

COMPANY NO. 5345684

**ARTICLES OF ASSOCIATION**

**OF**

**BRULINES GROUP plc**

**Gordons**  LLP

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**COMPANY NO. 5345684**

**THE COMPANIES ACTS 2006**

**A COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**Of**

**BRULINES GROUP plc\***

**(adopted by special resolution passed on 15 July 2010)**

1. (1) In these Articles, the following expressions have the following meanings unless the context otherwise requires:

"Act"	the Companies Act 2006 including any modification or re-enactment thereof for the time being in force;
"AIM"	the Alternative Investment Market of London Stock Exchange plc;
"Articles"	these articles of association as altered from time to time by special resolution;
"auditors"	the auditors for the time being of the Company;
"Board"	the board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;
"clear days"	in relation to the period of a notice that period excluding the day when a notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Companies Acts"	shall have the meaning given by section 2 of the Act but shall only extend to provisions which are in force at the relevant date;
"Director"	a Director of the Company for the time being;
"Dividend"	dividend or bonus;
"electronic form"	has the same meaning as in section 1168 of the Act;

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\* The name of the Company was changed from Brulines (Holdings) plc to Brulines Group plc on 23 July 2008.

"employees' share scheme"	has the meaning ascribed thereto by Section 1166 of the Act;
"holder"	in relation to any shares the member whose name is entered in the register as the holder of such shares;
"member"	a member of the Company;
"office"	the registered office for the time being of the Company;
"paid up"	paid up or credited as paid up;
"register"	the register of members of the Company;
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No 2001/3755) as amended from time to time;
"Operator"	a person appointed under the Regulations as Operator of a relevant system;
"seal"	the common seal of the Company;
"secretary"	the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;
"United Kingdom"	Great Britain and Northern Ireland;
"working day"	any day which is not a Saturday or Sunday or a public holiday or bank holiday in England.

- (2) References to a document being executed include references to its being executed under hand or under seal or by any other method.
- (3) References to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.
- (4) Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.
- (5) Save as aforesaid any words or expressions defined in the Act (but excluding any modification thereof not in force at the date of adoption of these Articles) shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- (6) Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.
- (7) Headings are inserted for convenience only and do not affect the construction of these Articles.
- (8) In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto; (b) the word Board in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be

limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

- (9) The word "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.
- (10) Where these Articles require the Company to send, circulate or otherwise despatch documents to members, the Company shall be deemed to comply with any such requirement where:
- a. the Company and the member have agreed to the use of electronic communication for sending copies of documents to the member and:
    - i. the documents are documents to which the agreement applies; and
    - ii. copies of the documents are sent using electronic communication to such address, number or other location as may for the time being be notified by the member to the Company for that purpose; or
  - b. the Company and the member have agreed to the member having access to documents on a website (instead of the documents being sent to the member) and:
    - i. the documents are documents to which the agreement applies; and
    - ii. the member is notified in a manner for the time being agreed for the purpose between the member and the Company, of:
      - aa. the publication of the documents on a website;
      - bb. the address of that website;
      - cc. the place on that website where the documents may be accessed and how they may be accessed;
      - dd. the period of time for which the documents will be available on the website, which must be for a period of not less than 21 days from the date of notification or, if later, until the conclusion of any general meeting to which the documents relate; and
    - iii. the documents are published on that website throughout the period referred to in paragraph (ii)(dd) above, provided that, if the documents are published on that website for a part but not all of such period, the documents will be treated as published throughout that period if the failure to publish those documents throughout the period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

## **LIABILITY OF MEMBERS**

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

## **SHARE CAPITAL**

3. The share capital of the Company on the adoption of these Articles is divided into ordinary shares of 10 pence each.
4. Subject to the provisions of the Companies Acts and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.
5. Subject to the provisions of the Companies Acts relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant thereto, and, in the case of redeemable shares, the provisions of Article 6, all unissued shares for the time being in the capital of the Company shall be at the disposal of the Board, and the Board may (subject as aforesaid) allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as it thinks fit.
6. Subject to the provisions of the Companies Acts, and without prejudice to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles.
7. The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Companies Acts. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any share (or in any fractional part of a share) except an absolute right to the entirety thereof in the holder.

## **SHARE CERTIFICATES**

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

10. Every certificate shall be executed by the Company in such manner as the Board having regard to the Companies Acts and the requirements of any competent authority, may authorise. Every certificate shall specify the number, class and distinguishing number (if any) of the shares to which it relates and the amount paid up thereon.
11. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any certificates for shares or any other form of security at any time issued by the Company need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.
12. If a share certificate is worn out, defaced, lost or destroyed, it may be replaced without charge (other than exceptional out-of-pocket expenses) and otherwise on such terms (if any) as to evidence and/or indemnity (with or without security) as the Board may require. In the case where the certificate is worn out or defaced, it may be renewed only upon delivery of the certificate to the Company.

### **SHARES IN UNCERTIFICATED FORM**

13.
  - (1) In this Article, "the relevant rules" means:
    - (a) any applicable provision of the Companies Acts about the holding, evidencing of title to, or transfer of shares other than in certificated form; and
    - (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.
  - (2) The provisions of this Article have effect subject to the relevant rules.
  - (3) Any provision of these Articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.
  - (4) Any share or class of shares of the Company may be issued or held on such terms, or in such a way, that:
    - (a) title to it or them is not, or must not be, evidenced by a certificate; or
    - (b) it or they may or must be transferred wholly or partly without a certificate.
  - (5) The Directors have power to take such steps as they think fit in relation to:
    - (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
    - (b) any records relating to the holding of uncertificated shares;
    - (c) the conversion of certificated shares into uncertificated shares; or
    - (d) the conversion of uncertificated shares into certificated shares.
  - (6) The Company may by notice to the holder of a share require that share:
    - (a) if it is uncertificated, to be converted into certificated form; and

- (b) if it is certificated, to be converted into uncertificated form, to enable it to be dealt with in accordance with these Articles.
- (7) If:
- (a) these Articles give the Directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares; and
  - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,
- the Directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.
- (8) In particular, the Directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- (9) Unless the Directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.
- (10) A class of shares shall not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.

#### **LIEN**

14.

- (1) The Company has a first and paramount lien (the "Company's lien") over every share (not being a fully paid share) to the extent and in the circumstances permitted by section 670 of the Act, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- (2) The Company's lien over a share:
  - (a) takes priority over any third party's interest in that share; and
  - (b) extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.
- (3) The Directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to such lien, either wholly or in part.

15.

- (1) Subject to the provisions of this Article 15 if:
  - (a) a lien enforcement notice has been given in respect of a share; and



(b) the person to whom the notice was given has failed to comply with it, the Company may sell that share in such manner as the Directors decide.

(2) A lien enforcement notice:

- (a) may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (b) must specify the share concerned;
- (c) must require payment of the sum within 14 clear days of the notice;
- (d) must be addressed either to the holder of the share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the share if the notice is not complied with.

(3) Where shares are sold under this Article 15:

- (a) the Directors may authorise any person to execute an instrument of transfer of the shares to the purchaser of such shares or to a person nominated by such purchaser; and
- (b) the purchaser of such shares is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

(4) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) shall be applied:

- (a) first, in payment of so much of the sum in respect of which the lien applies as was payable at the date of the lien enforcement notice; and
- (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the lien enforcement notice.

(5) A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a share has been sold to satisfy the Company's lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes good title to the share.

## **CALLS ON SHARES AND FORFEITURE**

16.

- (1) Subject to these Articles and the terms on which shares are allotted, the Directors may send a notice (a "call notice") to a member requiring the member to pay the Company a specified sum of money (a "call") which is payable to the Company in respect of the shares which that member holds at the date when the Directors issue the call notice.
- (2) A call notice:
  - (a) may not require a member to pay a call which exceeds the total amount of his indebtedness or liability to the Company (whether outstanding on account of the nominal value of the shares or by way of premium);
  - (b) must state when and how any call to which it relates is to be paid; and
  - (c) may permit or require the call to be paid in instalments.
- (3) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 30 clear days have passed since the notice was sent.

17.

- (1) Before the Company has received payment of any call due under a call notice the Directors may by a further notice in writing to the member in respect of whose shares the call is made:
  - (a) revoke such call notice wholly or in part; or
  - (b) specify a later time for payment of the call than is specified in such call notice.
- (2) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which such call is required to be paid.
- (3) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- (4) Subject to the terms on which shares are allotted, the Directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:
  - (a) to pay calls which are not the same; or
  - (b) to pay calls at different times.

18. A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share:

- (a) on allotment;
- (b) on the occurrence of a particular event; or
- (c) on a date fixed by or in accordance with the terms of issue,

but if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned shall be treated in all respects as having failed to comply with a call notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture as apply in respect of the failure to comply with a call notice.

19.

- (1) If a person is liable to pay a call and fails to do so by the call payment date:
  - (a) the Directors may issue a notice of intended forfeiture to that person; and
  - (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- (2) For the purposes of this Article 19:
  - (a) the "call payment date" is the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "call payment date" is that later date; and
  - (b) the "relevant rate" is:
    - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
    - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the Directors; or
    - (iii) if no rate is fixed in either of these ways, 5 per cent per annum.
- (3) The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.
- (4) The Directors may waive any obligation to pay interest on a call wholly or in part.

20.

- (1) The Directors may receive from any member all or any part of the money in respect of the shares held by him beyond sums actually called up as a payment in advance of a call.
- (2) Any payment in advance of calls shall extinguish, to the extent of the payment, the liability upon the shares in respect of which it is advanced.
- (3) The Company may pay interest upon the money received, or so much of it as exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the member paying such sum and the Directors agree.

21. A notice of intended forfeiture:

- (1) may be sent at any time in respect of any share in respect of which a call or any instalment of a call has not been paid as required by a call notice at any time as any part of such call or instalment remains unpaid;

- (2) must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;
  - (3) must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice;
  - (4) must state how the payment is to be made; and
  - (5) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.
22. If a notice of intended forfeiture is not complied with before the date by which payment of the call and all interest due is required in the notice of intended forfeiture, the Directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 23.
- (1) Subject to these Articles, the forfeiture of a share extinguishes:
    - (a) all interests in that share, and all claims and demands against the Company in respect of it; and
    - (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.
  - (2) Any share which is forfeited in accordance with these Articles:
    - (a) is deemed to have been forfeited when the Directors decide that it is forfeited;
    - (b) is deemed to be the property of the Company; and
    - (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit to the person who was before forfeiture the holder of the share or to any other person as the Directors think fit and at any time before a sale, re-allotment or disposal the forfeiture may be cancelled on such terms as the Directors think fit.
  - (3) If a person's shares have been forfeited:
    - (a) the Company must send that person notice that forfeiture has occurred and record it in the register of members;
    - (b) that person ceases to be a member in respect of those shares;
    - (c) that person must surrender the certificate for the shares forfeited to the Company for cancellation;
    - (d) that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
    - (e) the Directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture.

- (4) At any time before the Company disposes of any forfeited shares, the Directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of the shares subject to such forfeiture notice and on such other terms as they think fit.

24.

- (1) If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer.
- (2) A statutory declaration by a Director or the secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:
  - (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes good title to the share.
- (3) A person to whom a forfeited share is transferred shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- (4) If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
  - (a) was, or would have become, payable; and
  - (b) had not, when that share was forfeited, been paid by that person in respect of that share,

such amount may be retained by the Company but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

- 25. The Directors may accept a surrender of any share liable to be forfeited. In such case references in these Articles to forfeiture shall include surrender.

#### **TRANSFER OF SHARES**

26.

- (1) Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of:
  - (a) the transferor; and
  - (b) (if any of the shares is partly paid) the transferee.
- (2) No fee may be charged for registering any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice or other document relating to or affecting the title to any share.

- (3) The Company may retain any instrument of transfer which is registered.
  - (4) The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.
27. The Directors in their absolute discretion may refuse to register the transfer of a certificated share if the share is not fully paid provided that such discretion will not be exercised in such a way as to prevent dealings in the shares in that class on AIM from taking place on an open and proper basis and they may also refuse to register any transfer of shares on which the Company has a lien.
28.
  - (1) Subject to the Regulations, the Directors may decline to recognise any instrument of transfer if:
    - (a) the transfer is not duly stamped;
    - (b) the transfer is not lodged duly stamped at the office or such other place as the Directors have appointed;
    - (c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the Directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
    - (d) the transfer is in respect of more than one class of share; or
    - (e) the transfer is in favour of more than four transferees except in the case of executors or trustees of a deceased member.
  - (2) If the Directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless the Directors suspect that the proposed transfer may be fraudulent.
29. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
30.
  - (1) The Company shall be entitled to destroy:
    - (a) all instruments of transfer of shares and all other documents pursuant to which entries are made in the register of members at any time after 6 years from the date on which the relevant entry was made;
    - (b) all dividend mandates and notifications of change of name or address at any time after 2 years from the date of recording; and
    - (c) all share certificates which have been cancelled at any time after 1 year from the date of cancellation.
  - (2) It shall conclusively be presumed in favour of the Company that 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 document duly and properly cancelled and every other document previously mentioned as destroyed was a valid and effective

document in accordance with the recorded particulars in the books or records of the Company provided always that:

- (a) these provisions shall apply only to the destruction of a document in good faith and without written notice of any claim (regardless of the parties) to which the document might be relevant;
- (b) nothing in this Article 30 shall impose on the Company any liability in respect of the destruction of any such document earlier than as described or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) reference to the destruction of any document shall include reference to its disposal in any manner.

### **TRANSMISSION OF SHARES**

31.

- (1) If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- (2) Nothing in these Articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

32.

- (1) A transmittee who produces such evidence of entitlement to shares as the Directors may properly require:
  - (a) may, subject to these Articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - (b) subject to these Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (2) A transmittee does not have the right to attend or vote at a general meeting in respect of shares to which he is entitled, by reason of the holder's death or bankruptcy or otherwise, unless he becomes the holder of those shares.

33.

- (1) A transmittee who wishes to become the holder of shares to which he has become entitled must notify the Company in writing of that wish.
- (2) If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must:
  - (a) procure that all appropriate instructions are given to effect the transfer, or
  - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.

- (4) Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.
34. If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered into in the register of members.

### **CONSOLIDATION OF SHARES**

35. Whenever as a result of a consolidation or sub-division of shares any fractions arise, the Board may settle the matter in any manner it deems fit and in particular may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Companies Acts, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

### **GENERAL MEETINGS**

36. The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act.
37. All provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply to every separate general meeting of the holders of any class of shares in the capital of the Company, except that:
- (1) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class or, at any adjourned meeting of such holders, one holder present in person or by proxy, whatever the amount of his holding, who shall be deemed to constitute a meeting; and
  - (2) any holder of shares of the class present in person or by proxy may demand a poll; and
  - (3) each holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.
38. Subject to the provisions of Article 36, the Board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Companies Acts, shall forthwith proceed to convene a general meeting in accordance with the requirements of the Companies Acts. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director of the Company may call a general meeting.

### **NOTICE OF GENERAL MEETINGS**

39. An annual general meeting shall be called by at least 21 clear days' notice. Any general meeting shall be called by at least 14 clear days' notice.



40. Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to each of the Directors and to the auditors.
41. The notice shall specify the time and place of the meeting and, in the case of special business, the general nature of such business. All business shall be deemed special that is transacted at a general meeting and also all business that is transacted at an annual general meeting with the exception of:
  - (1) the declaration of dividends;
  - (2) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and auditors and other documents required to be annexed to the accounts;
  - (3) the appointment and reappointment of Directors;
  - (4) the appointment of auditors where special notice of the resolution for such appointment is not required by the Companies Acts; and
  - (5) the fixing of, or the determining of the method of fixing, the remuneration of the Directors and/or auditors.
42. The notice shall, in the case of an annual general meeting, specify the meeting as such, and, in the case of a meeting to pass a special resolution, specify the intention to propose the resolution as a special resolution.
43. The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by these Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any such person, shall not invalidate the proceedings at that meeting.

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

44. No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two persons present in person or by representative (in the case of a corporate member) or by proxy and entitled to vote upon the business to be transacted shall be a quorum.
45. In calculating whether a quorum is present for the purposes of Article 44, if two or more persons are appointed as proxies for the same member or two or more persons are appointed as corporate representatives of the same corporate member, only one of such proxies or only one of such corporate representatives shall be counted.
46. If such a quorum is not present within fifteen minutes from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such time and place as the chairman of the meeting may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, or if during such adjourned meeting a quorum ceases to be present the meeting shall be dissolved.
47. The chairman, if any, of the Board or, in his absence, any deputy chairman of the Company or, in his absence, some other Director nominated by the Board, shall preside as chairman of the meeting, but if neither the chairman, deputy chairman

nor such other Director (if any) is present within fifteen minutes after the time appointed for holding the meeting or is not willing to act as chairman, the Directors present shall elect one of their number to be chairman. If there is only one Director present and willing to act, he shall be chairman. If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

48. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
49. The chairman may, with the consent of a 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, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for thirty days or more or for an indefinite period, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
50. If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loudspeakers, audiovisual communication equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.
51. A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of a vote on the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:
  - (1) the chairman of the meeting; or
  - (2) at least two members present in person or by proxy having the right to vote at the meeting; or
  - (3) any member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (4) any member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right, and a demand by a person as proxy for a member shall be the same as a demand by the member.
52. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of

the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

53. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll.
54. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
55. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
56. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
57. Where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.

#### **VOTES OF MEMBERS**

58. Subject to any special rights or restrictions as to voting attached to any share by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.
59. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names of the holders stand in the register.
60. A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court or official, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these Articles for the deposit of, or the giving of notice of, appointments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

61. No member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

62.

(1)

- (a) Notwithstanding the remedies available to the Company under the provisions of the Companies Acts if the registered holder or any other person appearing to be interested in shares of the Company (the "defaulter") fails within 28 days to comply with any notice issued by the Directors under section 793 of the Act or in purported compliance in the opinion of the Directors makes a statement which he knows to be false or recklessly makes any statement which is false (unless in either case he proves to the satisfaction of the Directors that the information in question was already in the possession of the Company or that the requirement to give it was for any other reason frivolous or vexatious), the Directors may in their absolute discretion serve upon the defaulter a notice (in this Article called a "disenfranchisement notice") stating that the rights as to attendance and voting at general meetings of members and at meetings of every class conferred on the holder of every share in the Company in which the defaulter is or is considered by the Directors to be interested shall be suspended and that the defaulter shall not exercise such rights.
- (b) If the defaulter is the registered holder of 0.25% or more of the shares in the capital of the Company, the Directors may in their absolute discretion serve upon the defaulter a notice (in this Article called a "stop notice") stating that the rights as to payment of dividends (including shares issued in lieu of dividends) and on the transfer of shares (other than to a sale to a genuine unconnected third party) in which the defaulter is or is considered by the Directors to be interested shall be suspended and that the defaulter shall not have the benefit of or exercise such rights.
- (c) For the purpose of this Article 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 fails to establish the identities of those interested in the shares and if (after taking into account the notification and any other relevant section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

(2)

- (a) The period during which the rights referred to in Article 62(1) shall be suspended shall commence on the date 14 days after the service of the disenfranchisement notice or stop notice and shall continue until the defaulter properly fulfils the obligation or complies with the notice to which he is subject.

- (b) A disenfranchisement notice or stop notice shall automatically cease to have effect in respect of any share transferred upon the date upon which the registration of the transfer shall take place.
  - (3) The Directors shall cause the register kept under section 808 of the Act to have noted against the name of the defaulter the matters referred to in the Act and the fact that the rights as to dividends, transfer of shares, attendance and voting at meetings of members and of every class conferred on the holder of every share in the Company in which the defaulter is or is considered by the Directors to be interested have been suspended for so long as such suspension shall continue and shall cause such entry to be deleted on the defaulter complying with the relevant notice.
  - (4) Nothing contained in this Article 62 shall limit the power of the Directors under the Companies Acts.
63. If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.
64. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered, and every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
65. On a poll votes may be given either personally or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
66. 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. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

#### **PROXIES AND CORPORATE REPRESENTATIVES**

67. Invitations to appoint a proxy (whether made by instrument in writing or by electronic communication) shall be in any usual form or in such other form as the Board may approve. Invitations to appoint a proxy shall be sent or made available by the Company to all persons entitled to notice of and to attend and vote at any meeting, and shall provide for voting both for and against all resolutions to be proposed at that meeting other than resolutions relating to the procedure of the meeting. The accidental omission to send or make available an invitation to appoint a proxy or the non-receipt thereof by any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting. The appointment of a proxy shall be deemed to confer authority to demand, or concur in demanding, a poll and vote on any amendment of a resolution put to the meeting for which it is given or any procedural resolution, as the proxy thinks fit. A proxy need not be a member of the Company. Any appointment of a proxy

shall not preclude a member from attending and voting in person at the meeting or poll concerned.

68. The appointment of a proxy shall, if made by instrument in writing, be executed by or on behalf of the appointor. A body corporate may execute an instrument of proxy either under seal or under the hand of a Director or another duly authorised officer. Any appointment of a proxy made by communication in electronic form shall be executed by the appointor in such manner as the Company may from time to time specify. A member may appoint more than one proxy to attend on the same occasion.
69. The appointment of a proxy and any power of attorney or other authority under which it is executed or an office or copy notarially certified or in any other manner approved by the Directors shall:
  - (1) in the case of an instrument in writing, be deposited by personal delivery, post or facsimile transmission at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in the instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours (save that in calculating this period no account shall be taken of any part of a day that is not a working day) before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (2) in the case of an appointment contained in electronic form, where an address has been specified for the purpose of receiving communications in electronic form:
    - a. in the notice convening the meeting, or
    - b. in the instrument of proxy sent out by the Company in relation to the meeting, or
    - c. in any invitation contained in a communication in electronic form to appoint a proxy issued by the Company in relation to the meeting, be received at such address not less than 48 hours (save that in calculating this period no account shall be taken of any part of a day that is not a working day) before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
  - (3) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
  - (4) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. No appointment of a proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its making or transmission. When two or more valid appointments of proxy are deposited, delivered or received in respect of the same share for use at the same meeting, the one which was deposited, delivery or received last in time shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was deposited, delivered or received last, none of them shall be treated as valid in respect of that share.

70. The appointment of a proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The appointment of a proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
71. Any corporation or corporation sole which is a member of the Company may (in the case of a corporation, by resolution of its Directors or other governing body or by authority to be given under seal or under the hand of an officer duly authorised by it) authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. A person so authorised shall be entitled to exercise the same power on behalf of the grantor of the authority as the grantor could exercise if it were an individual member of the Company and the grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.
72. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in a communication in electronic form, at the address at which such appointment was duly received at least 3 hours before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

#### **NUMBER OF DIRECTORS**

73. Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall be not less than three nor more than ten in number.

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

74. At every 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 one-third shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he shall retire.
75. Subject to the provisions of the Companies Acts and these Articles, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting and no Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.
76. If the Company, at the meeting at which a Director retires by rotation or otherwise, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.

77. No person other than a Director retiring by rotation shall be appointed a Director at any general meeting unless:
- (1) he is recommended by the Board; or
  - (2) not less than seven nor more than forty-two clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been given to the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors, together with notice executed by that person of his willingness to be appointed.
78. Except as otherwise authorised by the Companies Acts, the appointment of any person proposed as a Director shall be effected by a separate resolution.
79. Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire. The appointment of a person to fill a vacancy or as an additional Director shall take effect from the end of the meeting.
80. The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director in either case whether or not for a fixed term, provided that the appointment does not cause the number of Directors to exceed the number, if any, fixed by or in accordance with these Articles as the maximum number of Directors. Irrespective of the terms of his appointment, a Director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion of the same.
81. A Director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.
82. No person shall be disqualified from being appointed or reappointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary by reason of his age to give special notice under the Companies Acts of any resolution.
83. A Director shall not be required to hold any shares of the Company by way of qualification.

#### **ALTERNATE DIRECTORS**

84. Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Board and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him.
85. An alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor (except as regards power to appoint an alternate) as a Director in his absence. It



shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom.

86. A Director or any other person may act as alternate Director to represent more than one Director, and an alternate Director shall be entitled at meetings of the board or any committee of the board to one vote for every Director whom he represents (and who is not present) in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.
87. An alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director but shall not in respect of his services as an alternate Director be entitled to receive any remuneration from the Company except such part (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.
88. An alternate Director shall cease to be an alternate Director:
  - (1) if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his re-appointment;
  - (2) on the happening of any event which, if he were a Director, would cause him to vacate his office as Director; or
  - (3) if he resigns his office by notice to the Company.
89. Any appointment or removal of an alternate Director shall be by notice signed by the Director making or revoking the appointment and shall take effect in accordance with the terms of the notice (subject to an approval required by Article 84) upon receipt of such notice at the office.
90. Save as otherwise expressly provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and, accordingly, except where the context otherwise requires, references to a Director shall be deemed to include a reference to an alternate Director. An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

### **POWERS OF THE BOARD**

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

## **DELEGATION OF POWERS OF THE BOARD**

92. The Board may delegate any of its powers to any committee consisting of one or more Directors. The Board may also delegate to any Director holding any executive office such of its powers as the Board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the Board may specify, and may be revoked or altered. The Board may co-opt on to any such committee persons other than Directors, who may enjoy voting rights in the committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are Directors. Subject to any conditions imposed by the Board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of Directors so far as they are capable of applying.
93. The Board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made upon such terms and subject to such conditions as the Board may decide and the Board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.
94. The Board may, by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the Board determines, including authority for the agent or agents to delegate all or any of his or their powers, authorities and discretions, and may revoke or vary such delegation.
95. The Board may appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles.

## **BORROWING POWERS**

- 96.
- (1) The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and 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.

- (2) 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 so far as by such exercise they can secure) that, save with the previous sanction of an ordinary resolution of the Company, no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by the Company's group (excluding amounts borrowed by any member of the Company's group from any other member of the Company's group) less cash deposited then exceeds or would as a result of such borrowing exceed whichever is the greater of an amount equal to three times the aggregate of:
- (a) the nominal amount paid up on the share capital of the Company; and
  - (b) the total reserves of the Company's group (including any share premium account, capital redemption reserve, merger reserve, property revaluation reserve, and credit balance on the combined profit and loss account) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings of the Company and deducting any debit balance on the combined profit and loss account, all as shown in the then latest audited consolidated balance sheet of the Company's group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account and the capital redemption reserve, merger reserve, or property revaluation reserve of the Company since the date of its latest audited balance sheet and deducting therefrom an amount equal to any distributions by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended, or made since that date except in so far as provided for in such balance sheet.
- (3) For the purposes of this Article "moneys borrowed" shall mean all moneys borrowed and without prejudice to the generality of the foregoing shall be deemed to include without limitation:
- (a) any amounts raised by the Company or any subsidiary undertaking under any acceptance credit and shall also include any amounts raised by way of acceptance (other than acceptances for the purchase of goods in the ordinary course of business);
  - (b) unless already taken into account the nominal amount of any share capital and the principal amount of any indebtedness the repayment of which is guaranteed or secured or the subject of an indemnity by the Company or any subsidiary undertaking;
  - (c) the principal amount for the time being outstanding in respect of any debenture of the Company or any subsidiary undertaking and any fixed or minimum premium on final repayment of the same;
- but shall not include:
- (d) borrowings by the Company from any subsidiary undertaking, or borrowings by one subsidiary undertaking from another or by a subsidiary undertaking from the Company;
  - (e) that proportion of the borrowings of a partly owned subsidiary undertaking which corresponds to the proportion of its equity share capital not beneficially owned directly or indirectly by the Company

(but only to the extent that an amount equivalent to such proportion exceeds borrowings (if any) from such partly owned subsidiary undertaking by the Company or another subsidiary undertaking);

- (f) borrowings for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiary undertakings for the time being outstanding and to be so applied within six months of being so borrowed, pending their application for such purpose within such period;
- (g) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiary undertakings is guaranteed or insured by the Export Credits Guarantee Department of the Department of Business, Innovation and Skills or by any other governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable in respect of the same which is so guaranteed or insured;
- (h) sums advanced or paid to any member of the Company's group (or its agent or nominee) by customers of any member of the Company's group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Company's group in relation thereto;
- (i) sums which fall to be treated as monies borrowed by any member of the Company's group by reason only of any current statement of standard accounting practice or other accounting principle or practice; and
- (j) monies held by any member of the Company's group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants

and "moneys borrowed" shall for the purposes of this Article be calculated after having deducted from borrowings or proposed borrowing all cash reserves, cash in hand and cash on current account with banks which, in any such case, is available to the Company or any of its subsidiary undertakings on demand or within six months of demand.

- (4) For the purposes of this Article "cash deposited" shall mean an amount equal to the aggregate for the time being outstanding of all cash deposits (otherwise than on current account) with banks, certificates of deposit and securities of governments and companies and similar instruments owned by the Company and/or any subsidiary undertaking of the Company but excluding:
  - (i) a proportion of the total amount for the time being outstanding of cash deposits and certificates of deposit and securities of governments or companies and similar instruments owned by any partly owned subsidiary undertaking which would otherwise fall to be included, such proportion being that which the issued ordinary share capital of such partly owned subsidiary undertaking which is not for the time being beneficially owned directly or indirectly by the Company bears to the whole of its issued ordinary share capital;
  - (ii) cash deposits of and certificates of deposit and similar instruments representing any moneys held by any member of the Company's

group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants.

- (5) When moneys denominated or repayable in a currency other than sterling fall to be taken into account on any day for the purposes of this Article, such moneys shall be converted for the purpose of calculating the sterling equivalent either:
- (i) at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys 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); or
  - (ii) where the repayment of such moneys is expressly covered by a forward purchase contract at the rate of exchange specified in such contract.
- (6) A report by the auditors as to the aggregate amount which may at any one time be borrowed by the Company and/or as to the amount which falls to be treated as moneys borrowed or cash deposited for the purposes of this Article shall be conclusive in favour of the Company and all persons dealing with the Company.
- (7) No debt incurred or security given by the Company or any of its subsidiary undertakings shall be invalid or ineffectual by virtue of any breach of the provisions of this Article except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded. No lender or other person dealing with the Company shall be concerned to see or enquire whether the provisions of this Article have been observed.

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

97. The office of a Director shall be vacated if:
- (1) he ceases to be a Director by virtue of any provisions of the Companies Acts or these Articles or he becomes prohibited by law from being a Director; or
  - (2) if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (3) a registered medical practitioner gives a written opinion to the Company stating that such person has become physically or mentally incapable of acting as a Director and may remain so for more than 3 months; or
  - (4) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
  - (5) he resigns his office by notice to the Company or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 80; or

- (6) he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated.
98. The Company may, in accordance with and subject to the provisions of the Companies Acts, by ordinary resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and, by ordinary resolution, appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

#### **REMUNERATION OF NON-EXECUTIVE DIRECTORS**

99. The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of these Articles) shall not exceed in aggregate £150,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.
100. Any Director who does not hold executive office and who serves on any committee of the Directors, by the request of the Board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may (without prejudice to the provisions of Article 99) be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine.

#### **DIRECTORS' EXPENSES**

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

#### **EXECUTIVE DIRECTORS**

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

103. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any rights or claims which he may have against the Company by reason of such cesser.
104. The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

### **DIRECTORS' INTERESTS**

105. Subject to the provisions of the Companies Acts, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office:
  - (1) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (2) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
  - (3) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
  - (4) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

For the purposes of this Article:

- (a) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
  - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
106. The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them Directors of such body corporate, or voting or providing for the payment of remuneration to the Directors of such body corporate).

## **GRATUITIES AND PENSIONS**

107. The Board may (by establishment of or maintenance of schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiaries or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.
108. Pursuant to section 247 of the Act, the Board is hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary. Any such provision shall be made by a resolution of the Board in accordance with the said section.

## **PROCEEDINGS OF DIRECTORS**

109. Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Board. Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth, telephone, fax or electronic form or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. It shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. No account is to be taken of Directors absent from the United Kingdom when considering the adequacy of the period of notice of the meeting. Questions arising at a 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. Any Director may waive notice of a meeting and any such waiver may be retrospective.
110. The quorum for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be two. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no Director objects.
111. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
112. The Board may appoint one of their number to be the chairman, and one of their number to be the deputy chairman, of the Board and may at any time remove either of them from such office. Unless he is unwilling to do so, the Director appointed as chairman, or in his stead the Director appointed as deputy chairman, shall preside at every meeting of the Board at which he is present. If there is no Director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.



113. All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director or alternate Director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or any member of the committee or alternate Director or that any of them were disqualified from holding office, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.
114. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board or of a committee of the Board (not being less than the number of Directors required to form a quorum of the Board) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and for this purpose:
- (1) a resolution may consist of several documents to the same effect each signed by one or more Directors;
  - (2) a resolution signed by an alternate Director need not also be signed by his appointor; and
  - (3) a resolution signed by a Director who has appointed an alternate Director need not also be signed by the alternate Director in that capacity.
115. Without prejudice to the first sentence of Article 109, a meeting of the Board or of a committee of the Board may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by telephonic, web, video or other communication) to speak to each of the others, and to be heard by each of the others simultaneously. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.
116. Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Board or a committee of the Board on any resolution of the Board concerning a matter in which he has an interest which together with any interest of any person connected with him is to his knowledge a material interest (other than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company) unless his interest arises only because the case falls within one or more of the following paragraphs:
- (1) the resolution relates to the giving of any guarantee, security, or indemnity in respect of money lent, or obligations incurred by him or by any other person at the request of or for the benefit of, the Company or any of its subsidiaries;
  - (2) the resolution relates to the giving of any guarantee, security, or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security;
  - (3) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange;

- (4) his interest arises in relation to the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer or invitation to members or debenture holders of the Company, or any class of them;
- (5) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the Act) representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company;
- (6) the resolution relates to an arrangement for the benefit of employees of the Company or of any of its subsidiaries and does not provide in respect of the Director any privilege or benefit not awarded to the employees to whom such arrangement relates; and
- (7) any proposal concerning any insurance which the Company is empowered to purchase or maintain for the benefit of any Directors of the Company or for the benefit of persons who include directors of the Company provided that for the purposes of this paragraph insurance shall mean only insurance against liability incurred by a Director in respect of any such act or omission by him as is referred to in Article 156 or any other insurance which the Company is empowered to purchase or maintain for or for the benefit of any Company's groups of persons consisting of or including Directors of the Company.

For the purpose of determining whether a proposal concerns a body corporate in which a Director is interested, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust in which the Director is only interested as a unit holder. For the purposes of this Article, a Director is connected with another person if connected within the meaning of section 346 of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Company). In relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

117.

- (1) For the purpose of section 175 of the Act 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, the exploitation of any property, information or opportunity (whether or not the Company itself 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 (provided that the conflict of interest does not arise in relation to a transaction or arrangement with the Company), shall apply:
  - (a) 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;

- (b) If the Relevant Situation arises in circumstances other than in Article 117(1)(a) 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.
- (2) Any reference in Article 117(1) above to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
  - (3) Any terms determined by the Directors under Article 117(1)(a) or 117(1)(b) above may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):
    - (a) 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;
    - (b) the exclusion of the interested Director(s) from all information and discussion by the Company of the Relevant Situation; and
    - (c) (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.
  - (4) An interested Director must act in accordance with any terms determined by the Directors under Articles 117(1)(a) or 117(1)(b) above.
  - (5) A Director shall declare the nature and extent of his interest in a Relevant Situation within Articles 117(1)(a) or 117(1)(b) above to the other Directors. Any declaration of interest 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.
  - (6) Except as specified in Article 117(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 within the provisions of these Articles.
  - (7) Any authorisation of a Relevant Situation given by the Directors under Article 117(1) above may provide that, where the interested Director obtains (other than through his position as a Director or employee of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
  - (8) Any authorisation of a Relevant Situation given by the Directors under Article 117(1) above may provide that the interested Director will not be in breach of duty when the Relevant Situation arises due to his being a Director, officer or shareholder of a subsidiary or associated undertaking of the Company.

- (9) Any authorisation of a Relevant Situation given by the Directors under Article 117(1) above may provide that, where the interested Director takes mitigating action when the actual Relevant Situation arises by not attending board meetings or reading board papers, he will not be in breach of duty in respect of the Relevant Situation.
118. A Director shall not, by reason of his holding an office as a Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from any Relevant Situation authorised under Article 117(1) above and no contract shall be liable to be avoided on the grounds of any Director having any type of interest authorised under Article 117(1) above.
119. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
120. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of the Board or of a committee of the Board, or ratify any transaction not duly authorised by reason of a contravention of any such provision.
121. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned shall, subject as otherwise provided in these Articles, be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
122. If a question arises at a meeting of the Board or of a committee of the Board as to the entitlement of a Director to vote or be counted in a quorum, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself 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 such question arises in respect of the chairman of the meeting, it shall be decided by resolution of the Board (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the chairman have not been fairly disclosed.

#### **SECRETARY**

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

#### **MINUTES**

124. The Board shall cause minutes to be made in books kept for the purpose:
- (1) of all appointments of officers made by the Board; and
  - (2) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, of the board, and of committees of the Board, including the names of the Directors present at each such meeting.

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

### **THE SEAL**

125. The seal shall only be used by the authority of a resolution of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by at least one Director and the secretary or by at least two Directors or signed by a Director in the presence of a witness who attests to the signature.
126. The Board may by resolution determine either generally or in any particular case that any certificates for shares or debentures or representing any other form of security to which the seal is affixed may have signatures affixed to them by some mechanical means, or printed thereon or that such certificates need not bear any signature.
127. The Company may exercise the powers conferred by the Companies Acts with regard to having an official seal for use abroad.
128. Where the Act so permits, any instrument signed, with the authority of a resolution of the Board or of a committee of the Board, by one Director and the secretary or by two Directors or by a Director in the presence of an independent witness and expressed to be executed by the Company as a deed shall have the same effect as if executed under the seal, provided that no instrument which makes it clear on its face that it is intended by the person(s) making it to have effect as a deed shall be signed without the authority of the Board.
129. A document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of its having been executed by the Company.

### **REGISTERS**

130. Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of the register.
131. Any Director or the secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the holders of any class of shares of the Company or the board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or the minutes of or an extract from the minutes of a meeting of the Company or the holders of any class of shares of the Company or of the Board or any committee of the Board that is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## **DIVIDENDS**

132. Subject to the provisions of the Companies Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.
133. Subject to the provisions of the Companies Acts, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. Provided the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
134. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
135. A general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other body corporate. Where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks fit and, in particular, may fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
136. The Directors may, if authorised by an ordinary resolution of the Company, offer any holders of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of all or any dividends specified by the ordinary resolution. The following provisions shall apply:
  - (1) an ordinary resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the fifth annual general meeting following the date of the meeting at which the ordinary resolution is passed;
  - (2) the entitlement of each holder of shares to new shares shall be such that the relevant value of the entitlement (calculated by reference to the average quotation) shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. For this purpose the "average quotation" of a share shall be the average of the middle market quotations for those shares on The London Stock Exchange, as quoted on AIM All-Share List on

the day on which the shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution but shall never be less than the par value of the share.

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

- (3) On or as soon as practicable after announcing that any dividend is to be declared or recommended, the Directors, if they intend to offer an election in respect of that dividend, shall also announce that intention. If, after determining the basis of allotment, the Directors decide to proceed with the offer, they shall notify the holders of shares in writing of the terms and conditions of the right of election offered to them, specifying the procedure to be followed and place at which, and the latest time by which, elections or notices amending or terminating existing elections must be lodged or received in order to be effective.
- (4) The Directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be appropriated to give effect to it after the basis of allotment is determined.
- (5) The Directors may exclude from any offer any holders of shares where the Directors believe the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- (6) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on shares in respect of which an election has been made (the "elected shares") and instead additional shares shall be allotted to the holders of the elected shares on the basis stated in Article 136(2). For such purpose the Directors shall appropriate out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the Directors may determine a sum equal to the aggregate nominal amount of the additional shares to be allotted and apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to the holders of the elected shares on the basis stated in Article 136(2).
- (7) The additional shares when allotted shall rank pari passu in all respects with the fully paid shares of the same class then in issue except that they will not be entitled to participation in the relevant dividend.
- (8) No fraction of a share shall be allotted. The Directors may make such provision as they think fit for any fractional entitlements including provision whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any holder and such accruals or retentions are applied to the allotment of fully paid shares to such holder and/or provision whereby cash payments may be made to holders in respect of their fractional entitlements.
- (9) The Directors may do all acts and things considered necessary or expedient to give effect to the allotment and issue of any shares pursuant to this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person, acting on behalf of the holders

concerned, to enter into an agreement with the Company providing for such allotment and incidental matters and any agreement made under such authority shall be effective and binding on all concerned.

- (10) The Directors may, in their discretion, amend, suspend or terminate any offer which is in operation.
137. The Board may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company in respect of that share.
138. Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent by post to the registered address of the holder or person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder or otherwise by operation of law, to the registered address of that one of those persons who is first named in the register or to such person and to such address as the person or persons entitled may in writing direct. Every such cheque or warrant shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and shall be sent at the risk of the person entitled, and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share. Any such dividend or other money may also be paid by any other method (including direct debit, bank or other funds transfer system and dividend warrant) which the Board considers appropriate, and to or through such person as the holder or joint holders may in writing direct. The Company shall have no responsibility for any sums lost or delayed in the course of any such transfer, or where it has acted on any such directions. 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 in writing direct.
139. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
140. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment by the Board of any unclaimed dividend or other moneys payable in respect of a share into a separate account shall not constitute the Company a trustee thereof. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if such instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions. The entitlement conferred on the Company by this Article in respect of any member shall cease if such member claims a dividend or cashes a dividend warrant or cheque.

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

141. The Board may with the authority of an ordinary resolution of the Company:
- (1) subject as hereinafter provided, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to



the credit of any reserve or other fund, including the Company's share premium account and capital redemption reserve, if any;

- (2) appropriate the sum resolved to be capitalised to the members or any class of members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares, debentures or other obligations of the Company of a nominal amount equal to that sum, and allot the shares debentures or other obligations credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (3) make such provision by authorising the sale and transfer to any person of fractions to which any members would become entitled or resolve that the distribution be made as nearly as practicable in the correct proportion but not exactly so or may ignore fractions altogether or resolve that cash payments be made to any members in order to adjust the rights of all parties or otherwise as (in each case) the Board determines where shares or debentures become, or would otherwise become, distributable under this Article in fractions;
- (4) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for either:
  - (a) the allotment to such members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled upon such capitalisation; or
  - (b) the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares, and any agreement made under such authority shall be binding on all such members; and
- (5) generally do all acts and things required to give effect to such resolution as aforesaid.

#### **RECORD DATES**

142. 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 or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.

#### **ACCOUNTS**

143. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the Board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

144. A copy of every balance sheet and profit and loss account (including any documents required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and auditors' reports shall, at least twenty-one clear days previously to the meeting, be delivered or sent to every member and to every debenture holder of the Company of whose address the Company is aware, and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Companies Acts or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders, provided that the requirements of this Article shall be deemed satisfied in relation to any member by sending to such member, where permitted by the Companies Acts and instead of such copies, a summary financial statement derived from the Company's annual accounts and the report of the Directors and prepared in the form and containing the information prescribed by the Companies Act and any regulations made thereunder.

### **NOTICES**

145. Any notice or document to be given to or by any person pursuant to these Articles shall be in writing or shall be given using a communication in electronic form to an address for the time being notified for that purpose to the person giving the notice or document except that a notice calling a meeting of the board shall be given by any method specified in Article 109.
146. The Company may give, serve or deliver any notice or other document to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving such notice or document using a communication in electronic form to an address for the time being notified to the Company by the member. In the case of joint holders of a share, all notices or other documents shall be given to, served on or delivered to the joint holder whose name stands first in the register in respect of the joint holding and any notice or other document so given, served or delivered shall be deemed for all purposes sufficient service on or delivery to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using a communication in electronic form, shall be entitled to have notices given to him at that address, but otherwise:
- (1) no such members shall be entitled to receive any notice from the Company; and
  - (2) without prejudice to the generality of the foregoing, any notice of general meeting of the Company which is in fact given or purports to be given to such members shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

A member present, either 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 notice of the meeting and, where requisite, of the purposes for which it was called.

147. A notice or other document may be given, served or delivered by the Company on or to the persons entitled by transmission to a share, whether in consequence of the death or bankruptcy of a member or otherwise by giving, sending or delivering it, in any manner authorised by these Articles for the giving, service or delivery of a notice or other document on or to a member addressed to them by name, or by the title of representatives of the deceased or trustee of the bankrupt or by any like description at the address, if any within the United

Kingdom or to an address to which an electronic communication may be sent, which has been supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice or other document may be given, served or delivered in any manner in which it might have been given, served or delivered if the death or bankruptcy or other event giving rise to the transmission had not occurred.

148. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a share shall be bound by any notice issued under Article 62 to a person from whom he derives his title.

149.

Proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or other document was given. Any notice or other document sent by post shall be deemed to be given:

- (1) if sent by first class post from an address in the United Kingdom or another country to another address in the United Kingdom or, as the case may be, that other country, on the day following that on which the envelope containing it was posted;
- (2) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, on the day following that on which the envelope containing it was posted; and
- (3) in any other case, on the second day following that on which the envelope containing it was posted.

150. Any notice or other document contained in an electronic communication shall be deemed given at the expiration of 48 hours after the time it was sent. Proof that a notice or document contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or document was given.

151. If at any time the Company is unable effectively to convene a general meeting by notices sent through the post in the United Kingdom as a result of the suspension or curtailment of postal services, nor could such notices be sent effectively in electronic form for any reason, notice of such general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised on the same date in at least two daily newspapers having a national circulation and such notice shall be deemed to have been served on all persons who are entitled to have notice of meetings served on them at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post or in electronic form if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable or the sending of notices in electronic form again becomes feasible.

### **UNTRACED SHAREHOLDERS**

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

- (1) during the period of twelve years prior to the date of the publication of the advertisements referred to in Article 152(2) (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have been declared and all dividend warrants and cheques which have been sent in the manner authorised by these Articles in respect of the shares in question have remained uncashed; and
- (2) the Company shall as soon as practicable after expiry of the said period of twelve years have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person giving notice of its intention to sell the shares; and
- (3) during the said period of twelve years and the period of three months following the publication of the said advertisements the Company shall have received no indication either of the whereabouts or of the existence of such member or person.

If during any twelve year period referred to in Article 152(1), further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Article (other than the requirement that they be in issue for twelve years) have been satisfied in regard to the further shares, the Company may also sell the further shares.

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

The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Board from time to time thinks fit.

#### **WINDING UP**

153. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.
154. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either

then already constituted or about to be constituted for the purpose of carrying out the sale.

### **INDEMNITY**

155.

- (1) Subject to paragraph (2), a relevant officer of the Company or an associated company may be indemnified out of the Company's assets against:
  - (a) any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
  - (b) any liability incurred by that officer in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act);
  - (c) any other liability incurred by that officer as an officer of the Company or an associated company.
- (2) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- (3) In this Article:
  - (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
  - (b) a "relevant officer" means any Director, former Director or other officer of the Company or an associated company (but not its auditor); and

### **INSURANCE**

156.

- (1) The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- (2) In this article:
  - (a) a "relevant officer" means any Director or former Director of the Company or an associated company, any other officer or employee of the Company (but not its auditor) or any trustee of an occupational pension scheme (as defined in section 235(6) of the Act) for the purposes of an employees; share scheme of the Company or an associated company; and
  - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company (within the meaning of Article 155(3)(a)) or any pension fund or employees; share scheme of the Company or associated company.