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Directors in accordance with the provisions of these articles.

- 110.6 Any authorisation of a Relevant Situation given by the Directors under article 110.1 above may provide that, where the interested Director obtains (other than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or opt to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- 110.7 A Director shall not, by reason of his holding an office as a Director (or the fiduciary relationship established by holder that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from:
- 110.7.1 any Relevant Situation authorised under article 110.1 or permitted elsewhere under these articles; or
- 110.7.2 any interest permitted elsewhere under these articles.
- 110.8 A Director shall declare the nature and extent of his interest in a Relevant Situation within articles 110.1.1 or 110.1.2 above to the other Directors.
- 110.9 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.
- 110.10 Where a Director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of his interest to the other Directors, unless the interest has been declared under article 110.9 above.
- 110.11 The declaration of interest must (in the case of article 110.10) and may, but need not, (in the case of article 110.8 or 110.9) be made:
- 110.11.1 at a meeting of the Directors; or
- 110.11.2 by notice to the Directors in accordance with:
- 110.11.2.1 section 184 of the 2006 Act (notice in writing); or
- 110.11.2.2 section 185 of the 2006 Act (general notice).

110.12 If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

110.13 Any declaration of interest required by article 110.8 must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

110.14 Any declaration of interest required by article 110.9 must be made before the Company enters into the transaction or arrangement in question, is not required.

110.15 Any declaration of interest required by article 110.10 must be made as soon as is reasonably practicable.

110.16 A declaration in relation to an interest of which the Director is not aware, or where the Director is not aware of the transaction or arrangement in question, is not required.

For this purpose, a Director is treated as being aware of matters of which he ought reasonably to be aware.

110.17 A Director need not declare an interest:

110.17.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

110.17.2 if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

110.17.3 if, or to the extent that, it concerns terms of his service contract that have been or are to be considered;

110.17.3.1 by a meeting of the Directors, or

110.17.3.2 by a committee of the Directors appointed for the purpose under the articles.

## **BORROWING POWERS**

111. Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money and subject (in the case of any security convertible into shares to section 551 of the 2006 Act) to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as collateral security for any debt liability or obligation of the Company or of any third party.

112.

112.1 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings only so far as by such exercise they can secure) that the aggregate amount remaining undischarged of all monies borrowed by the Group (which expression where used in this article means and includes the Company and its subsidiary undertakings for the time being), exclusive of monies borrowed by any member of the Group from any other member of the Group, shall not at any time, without the previous sanction of an ordinary resolution of the Company exceed a sum equal to two and a half times the Adjusted Capital and Reserves which for the purposes of this article shall mean a sum equal to the aggregate of:

112.1.1 the nominal capital of the Company for the time being issued and paid up (including any shares held as treasury shares); and

112.1.2 the amounts standing to the credit of the consolidated capital and revenue reserves (including any share premium account, capital redemption reserve fund and credit balance on the combined retained earnings) of the Group all as shown in the latest audited consolidated balance sheet of the Group (**provided** that if when any such consolidated balance sheet of the Group is approved and signed on behalf of the Board it reveals that the above limit is exceeded an amount borrowed equal to the excess may be disregarded until the expiration of 90 days after the date on which such approval takes place) but after:

112.1.3 making such adjustments as may be appropriate in respect of:



- 112.1.3.1 any variation in the issued and paid up share capital or share premium account or the capital redemption reserve fund of the Company so that for this purpose if any proposed allotment of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been allotted and the amount (including the premium) of the subscription monies payable in respect of them (not being monies payable later than six months after the date of allotment) shall be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, the date on which it became unconditional); and
    - 112.1.3.2 any variation in the interests of the Company in its subsidiaries since the date of the latest balance sheet;
  - 112.1.4 excluding (so far as not already excluded):
    - 112.1.4.1 amounts attributable to minority interests in Group companies; and
    - 112.1.4.2 any sums set aside for taxation.
  - 112.1.5 deducting:
    - 112.1.5.1 any amounts distributed or proposed to be distributed (but not provided in such latest audited consolidated balance sheet) and the profits included therein (other than distributions attributable to the Company); and
    - 112.1.5.2 any debit balance on retained earnings; and
  - 112.1.6 making such adjustments (if any) as the Auditors may consider appropriate.
- 112.2 For the purpose of the above limit "monies borrowed" shall be deemed to include the following except insofar as otherwise taken into account (together in each case with any fixed or minimum premium payable on final repayment):

- 112.2.1 the principal amount for the time being owing (other than to a member of the Group) in respect of any debenture issued by a member of the Group in whole or in part for cash or otherwise;
  - 112.2.2 the principal amount raised by any member of the Group by acceptances or under any acceptance credit opened on its behalf by any bank or accepting house other than acceptances relating to the purchase or sale of goods in the ordinary course of trading and outstanding for not more than 90 days;
  - 112.2.3 the nominal amount of any share capital and the principal amount of any monies borrowed or other indebtedness the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by any member of the Group and the beneficial interest in the redemption or repayment of which is not owned within the Group; and
  - 112.2.4 the nominal amount of any share capital (not being equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital) of any subsidiary undertaking of the Company owned otherwise than by other members of the Group.
- 112.3 For the purpose of the above limit "monies borrowed" shall not include and shall be deemed not to include:
- 112.3.1 amounts borrowed for the purpose of re-paying within six months (with or without any premium) any monies borrowed then outstanding, pending the application thereof for such purpose within such period;
  - 112.3.2 the proportion of the excess outside borrowings of a partly owned subsidiary undertaking which corresponds to the proportion of its equity share capital owned otherwise than by members of the Group and so that, for this purpose, the expression "excess outside borrowings" shall mean so much of the borrowings of such partly owned subsidiary undertaking otherwise than from members of the Group as exceeds the amount (if any) borrowed from it by other members of the Group;
  - 112.3.3 borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any member of the Group is guaranteed

or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;

112.3.4 the contingent liability of any member of the Group incurred in respect of performance bonds, bonds and/or guarantees issued by third parties for and at the request of such member pursuant to or in connection with contract works;

112.3.5 for a period of 12 months after the date on which a company becomes a member of the Group after the date hereof monies borrowed equal to the amount of borrowings outstanding of such company at the date when it becomes a member;

112.3.6 sums advanced or paid to any member of the Group (or its agents or nominees) by customers of any member of the Group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Group in relation thereto;

112.3.7 sums which fall to be treated as monies borrowed by any member of the Group by reason only of any current statement of standard accounting practice or other accounting principle or practice;

112.3.8 the amount of monies held by any member of the Group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants.

112.4 A report or certificate by the Auditors as to the aggregate amount which may at any one time be owing by the Company and its subsidiary undertakings shall be conclusive in favour of the Company and all persons dealing with the Company.

112.5 For the purposes of this article the Board may at any time act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves and if as a consequence the above limit is inadvertently exceeded an amount borrowed equal to the excess may be disregarded until the expiration of 90 days after the date on which by reason of a determination of the Auditors or otherwise the Board becomes aware that such a situation has or may have arisen.

- 112.6 In ascertaining the aggregate amount of borrowings required to be taken into account for the purposes of this article on any particular day, any of such monies denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London provided that all but not some only of such monies shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business).
- 112.7 No person dealing with the Company or any of its subsidiary undertakings shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in respect of monies borrowed in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice at the time when the debt was incurred or security given that the limit hereby imposed had been or would thereby be exceeded.
- 112.8 In this article "subsidiary undertaking" means a subsidiary undertaking of the Company which is required by the Acts to be included in consolidated group accounts.
113. The Directors may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures, or securities, to exchange the same for shares in the Company of any class authorised to be issued.
114. The Directors may confer upon any mortgagees or persons in whom any debenture or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any monies so borrowed or raised, and confer upon the trustees or any receiver to be appointed by them or by any debenture-holder such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company or the management or the realisation thereof, or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

115. The Directors may give security for the payment of any monies payable by the Company in like manner as for the payment of monies borrowed or raised, but in such case the amount shall for the purposes of the above limitation be reckoned as part of the money borrowed.
116. The fee to be paid by any person other than a creditor or member of the Company for each inspection of the register of charges to be kept under the Acts shall be the appropriate charge as defined by the Acts.

### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

117. The office of a Director shall be vacated in any of the following events, namely:
- 117.1 if he resigns his office by notice sent or received at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting and the Directors resolve to accept such offer; or
  - 117.2 if he becomes prohibited by law from acting as a Director; or
  - 117.3 if a bankruptcy or interim receiving order is made against him or if he compounds with his creditors generally or applies to the court for an interim order under Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
  - 117.4 a registered medical practitioner who is treating him gives him a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months and the board resolves that his office be vacated; or
  - 117.5 by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have and the board resolves that his office be vacated; or
  - 117.6 if, not having leave of absence from the Directors, he or his alternate (if any) fails to attend meetings of the Directors for six successive months unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient, and the Directors resolve that his office be vacated; or
  - 117.7 he is removed from office by notice addressed to him at his last known address and signed by not less than 75 per cent. of his co-Directors without prejudice to any claim

for damages which he may have for breach of contract of service between him and the Company; or

117.8 if the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board. A resolution of the Board declaring a Director to have vacated office under the terms of this article 117 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

### **RETIREMENT, ELECTION AND APPOINTMENT OF DIRECTORS**

118. 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 but so that, if there are fewer than three Directors who are subject to retirement on rotation, one shall retire from office.

A Director retiring at a meeting shall if he is not reappointed at such meeting retain office until the meeting appoints someone in his place or if it does not do so, the dissolution of such meeting.

119. In addition to the directors required to retire by rotation under article 118 (as determined in accordance with article 120), there shall also be required to retire by rotation any director who at an annual general meeting of the Company shall have been a director at each of the preceding two annual general meetings of the Company, provided that:

119.1 he was not appointed or reappointed at either such annual general meeting; and

119.2 he has not otherwise ceased to be a director (whether by resignation, retirement, removal or otherwise) and been reappointed by general meeting of the Company at or since either such annual general meeting.

120. Subject to the provisions of the Acts and these Articles, the Directors to retire by rotation at each annual general meeting shall exclude any Director appointed after the date of any notice convening the annual general meeting and any Director retiring pursuant to article 126, and shall include, so far as necessary to obtain the number required, first any Director who wishes to retire and not offer himself for re-election and secondly those Directors who have been longest in office since their last appointment or reappointment but as between persons who became or were last reappointed on the same day those to retire shall (unless the Directors otherwise agree among themselves) be determined by lot.

121. A retiring Director shall be eligible for reappointment. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Directors at the start of business on the date of the notice convening the annual general meeting, even though the number or identity of the Directors after that time but before the close of the meeting may change.
122. If at any general meeting at which a Director retires by rotation, the place of any retiring Directors is not filled, then (subject to any resolution reducing the number of Directors) such retiring Director, shall, if willing, be deemed to have been reappointed, unless, as regards any particular Director, a resolution for his re-election shall have been put to the meeting and lost.
123. A resolution for the appointment of two or more persons as Directors by a single resolution shall be void unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it.
124. No person except a retiring Director shall (unless recommended by the Directors for election) be eligible for appointment to the office of Director unless not more than 42 days and not less than seven days before the day of the meeting at which the appointment is to take place, there shall have been left at the Office written notice signed by a member duly qualified to attend and vote at such meeting stating his intention to propose such person for election, together with a written notice signed by such person of his willingness to be elected.
125. The Company may from time to time, by ordinary resolution, increase (subject to the maximum number fixed in accordance with these Articles) or reduce the number of Directors then in office and may also determine in what order of rotation such increased or reduced number is to go out of office. The Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a casual vacancy or as an additional Director.
126. Without prejudice to the power of the Company to appoint Directors pursuant to these Articles the Directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Subject to the provisions of the Acts and of these Articles, any Director so appointed shall retire from office at the annual general meeting of the Company next following such appointment and will then be eligible for election during such meeting and he shall not retire by rotation at such meeting

or be taken into account in determining the rotation of retirement of Directors at such meeting.

127. The Company may by ordinary resolution, of which special notice has been given in accordance with the provisions of the Acts, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
128. The Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediately preceding article. A person appointed in place of a Director so removed shall be treated (for the purpose of determining the time at which he or any other Director is to retire by rotation) as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed.

#### **PROCEEDINGS OF DIRECTORS AND COMMITTEES**

129. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall constitute a quorum. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote. One Director may, and the Secretary shall at the request of a Director, at any time summon a meeting of the Directors. Any Director may waive notice of any meeting and any such waiver may be prospective or retrospective and any retrospective waiver shall not affect the validity of the meeting or of any business conducted at the meeting.
130. Notice of Board meetings shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose.
131. The Directors may elect a chairman or joint chairmen and one or more deputy chairmen of their meetings (which may not also be an executive office in relation to the management of the business of the Company) and may at any time remove any of them from such office; but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor a deputy chairman is present at the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of such meeting.



132. A duly convened meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.
133. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as the number of Directors is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act only for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company for that purpose, but for no other purpose. If there be no Director or Directors able or willing to act then any two members may summon a general meeting for the purpose of appointing Directors.
134. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as valid and effective for all purposes as a resolution of those Directors passed at a meeting duly convened and held, and may consist of several copies of a document if such document is signed by one or more Directors. These copies can be fax or in any form as the Directors shall determine, including in electronic form. Such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him, and vice versa.
135. Any one or more (including without limitation, all) of the members of the Board or any committee of the Directors may participate in a meeting of the Directors or of such committee, (a) by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, or (b) by a telephone call from the chairman of the meeting (whether before or at the same time or after any other call made by the chairman of the meeting for the purposes of that meeting) following disclosure of all material points raised at the meeting (including during any such call). A person participating in a meeting by such means shall be deemed present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to have occurred then, in the case of (a), at the place where most of the participants are present, or, if there is no such place, where the chairman of the meeting is then present and in the case of (b), where the chairman of the meeting is then present. The word "meeting" in these Articles shall be construed accordingly.
136. The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve any payment to or the conferring of any other benefit on all or any of the Directors) to

committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee any reference in these Articles to the exercise by the Directors of such power or discretion shall be read and construed as if it were a reference to the exercise of such power or discretion by such committee. Any committee so formed shall in the exercise of the powers and discretions so delegated conform to any regulations that may from time to time be imposed by the Directors in default of which the meetings and proceedings of a committee consisting of more than one member shall be governed *mutatis mutandis* by the provisions of these Articles regulating the proceedings and meetings of the Directors. Any such regulations may provide for or authorise the co-opted members to have voting rights as members of the committee but so that (a) the number of co-opted members shall be less than one-half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present throughout the meeting of the committee are Directors.

137. The Directors shall cause minutes to be made of the following matters, namely:

- 137.1 of all appointments of officers, and committees made by the Directors, and of their salary or remuneration;
- 137.2 of the names of Directors present at every meeting of the Board or of committees of Directors, and all business transacted at such meetings; and
- 137.3 of all orders, resolutions and proceedings of all meetings of the company, of the holders of any class of shares in the Company and of the Directors and committees of Directors.

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

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

## **SECRETARY**

139. Subject to the provisions of the Acts the Directors shall appoint a secretary or joint secretaries and shall fix his or their remuneration and terms and conditions of employment and shall have power to appoint one or more persons to be an assistant or deputy secretary. The Directors may from time to time remove any persons so appointed and appoint another or others in his place.
140. Any person so appointed under article 139 shall conform to such regulations as the Directors may from time to time resolve. Nevertheless persons having dealings with the Company shall be entitled to assume that each joint secretary is entitled by himself to do anything required or authorised to be done by the Secretary.

## **RESERVES**

141. Subject to the provisions of the Act the Directors may before recommending any dividends whether preferential or otherwise carry to reserve out of the profits of the Company such sums as they think proper. All sums standing to reserve may be applied from time to time in the discretion of the Directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the Company or for such other purposes as the Directors may think conducive to the objects of the Company or any of them and pending such application may either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

## **DIVIDENDS AND OTHER PAYMENTS**

142. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests, but no such dividend shall exceed the amount recommended by the Directors.

143. No dividend or other monies payable by the Company shall bear interest as against the Company.
144. Subject to the rights of the holders of any shares entitled to any priority preference or special privilege (if any), all dividends shall be declared and paid to the members in proportion to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this article as paid up on the share. 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; but if any share is issued on terms that it shall rank for dividend as if paid up in full or in part from a particular date whether past or future, it shall rank accordingly.
145. If several persons are registered as joint holders of any share any one of such persons may give valid receipts for all dividends and payments on account of dividends in respect of such share.
146. The Directors may from time to time declare and pay an interim dividend to the members and may also pay the fixed dividends payable on any shares of the Company half yearly or otherwise on fixed dates.
147. No dividend or interim dividend shall be payable except in accordance with the provisions of the Acts.
148. All dividends, interest or other sums payable and unclaimed for six months after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after the date the dividend became due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.
149. Every dividend shall belong and be paid (subject to the Company's lien) to those members who shall be on the Register at the date fixed by the Directors ("**Record Date**") for the purpose of determining the persons entitled to such and (whether the date of payment or some other date) notwithstanding any subsequent transfer or transmission of shares.

150. The Directors may deduct from any dividend or other monies payable to any member on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to shares of the Company.

151.

151.1 The Company may pay any dividend, interest or other sum payable in cash or by direct debit, bank transfer, cheque, dividend warrant, money order or other funds transfer system or by such other means and to or through such person as the holder or joint holders may direct in writing. In respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall, from time to time, consider sufficient, the Company may pay any such dividend or other sum by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system). Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may direct in writing.

151.2 Every such cheque, warrant or money order may be sent by post to the members or persons entitled thereto, or in case of joint holders, to the member whose name stands first in the Register, or, in the case of two or more persons being entitled by transmission to a dividend, interest or other money, to any one of such persons, or to such person and to such address as the holder or joint holders or such other persons may in writing direct, and the Company shall not be responsible for any loss of any such cheque, warrant, or order. Without prejudice to the generality of the foregoing, if any such cheque, warrant or money order has or is alleged to have been lost, stolen or destroyed, the Board may, if the person entitled to such cheque, warrant or money order requests it, issue a replacement cheque, warrant or money order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board thinks fit. Every such cheque, warrant, or order shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders or other person may in writing direct. Any one of two or more joint holders or persons entitled by transmission to a dividend, interest or other monies may give effective

receipts for any dividends, interest or other monies payable in respect of the share held by him as joint holder or to which he is jointly entitled as aforesaid.

- 151.3 The Company shall have no responsibility for any sum lost or delayed in the course of transfer by or through any bank or other fund transfer system (including the relevant system concerned) or when it has acted on any directions given in writing by the person or persons entitled to it.
- 151.4 The payment of the cheque, warrant or money order or the collection of funds from or transfer of funds by a bank or other funds transfer system in accordance with article 151.1 or, in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the relevant system concerned shall be a good discharge to the Company.
- 151.5 Without prejudice to any other provision of these Articles, the Board may withhold payment of any dividend payable to any person entitled to shares by transmission, until such person has provided such evidence of his right as the Board may reasonably require.
- 151.6 Unless the rights or terms of any shares, or the Articles, say otherwise, a dividend or any other money payable in respect of a share can be declared or paid in whatever currency the Directors decide.
- 151.7 Where an Approved Depositary has elected or agreed to receive dividends in a foreign currency, the Board may in its discretion make provisions to enable such Approved Depositary and/or member as the Board shall from time to time determine to receive dividends duly declared in such foreign currency for value on the date on which the relevant dividend is paid, or such date as the Board may determine. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent to any sum payable as a dividend shall be such market rate selected by the Board as it shall consider appropriate on or after the Record Date but no later than close of business on the last day before the dividend is due to be paid.
- 151.8 The decision of the Directors regarding the exchange rate is conclusive and binding.
152. Any general meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of

any other company, and the Directors shall give effect to any such direction, provided that no such distribution shall be made unless recommended by the Directors. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments may be made to any members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

153. Subject to and without prejudice to the provisions of these Articles the Directors may offer the holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of all or part of such dividend or dividends as may be declared by the Company pursuant to article 143 or, as the case may be, by the Directors pursuant to article 147, subject to such exclusions or restrictions as the Directors may in their absolute discretion deem necessary or desirable in relation to compliance with legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory in so far as they may relate to the Company.

The following provisions shall apply:

- 153.1 the Directors shall not exercise their powers under this article in respect of a particular dividend unless the Company in general meeting has authorised the exercise of those powers in respect of that dividend or in respect of dividends (including that dividend) to be declared or paid during or in respect of a specified period by ordinary resolution;
- 153.2 the basis of allotment shall be determined by the Directors so that as nearly as may be considered convenient without involving any rounding up of fractions, the value (calculated by reference to the average quotation) of the new ordinary shares (including any fractional entitlement) to be allotted instead of any amount of dividend shall equal such amount. For such purpose the "average quotation" of an ordinary share shall be the average of the middle market quotations for a fully paid ordinary share of the Company as derived from the daily Official List on the working day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent working days;
- 153.3 no shareholder may receive a fraction of a share. The Board may make such provision as it thinks fit for any fractional entitlements including without limitation

payment in cash to holders in respect of their fractional entitlements, provision for the accrual, retention or accumulation of all or part of the benefit of fractional entitlements to or by the Company or to or by or on behalf of any holder or the application of any accrual, retention or accumulation to the allotment of fully paid shares to any holder;

- 153.4 the Directors may make such arrangements as they consider necessary or expedient in relation to any offer to be made pursuant to this article including but not limited to the giving of notice to holders of ordinary shares of the right of election offered to them, the provision of forms of election (whether in respect of a particular dividend or dividends generally) and determination of the procedure for making and revoking such elections and the place at which, and the latest time by which, forms of election and any other relevant documents must be lodged in order to be effective;
- 153.5 the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be declared or payable on ordinary shares in respect of which the said election has been duly made ("**elected shares**") and instead thereof additional ordinary shares shall be allotted to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose, the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the holders of the elected shares on such basis. A resolution of the Directors capitalising any part of such reserves or profits shall have the same effect as if such capitalisation had been declared with the authority of an ordinary resolution of the Company in accordance with article 154 and in relation to any such capitalisation the Directors may exercise all the powers conferred on them by that article without need of such ordinary resolution;
- 153.6 the additional ordinary shares so allotted shall be allotted as of the record date for the dividend in respect of which the right of election has been offered and shall rank equally in all respects with the fully paid ordinary shares then in issue except that the ordinary shares so allotted will not rank for any dividend or other distribution or other



entitlement which has been declared, made, paid or payable by reference to such record date; and

153.7 the Board may implement and maintain one or more share dividend or distribution reinvestment plans, including or instead of offering scrip dividends in accordance with article 153. Any such plan may be suspended or terminated at any time by the Board, in its absolute discretion.

153.7.1 The terms and conditions of any such plan shall be determined by the Board in its absolute discretion, and it may amend such terms and conditions as it thinks fit. In particular, the Board may determine that any such plan shall only be available to certain members, or to part of the dividends.

153.7.2 Without prejudice to the provisions of article 153.7.1, the terms of any such plan may give members the right:

153.7.2.1 to elect to receive new fully paid shares instead of a cash amount;

153.7.2.2 to subscribe in cash for unissued shares in the Company, payable in full or by instalments;

153.7.2.3 to apply cash in paying up in full or by instalments any unpaid or partly paid shares held on the terms of the plan;

153.7.2.4 to apply cash in purchasing existing issued shares in the Company; or

153.7.2.5 to accept any other option or participate in any other arrangements thought by the Board to be appropriate.

153.7.3 To the extent that any provision of this article 153 relates to offers to elect to receive new shares instead of a cash dividend, it shall be subject to the provisions of article 152 and of any ordinary resolution passed under article 153.1.

## **CAPITALISATION OF PROFITS**

154. The Directors may with the authority of an ordinary resolution of the Company:

- 154.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- 154.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions or partly in one way and partly in the other but the share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- 154.3 make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this sub-article in fractions (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned);
- 154.4 authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members;
155. For the purposes of this article 155, unless the relevant resolution provides otherwise, if the Company holds treasury shares of the relevant class at the record date specified in the relevant resolution, it shall be treated as if it were entitled to receive the dividends in respect of those treasury shares which would have been payable if those treasury shares had been held by a person other than the Company.

## **RECORD DATES**

156. Notwithstanding any other provision of these Articles the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date

may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

157. For the purposes of this article 157, unless the relevant resolution provides otherwise, if the Company holds treasury shares of the relevant class at the record date specified in the relevant resolution, it shall be treated as if it were entitled to receive the dividends in respect of those treasury shares which would have been payable if those treasury shares had been held by a person other than the Company.

## **ACCOUNTS**

158. The Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the accounting records of the Company, or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any accounting record or other document of the Company except as conferred by the Acts or authorised by the Directors or by the Company in general meeting.
159. A copy of the Company's annual accounts, including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in general meeting, together with copies of the Directors' and of the Auditors' reports or, if the Directors shall so determine, summary financial statements in accordance with the provisions of the Acts, shall (in accordance with and subject as provided by the Acts) not less than 20 clear working days before the date of the meeting be sent or supplied to every member (whether or not he is entitled to receive notices of general meetings of the Company) and every holder of debentures of the Company (whether or not he is so entitled) and the Auditors and all other persons entitled to receive notice of general meetings of the Company.

## **SEALS AND EXECUTION OF DOCUMENTS**

160. The Directors may provide a common seal and/or an official seal (kept under the Acts) for the Company and shall have power from time to time to destroy the same and to substitute a new seal in its place.
161. The Directors shall provide for the safe custody of every seal of the Company. Documents may only be executed under seal or as a deed on behalf of the Company if such execution is authorised by a resolution of the Directors or of a committee of the Directors which authority

may be of a general nature and need not apply only to specific documents or transactions. Every document so authorised to be executed on behalf of the Company shall be signed by one Director in the presence of a witness, by one Director and the Secretary or by two Directors (whether or not the Directors have also resolved that the common seal or the official seal shall also be affixed to such document) save that as regards any certificates or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or permit such signatures or either of them or a facsimile of the same to be applied to such certificate by some mechanical or electronic means (including laser printing) in place of that person's actual signature. Nothing in these Articles shall require the Company to issue under seal any certificate or other instrument which is not by law required to be so issued and any certificate issued in accordance with the requirements of the Directors shall, as against the Company, be prima facie evidence of the title of the person named in that certificate to the shares or other securities comprised in it.

### **CHEQUES, BILLS AND NOTES**

162. The Directors may draw, make, accept, or endorse, or authorise any other person or persons to draw, make, accept, or endorse any cheques, bills of exchange, promissory notes or other negotiable instruments, provided that every cheque, bill of exchange, promissory note or other negotiable instrument drawn, made or accepted shall be signed by such persons or person as the Directors may appoint for the purpose.

### **NOTICES**

- 163.
- 163.1 Any notice, document or other information to be given to or by any person pursuant to these Articles shall be in writing, except that a notice convening a meeting of the Board or of a committee need not be in writing.
- 163.2 The signature of any notice required to be given by the Company may be written or applied by some electronic means in place of an actual signature.
- 164.
- 164.1 Any notice, document or other information may be served on, sent or supplied or delivered to, any member by the Company:
- 164.1.1 personally;

- 164.1.2 by sending it through the post in a prepaid envelope addressed to the member at his registered address (or at any other address notified for the purpose);
  - 164.1.3 by delivering it by hand to or leaving it at that address in an envelope addressed to the member;
  - 164.1.4 by sending or supplying it by electronic means to an address notified by the member to the Company for that purpose;
  - 164.1.5 making it available on a website and notifying the member of its availability in accordance with this article 164;
  - 164.1.6 where the notice, document or other information relates to uncertificated shares, through the relevant system; or
  - 164.1.7 by other means as authorised in writing by the relevant member.
- 164.2 However, article 164.10 shall not affect any provision of the Acts and/or the Rules requiring offers, notices, documents or other information to be served on, sent or supplied to, a member in a particular way.
- 164.3 In the case of joint holders of a share, all notices, documents or other information shall be served, sent or supplied to the person named first in the Register in respect of the joint holding. Notice so given shall be sufficient notice to all joint holders.
- 164.4 If, as a result of all or some of the notices, dividend warrants or other documents or information given, served, sent or supplied by the Company to a member being returned undelivered to the Company or other reasonable evidence, it is apparent that during a period of at least two consecutive years such documents or information have not been received by that member, then the Company shall no longer be obliged to give notices, documents or other information to that member until he notifies the Company of a new registered address for the service of notices and the despatch or supply of documents and other information, or shall have informed the Company of an address for the service of notices and the despatch or supply of documents and other information in electronic form.
- 164.5 Any notice, or document or other information to be served, sent or supplied to a member shall be deemed to have been duly served, sent or supplied to any member

who under article 164.4 or any other provision of these Articles is not entitled to the same from the Company by exhibiting the same at the Office.

- 164.6 Any notice, document or other information may be served on or sent or supplied by the Company by reference to the Register as it stands at any time not more than 15 days before the date of service or delivery. No change in the Register after that time shall invalidate that service or delivery.
- 164.7 If, at any time, by reason of the suspension or curtailment of postal services within the United Kingdom or some part of the United Kingdom, the Company need only give notice of a general meeting to those members with whom the Company can communicate by electronic means and who have provided the Company with an address for this purpose. The Company shall also advertise the notice in at least one newspaper with a national circulation and make it available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof. If at least six clear days prior to the meeting the sending or supply of notices by post in hard copy form has again become generally possible, the Company shall send or supply confirmatory copies of the notice by post to those members who would otherwise receive the notice in hard copy form.
- 164.8 Any notice required to be given by the Company to a member and not expressly required by these Articles or the Acts to be given in any particular manner, may be sufficiently given by advertisement in at least one national newspaper.
- 164.9 The Company may at any time and in its sole discretion choose to serve, send or supply notices, documents or other information in hard copy form alone to some or all members.
- 164.10 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 a postal address within the United Kingdom at which notices, documents or other information may be given to him, he shall be entitled to have notices, documents and other information given to him at that address. Otherwise, a member (or joint holders) whose registered address is outside the United Kingdom shall not be entitled to receive any notice, document or other information from the Company.
- 164.11 Any notice, document or other information:

164.11.1 addressed to a member at his registered address or at any other address for service notified for the purpose shall, if sent by post, be deemed to have been received:

164.11.1.1(if prepaid as first class) 24 hours after it was posted; and

164.11.1.2(if prepaid as second class) 48 hours after it was posted

and, in proving such service, it shall be sufficient to prove that the envelope containing such notice, document or other information was properly addressed, prepaid and put in the post;

164.11.2 not sent by post but delivered by hand to or left at a registered address or any other address notified for the purpose shall be deemed to have been received on the day it was so delivered or left;

164.11.3 served, sent or supplied by electronic means shall be deemed to be served or delivered 24 hours after it was sent and, in proving such service, it shall be sufficient to show that such notice, document or other information was properly addressed;

164.11.4 served, sent or supplied to a member by publishing such notice, document or other information on a website shall be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when the recipient received (or is deemed to have received) notification of the fact that the notice, document or other information was available on the website in accordance with the provisions of this article 164;

164.11.5 served, sent or supplied by means of a relevant system shall be deemed to be received when the Company, or any participant in the relevant system acting for or on behalf of the Company, sends the instruction relating to the notice, document or other information;

164.11.6 served, sent or supplied by any other means authorised in writing by the member shall be deemed to be received when the Company has carried out the action it has been authorised to do for that purpose.

- 164.12 A member present in person or by proxy at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received proper notice of the meeting and, if required, of the purposes for which it was called.
- 164.13 Any notice, document or other information exhibited at the Office shall be deemed to have been served, sent or supplied on that day when it was first so exhibited.
- 164.14 Every person who, by operation of law, transfer or by any other means, becomes entitled to a share shall be bound by any notice in respect of that share (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 duly served on or delivered to a person from whom he derives his title.
- 164.15 In the case of the death or bankruptcy of a member or of any other event giving rise to a transmission of entitlement to a share by operation of law, the Company may serve or deliver a notice, document or other information to the person entitled in consequence of such event as if he was the holder of a share. Such notice, document or other information shall be given by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by any similar designation) at an address supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice, document or other information may be served or delivered in any manner in which this might have been done if the death, bankruptcy or other event had not occurred. Service or delivery in accordance with this article 164.15 shall be deemed to be sufficient notice to all other persons interested in such share.
- 164.16 The Company may give any notice, document or other information to a director:
- 164.16.1 personally;
  - 164.16.2 by sending it through the post in a prepaid envelope to the address given by him to the Company for this purpose;
  - 164.16.3 by delivering it by hand to or leaving it at that address in an envelope addressed to him;
  - 164.16.4 by fax sent to a fax number given by him to the Company for this purpose;
- and



164.16.5 by any other form of electronic means.

## **SERVICE AND DELIVERY OF NOTICES AND OTHER DOCUMENTS**

165. Subject to such restrictions affecting the right to receive notice as are for the time being applicable to the holders of any class of shares, notice of every general meeting shall be given in any manner authorised by these Articles to:

165.1 every member except those members who have not supplied to the Company an address for the giving of notices to them; and

165.2 the Auditors; and

165.3 the Directors and alternate Directors (if any).

No other person shall be entitled to receive notices of general meetings other than as expressly provided in any agreement with the Company.

## **INDEMNITY**

166. Subject to the provisions of the Act every Director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, damages, losses or liabilities which he may sustain or incur in or about the proper execution of the duties and/or in the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or his office or otherwise in relation thereto.

167. Subject to the provisions of the Acts, but without prejudice to any indemnity to which he may otherwise be entitled, every director or officer for the time being of any associated company of the Company (including any associated company which is a trustee of an occupational pension scheme) may be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities incurred by him in or about the execution of his duties and/or in the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

168. For the purposes of article 167, "associated company" has the meaning given in section 256 of the 2006 Act and "occupational pension scheme" has the meaning given in section 235(6) of the 2006 Act.

## **WINDING-UP**

169. The liquidator on any winding-up of the Company (whether voluntary or compulsory) may with the authority of a special resolution, divide among the members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between members or classes of members but so that if any such division shall be otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed in accordance with section 110 of the Insolvency Act 1986.

## **PROVISION FOR EMPLOYEES ON CESSATION OR TRANSFER OF BUSINESS**

170. The Company shall exercise the power conferred upon it by section 187 of the Insolvency Act 1986 the Acts only with the prior sanction of a special resolution. If at any time the capital of the Company is divided into different classes of shares, such exercise of such power shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior written consent of the holders of three-quarters in nominal value of the issued shares of each class or the prior sanction of a special resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of articles 17 and 18 hereof.