

THE COMPANIES ACT 2006

Public Company Limited by Shares

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**RESOLUTIONS**

**of**

**PARAGON BANKING GROUP PLC**

**(Passed on 24 February 2021)**

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AT AN ANNUAL GENERAL MEETING of the above named Company, duly convened, and held on Wednesday 24 February 2021 at 9.00am the following resolutions were passed:

**Ordinary Resolutions**

- 14 That, in accordance with sections 366 and 367 of the Companies Act 2006, the Company and any company which, at any time during the period for which this resolution has effect, is a subsidiary of the Company, be and are hereby authorised to:
- (a) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;
  - (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
  - (c) incur political expenditure not exceeding £50,000 provided that the aggregate amount of any such donations and expenditure shall not exceed £50,000, during the period beginning with the date of the passing of this resolution and ending at the conclusion of the AGM to be held in 2022 or on 24 May 2022, whichever is sooner. For the purpose of this resolution, the terms “political donations”, “political parties”, “independent election candidates”, “political organisations” and “political expenditure” have the meanings set out in Sections 363 to 365 of the Companies Act 2006 in total.
- 15 THAT the Board be and it is hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £85,500,000 PROVIDED THAT this authority shall expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 May 2022) but in each case, prior to its expiry, the Company may make offers, or enter into agreements, which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not expired.

## **Special Resolutions**

- 16 THAT, subject to the passing of resolution 15, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by resolution 15 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:
- (a) to the allotment of equity securities in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders and in favour of all holders of any other class of equity security in accordance with the rights attached to such class where the equity securities respectively attributable to the interests of all such persons on a fixed record date are proportionate (as nearly as may be) to the respective numbers of equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal or practical problems arising in any overseas territory, the requirements of any regulatory body or any stock exchange in any territory or any other matter whatsoever); and
  - (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £12,800,000, such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 May 2022) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.
- 17 THAT, subject to the passing of resolution 15, the Board be authorised in addition to any authority granted under resolution 16 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:
- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal value of £12,800,000; and
  - (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice, such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 May 2022) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

- 18 THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of £1 each in the share capital of the Company ('Ordinary Shares') PROVIDED THAT:
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 25,600,000 (representing approximately 10 percent of the Company's issued ordinary share capital excluding treasury shares);
  - (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 10p;
  - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is the higher of: (i) an amount equal to 105 percent of the average of the middle market price shown in the quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out;
  - (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 May 2022); and
  - (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts as if the authority had not expired.
- 19 THAT, in addition to the authority granted under resolution 15 (if passed), the Board be and it is hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £38,500,000 in relation to the issue by the Company or any subsidiary or subsidiary undertaking of the Company of any Additional Tier 1 Securities that automatically convert into or are exchanged for ordinary shares in the Company in prescribed circumstances where the Directors consider that the issue of such Additional Tier 1 Securities would be desirable, including for the purpose of complying with, or maintaining compliance with, the regulatory requirements or targets applicable to the Company and its subsidiaries and subsidiary undertakings from time to time PROVIDED THAT this authority shall expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 May 2022) but in each case, prior to its expiry the Company may make offers, and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority expires and the Board may allot shares or grant rights to subscribe for or convert securities into shares under such an offer or agreement as if the authority had not expired.

- 20 THAT, subject to the passing of resolution 19 and in addition to the power granted pursuant to resolution 17 (if passed), the Board be authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash under the authority given in resolution 19 up to an aggregate nominal amount of £38,500,000 in relation to the issue of Additional Tier 1 Securities as if section 561 of the Companies Act 2006 did not apply to any such allotment, such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 May 2022) but, in each case, prior to its expiry the Company may make offers, or enter into agreements which would, or might, require equity securities to be allotted after the authority expires and the Board may allot equity securities under any such offer or agreement as if the authority had not expired.
- 21 THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.
- 22 THAT the articles of association produced to the meeting and initialled by the Chair of the meeting (for the purpose of identification) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

#### **Special Procedural Rules**

- 23 THAT the Company and its subsidiaries be authorised to apply a ratio of the variable to fixed components of remuneration for those individuals who are classified as Remuneration Code Staff of up to 2:1 (such that the variable component of total remuneration for each such individual shall not exceed 200 per cent of the fixed component of total remuneration for that individual).

THE COMPANIES ACT 2006

A PUBLIC COMPANY LIMITED BY SHARES

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NEW ARTICLES OF ASSOCIATION

of

PARAGON BANKING GROUP PLC

[adopted pursuant to a Special Resolution  
of the Company passed on 24 February 2021]

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PRELIMINARY

1. The articles prescribed in or pursuant to the legislation do not apply as the articles of the Company but the following shall be the articles of association of the Company.

2. In these Articles, unless the context otherwise requires:

"address" includes a number or address used for sending or receiving documents or information by electronic means;

"Articles" means these articles of association as altered from time to time by special resolution;

"the auditors" means the auditors for the time being of the Company;

"the Bank of England base rate" means 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;

"the board" means the directors or any of them acting as the board of directors of the Company;

"certificated share" means a share which is not a CREST share and is normally held in certificated form;

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

"CREST" means the electronic settlement system for securities traded on a recognised investment exchange and owned by Euroclear UK & Ireland Limited, or any similar system;

"CREST share" means a share which is noted on the shareholders' register as being held through CREST in uncertificated form;

"directors" means the executive and non-executive directors of the company who make up its board of directors (and "director" means any one of them) or, where applicable, the directors present at a meeting of the directors at which a quorum is present;

"dividend" means dividend or bonus;

"electronic facility" includes (without limitation) website addresses and conference call systems and any device, system, procedure, method or other facility providing an electronic means of attendance at and/or participation in a general meeting decided by the directors under these Articles and available in respect of that meeting;

"the holder" in relation to any shares means the member whose name is entered in the register as the holder of such shares;

"legislation" means every statute (and any orders, regulations or other subordinate legislation made under it) applying to the Company;

"the office" means the registered office of the Company;

"paid" means paid or credited as paid;

"the register" means the register of members of the Company (maintained by the Company) and, at any time when the Company has shares in issue which are CREST shares, means the Operator register of members (maintained by CREST);

"recognised clearing house" means a body declared by an order of the Bank of England for the time being in force to be a recognised clearing house for the purposes of the Financial Services and Markets Act 2000 ("FSMA 2000");

"recognised investment exchange" means a body declared by a recognition order for the time being in force to be a recognised investment exchange for the purposes of FSMA 2000;

"shareholder" or "member" means a holder of the Company's shares;

"the seal" means the common seal of the Company and includes any official seal kept by the Company by virtue of sections 49 and 50 of the Companies Act 2006;

"the secretary" means 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;

"The Stock Exchange" means London Stock Exchange plc or any recognised investment exchange for the purposes of FSMA 2000 that may take over the functions of London Stock Exchange plc;

"uncertificated securities rules" means any provision in the legislation which relates to CREST shares or to the transfer of CREST shares or how the ownership of CREST shares is evidenced;

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

references in these Articles to a document being "signed" or to "signature" include references to its being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, such references are to its being authenticated as specified by the legislation;

references in these Articles to "writing" and to any form of "written" communication include references to any method of representing or reproducing words, symbols or other information in a legible and non-transitory form whether sent or supplied in electronic form or otherwise;

words denoting the singular number only include the plural number also and vice versa, words denoting one gender only include the other genders and words denoting persons only include firms and corporations and vice versa;

(save where otherwise defined in these Articles or where the context otherwise requires) words or expressions contained in these Articles or any part of these Articles will bear the same meaning as in the legislation in force when these Articles or that part are adopted save the word "company" includes any body corporate;

references to amounts paid or credited as paid on shares in the Company shall, unless the context otherwise requires, include amounts paid or credited as paid by way of nominal value or of premium;

references to a meeting:

(i) refer to a meeting convened and held in any manner permitted by these Articles, including a general meeting at which any of those entitled to be present attend and participate by means of an electronic facility and/or attend and participate at a satellite meeting, and such persons shall be deemed to be present at that meeting for all purposes of the legislation and these Articles and "attend", "attending", "attendance", "participate", "participating" and "participation" shall be construed accordingly; and

(ii) will not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

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

#### NAME

4. The Company may change its name by resolution of the board.

#### SHARE CAPITAL

5. Subject to the provisions of the legislation and without prejudice to any rights previously conferred on the holders of any existing shares or class of shares, any share may be issued with such preferred, deferred or other special rights or such restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the board shall determine. Such rights and restrictions shall apply to the relevant shares as if the same were set out in these Articles.

6. Subject to the provisions of the legislation or the Articles, and of any resolution of the Company in general meeting passed pursuant thereto, and without prejudice to any rights attached to existing shares, the board may allot (with or without conferring a right of renunciation), issue, grant options over, or otherwise dispose of shares in the Company to such persons, on such terms and conditions, and at such times as it thinks fit. This power shall not apply to redeemable shares, which shall be governed by the provisions of Article 7.



7. Subject to the provisions of the legislation and to any rights attached to existing shares, the Company may create and issue shares which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder. The board may determine the terms, conditions and manner of redemption of any redeemable shares so issued. Such terms and conditions shall apply to the relevant shares as if the same were set out in these Articles.

8. The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the legislation in connection with any share issue or any sale of treasury shares for cash. Subject to the provisions of the legislation, 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.

9. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise any interest in any share or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder. The fact that any share, or any part of a share, may not be owned outright by the registered owner (for example, where a share is held by one person as a nominee or otherwise as a trustee for another person) is not of any concern to the Company.

#### VARIATION OF RIGHTS

10. (1) Subject to the provisions of the legislation, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class, or with the sanction of a special resolution passed at a separate general meeting of such holders (but not otherwise). All the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply to every such separate meeting, except that:-

- (a) 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 (excluding any shares of that class held as treasury shares) 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

- (b) any holder of shares of the class present in person or by proxy and entitled to vote may demand a poll.

(2) The provisions of this Article will apply to any change of rights of shares forming part of a class. Each part of the class which is being treated differently is treated as a separate class in applying this Article.

11. Unless otherwise provided by the rights attached to any shares, those rights shall be deemed to be varied by the reduction of the capital paid up on the shares and by the allotment of further shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares, but shall not otherwise be deemed to be varied by the creation or issue of further shares or if the Company purchases or redeems any of its own shares.

#### SHARE CERTIFICATES

12. Every person whose name is entered as a member in the register (except a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange 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 receive 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, with the consent of the board, 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 determine. If a shareholder receives more certificated shares of any class, the shareholder is entitled, without charge, to a certificate for the extra shares. Every certificate shall be sealed with the seal or made effective in such other way as the directors decide, having regard to the terms of issue and any listing requirements and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The board can resolve that signatures on any share certificates can be applied to the certificates by mechanical or other means or can be printed on them or that signatures are not required. 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. Where a member has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

13. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity (with or without security) and payment of any exceptional expenses reasonably incurred by the Company in investigating the evidence and preparing the requisite form of indemnity as the board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate. Any one joint shareholder can request replacement certificates. A shareholder can ask the company to cancel and replace a single share certificate with two or more certificates for the same total number of shares. The Company may comply with this request.

14. Every share certificate will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any share certificate which is lost or delayed in the course of delivery.

#### LIEN

15. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not and whether by way of nominal value or premium) payable at a fixed time or called in respect of that share. The board may at any time (generally or in particular cases) waive any lien or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount (including dividends) payable in respect of it and has priority over claims of others to the shares.

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

17. To give effect to any such sale the board may authorise some person to sign an instrument of transfer of the shares sold to, or in accordance with the directions of, the transferee. The transferee shall be entered in the register as the holder of the shares comprised in any such instrument of transfer and shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

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

#### UNCERTIFICATED SHARES

19. (1) Under the uncertificated securities rules, the directors can allow the ownership of shares to be evidenced without share certificates and for these shares to be transferred through CREST. The directors can select and make arrangements for any class of shares to participate in CREST in this way, provided that the shares of the class are identical in all respects.

(2) As long as the directors comply with the uncertificated securities rules, they can also withdraw a class of shares from being transferred through CREST and from allowing ownership of them to be evidenced without share certificates.

(3) CREST shares do not form a class of shares separate from certificated shares with the same rights.

20. If the Company has any shares in issue which are CREST shares, these Articles apply to those shares, but only as far as they are consistent with:-

- (a) holding shares in an uncertificated form;
- (b) transferring shares through CREST;
- (c) any provision of the uncertificated securities rules; or
- (d) the Company exercising any of its powers or functions or doing anything through CREST,

and, without affecting the general nature of this Article, no provision of these Articles applies so far as it is inconsistent with the maintenance, keeping or entering up by the Operator, so long as that is permitted or required by the uncertificated securities rules, of an Operator register of securities in respect of CREST shares.

21. CREST shares can be changed to become certificated shares and certificated shares can be changed to become CREST shares, provided the requirements of the uncertificated securities rules are met.

22. If under these Articles or the legislation the Company can sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over a CREST share, then, subject to these Articles and the legislation, the directors may:

- (a) require the holder of that CREST share by written notice to change that CREST share to a certificated share within a period specified in the notice and to keep it as a certificated share for as long as the directors require;
- (b) appoint any person to take any other steps, by instruction given through CREST or otherwise, in the name of the holder of that share as may be necessary to effect the transfer of that share and these steps will be as effective as if they had been taken by the registered holder of that share; and
- (c) take any other action that the directors consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.

23. Unless the directors decide otherwise, CREST shares held by a shareholder will be treated as separate holdings from any certificated shares which that shareholder holds.

24. Unless the uncertificated securities rules otherwise require or the directors otherwise determine, shares which are issued or created from or in respect of CREST shares will be CREST shares and shares which are issued or created from or in respect of certificated shares will be certificated shares.

25. The Company can assume that entries on any record of securities kept by it as required by the uncertificated securities rules and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and therefore will not be liable in respect of anything done or not done by or on its behalf in reliance on such assumption; in particular, any provision of these Articles which requires or envisages action to be taken in reliance on information contained in the register allows that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

## CALLS ON SHARES

26. Subject to the terms of allotment, the board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may be revoked in whole or part as the board may determine and the time fixed for payment of a call may be postponed by the board. A person upon whom a call is made shall be jointly and severally liable for calls made upon him with successors in title to the shares held by that person notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

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

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

29. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed at the appropriate rate (as defined by the legislation) but the board may waive payment of such interest wholly or in part.

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

31. The board may differentiate between the holders as to the amount of calls to be paid and the times of payment.

32. The board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and may pay upon all or any of the moneys so advanced (until the same would but for such advance become presently payable) interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) the appropriate rate (as defined in the legislation) as may be agreed upon between the

board and such member. The shares in respect of which any amounts uncalled have been paid in advance shall be treated for all purposes as being partly paid only to the extent of any amounts called and paid on them until such time as the moneys so advanced become presently payable.

#### FORFEITURE AND SURRENDER

33. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give to the person from whom it is due not less than seven clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

34. If any such notice is not complied with any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

35. Subject to the provisions of the legislation, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the board determines, either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the board may authorise some person to sign an instrument of transfer of the share to that person.

36. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to pay the Company all moneys which at the date of forfeiture were then payable by him to the Company in respect of those shares with interest thereon at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at such rate not exceeding not exceeding the Bank of England base rate by more than five per cent. per annum as the board shall think fit from the date of forfeiture until payment; but his liability shall cease if and when the Company shall have received payment in full of all moneys in respect of the shares. He is not entitled to any credit

for the value of the share when it was forfeited or for any consideration received on its disposal unless the directors decide to allow credit for all or any of that value.

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

38. A statutory declaration by a director or the secretary that he is such and a share has been duly forfeited or surrendered on a date stated in the declaration shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected after he has been registered as the holder thereof by any irregularity in or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

#### TRANSFER OF SHARES

39. Certificated shares

The instrument of transfer of a share may be in any usual form or in any other form which the board may approve and shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

40. CREST shares

Unless these Articles say otherwise, any shareholder can transfer some or all of his CREST shares to another person. A transfer of CREST shares must be made through CREST and must comply with the uncertificated securities rules.

41. Entry on register

The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. No fee shall be payable to the Company for the registration of any instrument of transfer of a share.

#### RIGHTS TO DECLINE REGISTRATION OF SHARES

42. The board may refuse to register the transfer of any shares which are not fully paid.



#### 43. Certificated shares

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

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

In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

#### 44. CREST shares

Registration of a transfer of CREST shares can be refused in the circumstances set out in the uncertificated securities rules and where, in the case of a transfer to joint holders, the number of joint holders to whom the CREST share is to be transferred exceeds four.

45. If the board refuses to register the transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee notice of the refusal, together with reasons for the refusal.

46. Where a share has not yet been entered on the register, the directors can recognise a renunciation by that person of his right to the share in favour of some other person. Such renunciation will be treated as a transfer and the directors have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

### TRANSMISSION OF SHARES

47. If a member dies the survivor or survivors where he was a joint holder, and his legal personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his share; but nothing herein contained shall release the estate of a deceased

member (whether a sole or joint holder) from any liability in respect of any share held by him.

48. A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may, upon such evidence being produced as the board may properly require as to his title and subject as hereinafter provided, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give the Company notice in writing signed by him stating that he so elects, such notice to be treated as a transfer form (if he holds certificated shares) or comply with the uncertificated securities rules (if he holds CREST shares). If he elects to have another person registered, he shall sign an instrument of transfer of the share to that person (if he holds certificated shares) or effect a transfer through CREST (if he holds CREST shares). All the provisions of the Articles relating to the transfer of and registration of transfers of, shares shall apply to the notice or transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or transfer was given or signed by that member.

49. A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall, upon such evidence being produced as the board may properly require as to his entitlement and subject to the requirements of Article 135, be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled in respect of it to receive notice of or to attend or vote at any meeting of the Company or to receive notice of or to attend or vote at any separate meeting of the holders of any class of shares in the Company or to any of the rights or privileges of a member. The board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### ALTERATION OF SHARE CAPITAL

50. The Company may by ordinary resolution and subject to the provisions of the legislation, sub-divide its shares, or any of them, and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have different rights

(including deferred rights) and restrictions of a kind which the company can apply to new shares can apply to different divided shares.

51. Whenever as a result of a consolidation or division of shares any difficulty arises, 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 become entitled to any person (including, subject to the provisions of the legislation, the Company) and distribute the net proceeds of sale in due proportion among those members, and the board may authorise some person to sign an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The board may also arrange for any shares representing fractions to be entered in the register as certificated shares if they consider that this would make it easier to sell them. 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.

#### GENERAL MEETINGS

52. The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the legislation.

53. The board may call a general meeting whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the legislation, shall forthwith proceed to convene a general meeting in accordance with the requirements of the legislation and for a date not later than six weeks after receipt of the requisition (unless the requisitionists shall consent in writing to a later date being fixed). If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum any director of the Company or any two members may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the board.

#### NOTICE OF GENERAL MEETINGS

54. The accidental omission to give notice of a meeting or to supply any document or other information relating to the meeting to any person entitled to receive the same, or the non-receipt (even if the Company becomes aware of such non-receipt) of a notice of meeting,

document or other information relating to the meeting, by any such person, shall not invalidate the proceedings at that meeting. A shareholder present in person or by proxy at a shareholders' meeting is treated as having received proper notice of that meeting and, where necessary, of the purpose of that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

55. (A) The directors can make whatever arrangements they think fit to allow those entitled to do so to attend and participate in any general meeting.

(B) Unless the notice of meeting says otherwise or the chair of the meeting decides otherwise, a general meeting will be treated as taking place where the chair of the meeting is at the time of the meeting.

(C) Two or more persons who may not be in the same place as each other attend and participate in a general meeting if they are able to exercise their rights to speak and vote at that meeting. A person is able to exercise the right to speak at a general meeting if that person can communicate to all those attending the meeting while the meeting is taking place. A person is able to exercise the right to vote at a general meeting if that person can vote on resolutions put to the meeting (or, in relation to a poll, can vote within the required time frame) and that person's vote can be taken into account in deciding whether or not such resolutions are passed at the same time as the votes of others attending the meeting.

(D) When deciding whether a person is attending or participating in a meeting other than at a physical place, it is immaterial where that person is or how that person is able to communicate with others who are attending and participating.

(E) Where shareholders can participate at a general meeting by means of an electronic facility, any document required to be on display or available for inspection will be made available for the required period in electronic form to those persons entitled to inspect it and this will satisfy any such requirement.

#### ELECTRONIC FACILITIES AND SATELLITE MEETINGS

56. (A) The board can decide to let persons entitled to attend and participate in a general meeting do so by simultaneous attendance and participation by means of an electronic facility. Shareholders present in person or by proxy by means of such electronic facility will be counted in the quorum for, and entitled to participate in, the general meeting.

(B) The board can also decide to let persons entitled to attend and participate in a general meeting do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world (referred to in these Articles as a satellite meeting). Shareholders present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to participate in, the general meeting. The satellite meeting will be treated as taking place where the chair of the meeting is at the time of the meeting and the powers of the chair will apply to the satellite meeting.

(C) Any general meeting at which electronic facilities are available and any satellite meeting will be duly constituted and its proceedings valid if the chair is satisfied that facilities are available throughout the meeting to enable all members attending the meeting by whatever means and at all the meeting places to:

- (i) participate in the business for which the meeting has been called;
- (ii) hear all the people who speak at the meeting and at any satellite meeting; and
- (iii) be heard by all other people attending and participating in the meeting.

(D) Nothing in these Articles authorises or allows a general meeting to be held exclusively on an electronic basis.

57. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, 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 the Articles, two persons present in person or by proxy and entitled to vote upon the business to be transacted shall be a quorum for all purposes. A shareholder which is a company is to be considered present if it is represented by a duly authorised representative.

58. If such a quorum is not present within fifteen minutes (or such longer time not exceeding thirty minutes as the chairman of the meeting may decide to wait) from the time appointed for the meeting, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such day (being not less than ten days later, excluding the day on which the meeting is adjourned and the day for which it is reconvened), 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, the members present in person or by proxy shall be a quorum.

59. The chairman, if any, of the board or in his absence some other director nominated by the board, shall preside as chairman of the meeting, but if neither the chairman 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.

60. (1) 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. The Chairman of a meeting can also allow anyone to attend and speak where he considers that this will help the business of the meeting.

(2) All persons seeking to attend and participate in a general meeting by way of electronic facility are responsible for maintaining adequate facilities to enable them to do so. Subject to the right of the chair to adjourn a general meeting under these Articles, any inability of a person to attend or participate in a general meeting by means of electronic facility shall not invalidate the proceedings of that meeting.

61. (1) The chairman may at any time, 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.

(2) The chair of the meeting can adjourn the meeting before or after it has started, and whether or not a quorum is present, if the chair considers that:

(i) there is not enough room for the number of shareholders and proxies who can and wish to attend the meeting;

(ii) the behaviour of anyone present prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way;

(iii) an adjournment is necessary for any other reason, so that the business of the meeting can be properly carried out; or

(iv) the facilities or security at the place of the meeting (or places in the case of a satellite meeting) or the electronic facility provided for the general meeting have become inadequate or are otherwise not sufficient to allow the meeting to be conducted as intended.

The chair of the meeting does not need the consent of the meeting to adjourn it for any of these reasons to a time, date and place (or places in the case of a satellite meeting) and with such means of attendance and participation as the chair decides. The chair can also adjourn the meeting to a later time on the same day or indefinitely. If a meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned meeting.

(3) A reconvened meeting can only deal with business that could have been dealt with at the meeting which was adjourned. Any meeting may be adjourned more than once.

(4) When a meeting is adjourned for thirty days or more or for an indefinite period, notice of the adjourned meeting shall be given in like manner as in the case of the original but except where these Articles require it, it shall not otherwise be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

62. (1) If the directors consider that it is impracticable or undesirable to hold a general meeting on the date or at the time or place (or places in the case of satellite meeting) stated in the notice calling the meeting, they can move or postpone the meeting (or do both). If the directors do this, an announcement of the date, time and place (or places in the case of a satellite meeting) of the rearranged meeting will be made in any manner considered by the board to be appropriate. Notice of the business of the meeting does not need to be given again. The directors must take reasonable steps to ensure that any shareholder trying to attend the meeting at the original time and place is informed of the new arrangements. If a meeting is rearranged in this way, proxy forms are valid if they are received as required by these Articles not less than 48 hours before the time of the rearranged meeting. The directors can also move or postpone the rearranged meeting (or do both) under this Article.

(2) The directors or the secretary can put in place arrangements, both before and during any general meeting, which they consider to be appropriate for the proper and orderly conduct of the general meeting and the health and safety of people attending it. This authority includes power to refuse physical or electronic entry to, or remove (physically or electronically) from meetings, people who fail to comply with the arrangements.

- (B) (3) Where a general meeting is held partly by means of an electronic facility, the directors or the secretary may make any arrangement and impose any requirement or restriction that is necessary to ensure the identification of those taking part by this means and the security of the electronic facility.

63. (1) Amendments can be proposed to any resolution if they are clerical amendments or amendments to correct some other obvious error in the resolution. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) shall in any event be considered or voted upon.

(2) Amendments to an ordinary resolution which are within the scope of the resolution can be proposed if:-

- (i) notice of the proposed amendment has been received by the company at the office at least two working days before the date of the meeting, or adjourned meeting; or
- (ii) the chair of the meeting decides that the amendment is appropriate for consideration by the meeting.

No other amendment can be proposed to an ordinary resolution. The chair of the meeting can agree to the withdrawal of any proposed amendment before it is put to the vote.

64. A resolution put to the vote at a general meeting held partly by means of an electronic facility will be decided on a poll, which poll votes may be cast by such electronic means as the directors decide are appropriate. Any such poll will be treated as having been validly demanded at the time fixed for the holding of the meeting. Subject to this, 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 legislation, a poll may be demanded by -

- (a) the chairman of the meeting; or
- (b) at least two members present in person or by proxy having the right to vote at the meeting; or



- (c) 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
- (d) 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.

65. 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.

66. The demand for a poll may, before the poll is taken, be withdrawn at any time before the conclusion of the meeting at which it is demanded 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.

67. 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.

68. 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 at such time and place as the chairman directs not being more than twenty-eight days after the poll is demanded. Any business other than that on which the poll was demanded may be proceeded with pending the completion of the poll. 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.

69. 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.

#### VOTES OF MEMBERS

70. Subject to any rights or restrictions attached to any shares as to voting and to any other provision of these Articles, members shall be entitled to vote at a general meeting whether on a show of hands or on a poll as provided in the legislation. For this purpose, where a proxy is given discretion as to how to vote on a show of hands, this shall be treated as an instruction by the relevant member to vote in the way that the proxy elects to exercise that discretion. This is subject to any special rights or restrictions as to voting which are given to any shares or upon which any shares may be held at the relevant time and to these Articles.

71. 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.

72. This Article applies where a court or official claiming jurisdiction to protect people who are unable to manage their own affairs has made an order about the shareholder. The person appointed to act for that shareholder can vote for the shareholder. The appointed representative can also exercise any other rights of the shareholder relating to meetings. This includes appointing a proxy, voting on a show of hands and voting on a poll. Before the representative does so however, such evidence of the representative's authority as the directors require must be received by the Company not later than the latest time at which proxy forms must be received to be valid for use at the relevant meeting or on the holding of the relevant poll.

73. 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.

74. (1) If at any time the board is satisfied that any member or other person appearing to be interested in shares in the capital of the Company has failed within twenty-eight days to comply with a notice duly given to that person by the Company under the legislation (other than a person for the time being exempted by the Secretary of State from the operation of such section) or, in purported compliance

with such a notice, has made a statement which is false or inadequate in a material particular, then the board may serve notice in writing on any member holding shares relating to which the board has determined or become aware that such default has occurred. Any such notice (hereinafter referred to as a "Default Notice") shall specify the nature of the default, the number of shares concerned and the steps to be taken to remedy such default. 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 legislation which fails to establish the identities of those interested in the shares and if (after taking into account in particular, but without limitation, such notification and any other relevant notification under the legislation) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

(2) Where the identified shares make up 0.25 per cent. or more (in amount or in number) of the existing shares of a class (calculated exclusive of any shares of that class held as treasury shares) at the date of delivery of the restriction notice, the restriction notice can also contain the following further restrictions:-

- (a) the directors can withhold any dividend or part of a dividend (including scrip dividend) or other money which would otherwise be payable in respect of the identified shares without any liability to pay interest when such money is finally paid to the shareholder; and
- (b) the directors can refuse to register a transfer of any of the identified shares which are certificated shares unless the directors are satisfied that they have been sold outright to an independent third party. The independent third party must not be connected with the shareholder or with any person appearing to be interested in the shares. Any sale through a recognised investment exchange or any other stock exchange outside the United Kingdom or by way of acceptance of a takeover offer will be treated as an outright sale to an independent third party. For this purpose, any associate (as that term is defined in section 435 of the Insolvency Act 1986) is included in the class of persons who are connected with the shareholder or any person appearing to be interested in the shares. In order to enforce the restriction in this sub-paragraph, the directors can give notice to the relevant shareholder requiring him to change identified shares which are CREST shares to certificated shares by the time given in the notice and to keep them in certificated form for as long as the directors require. The notice can also say that the

relevant shareholder may not change any identified shares which are certificated shares to CREST shares. If the shareholder does not comply with the notice, the directors can authorise any person to instruct the Operator to change any identified shares which are CREST shares to certificated shares in the name and on behalf of the relevant shareholder.

(3) The board may at any time give notice cancelling a Default Notice. In addition, the board shall cancel such Default Notice within seven days of being satisfied that the default referred to in paragraph (1) of this Article has been rectified.

(4) From seven days after the service of a Default Notice until such time as the board has cancelled the Default Notice, that member shall not, in respect of any shares specified in the Default Notice, be entitled to attend or vote at any general meeting of the Company or at any separate meeting of the holders of shares of any class, either personally or by proxy, or to be reckoned in a quorum or to exercise any right or privilege as a member in relation to general meetings or separate meetings of the holders of shares of any class in respect of any shares specified in the Default Notice.

(5) The Default Notice will apply to any further shares issued in right of the identified shares. The directors can also make the restrictions in the Default Notice apply to any right to an allotment of further shares associated with the identified shares.

(6) The board shall cause the register to have noted against the member upon whom a Default Notice has been served details of such Default Notice and the number of shares specified therein and shall cause such note to be deleted upon cancellation of the Default Notice or service of any further notice under paragraph (2) or (3) of this Article.

(7) Any Default Notice and any other notice served by the board pursuant to this Article shall be conclusive against the member concerned and its validity shall not be questioned by any person.

(8) A Default Notice shall automatically cease to have effect in respect of any share which is transferred upon registration of the relevant transfer.

(9) This Article does not restrict in any way the provisions of this legislation which apply to failures to comply with notices under the legislation.

75. 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 for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

#### PROXIES

76. An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under its common seal or the hand of a duly authorised officer, attorney or other person authorised to sign it or, if the appointor is a corporation sole, under the hand of a duly authorised representative thereof, but the signature of such instrument need not be attested.

77. Instruments of proxy shall be in any usual form or in any other form which the board may approve and the board may, if it thinks fit, but subject to the provisions of the legislation, send out to all persons entitled to notice of and to attend and vote at any meeting forms of instrument of proxy for use at the meeting. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

78. The instrument appointing a proxy must:

- (a) in the case of an appointment made in hard copy form, be received at the office (or such other place in the United Kingdom as may be specified by the Company for the receipt of appointments of proxy in hard copy form) not less than 48 hours (or such shorter time as the board may determine) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote together with (if required by the board) any authority under which it is made or a copy of the authority, certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the board;
- (b) in the case of an appointment made by electronic means, be received at the address specified by the Company for the receipt of appointments of proxy by electronic means not less than 48 hours (or such shorter time as the board may determine) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which such an appointment is made or a copy of the

authority, certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the board, must, if required by the board, be received at such address or at the office (or such other place in the United Kingdom as may be specified by the Company for the receipt of such documents) not less than 48 hours (or such shorter time as the board may determine) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

- (c) in the case of a poll taken more than 48 hours after it was demanded, be received as aforesaid not less than 24 hours (or such shorter time as the board may determine) before the time appointed for the taking of the poll; and
- (d) in the case of a poll taken following the conclusion of a meeting or adjourned meeting but 48 hours or less after it was demanded, be received as aforesaid before the end of the meeting at which it was demanded (or at such later time as the board may determine).

79. An instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. No instrument of proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its signature. But it will be valid, unless the proxy form itself states otherwise, if it is used at an adjourned meeting or on a poll after a meeting or an adjourned meeting even after 12 months, if it was valid for the original meeting. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which was delivered last (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was delivered last, none of them shall be treated as valid in respect of that share. When calculating the periods mentioned in this Article the directors may decide not to take account of any part of a day that is not a working day.

80. A vote given or poll demanded in accordance with the terms of an instrument of proxy or by the representative of a corporation or corporation sole duly authorised by resolution of its directors or other governing body shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy was signed provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Company at the office or at such other place as is referred to in the preceding

Article 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.

81. The Company shall not be obliged to check whether a proxy or representative of a corporation has voted in accordance with a shareholder's instructions and if a proxy or representative fails to do so, this will not affect the decision of the meeting (or adjourned meeting) or poll.

#### NUMBER OF DIRECTORS

82. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be not less than two but shall not be subject to any maximum.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

83. At every annual general meeting each of the directors shall retire from office and may offer himself for re-appointment by the members.

84. At the meeting at which a director retires, the Company may (subject to Article 87) fill the vacated office by appointing a person thereto, and in default the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is expressly resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost. In the event of the vacancy not being filled at such meeting, it may be filled by the board as a casual vacancy.

85. No person other than a director retiring shall be appointed or reappointed a director at any general meeting unless -

- (a) he is recommended by the board; or
- (b) not less than seven nor more thirty clear days before the date appointed for the meeting, notice signed by a member qualified to vote at the meeting (not being the person to be proposed) has been left at the office addressed to the secretary of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed be required to be included in the Company's register of directors, together with notice signed by that person of his willingness to be appointed or reappointed.

86. Except as otherwise authorised by the legislation, the appointment of any person proposed as a director shall be effected by a separate resolution.

87. 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.

88. 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.

89. The continuing directors may act notwithstanding any vacancies in their number. If the number of directors is reduced below any minimum number fixed by or in accordance with these Articles, the continuing director or directors, as the case may be, may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company.

90. (1) A director shall not be required to hold any shares of the Company by way of qualification.

#### ALTERNATE DIRECTORS

91. Any director (other than an alternate director) may at any time appoint any other director, or any other person approved by resolution of the board unless previously approved by the board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

92. 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, vote and be counted for the purpose of a quorum at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor as a director in his absence.

93. 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 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.

94. 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. An alternate



director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

95. An alternate director shall automatically cease to be an alternate director -

- (a) if his appointor ceases to be a director; but, if a director retires but is reappointed or deemed to have been reappointed 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 reappointment;
- (b) on the happening of any event which, if he were a director, would cause him to vacate his office as director;
- (c) if he resigns his office by notice in writing left at the office; and
- (d) if his appointor shall terminate the appointment.

96. Any appointment or removal of an alternate director shall be by notice in writing to the Company signed by the director making or revoking the appointment or by tabling it at a board meeting and shall take effect in accordance with the terms of the notice (subject to any approval required by Article 91) upon receipt of such notice at the office or by the secretary or at the meeting at which the appointment or removal was tabled.

97. Save as otherwise provided in the Articles, an alternate director shall be deemed during his appointment, for all purposes to be a director and 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

98. Subject to the provisions of the legislation and the 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. No alteration of the 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 the 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

99. 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 (which may include authority to sub-delegate all or any of the powers delegated) may be made subject to any conditions the board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying. The board may co-opt onto 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.

100. (1) The board may make such arrangements as it thinks fit for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may establish local or divisional boards and 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 (other than the power to borrow and make calls), 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.

(2) The board may from time to time make and vary such regulations as it thinks fit respecting the keeping of dominion registers of members pursuant to the legislation.

101. The board may from time to time by power of attorney appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the board under these Articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection or convenience

of persons dealing with any such attorney as the board thinks fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

102. 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 (other than the office of chief executive or joint chief executive or deputy or assistant chief executive director or managing director) 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 the Articles.

#### BORROWING POWERS

103. The Directors may exercise all the powers of the Company to raise or borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or standard security over its undertaking, property and assets both present and future (including uncalled capital), or any part thereof, and subject (in the case of any security convertible into shares) to section 549 of the Companies Act 2006 to issue debentures, debenture stock, and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

104. The office of a director shall be vacated if -

- (a) he ceases to be a director by virtue of any provisions of the legislation or the Articles or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is or has been suffering from mental or physical ill health and the directors pass a resolution removing the director from office; or
- (d) (not being a Chairman or Managing Director holding office as such for a fixed term) he resigns his office by notice in writing to the Company; or

- (e) 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 his alternate director (if any) shall not during such period have attended in his stead and the board resolves that his office be vacated; or
- (f) all of the other directors (who must comprise at least three people) pass a resolution or sign a written notice removing the director as a director.

If a director stops being a director for any reason, that person will also automatically cease to be a member of any committee or sub-committee of the directors.

105. (1) In addition to any power to remove directors conferred by the legislation, the Company can pass a special resolution to remove a director from office even though his time in office has not ended and can (subject to these Articles) appoint a person to replace a director who has been removed in this way by passing an ordinary resolution.

#### REMUNERATION OF DIRECTORS

106. (1) The directors shall be paid out of the funds of the Company by way of remuneration for their services, fees not to exceed in aggregate £2,000,000 per annum (to be divided between the directors in such proportions as they shall determine) or such higher aggregate amount as the Company may by ordinary resolution determine, and accrues from day to day. A director holding office, for part only a year shall be entitled to a proportionate part of a full year's remuneration.

(2) Any director who by request of the board performs extra or special services, serves on any committee, who devotes special attention to the business or goes abroad for any purposes of the Company shall be entitled to receive such sum for expenses and such remuneration as the directors may think fit either in addition to or in substitution for any other remuneration he may be entitled to receive. Extra fees can take the form of salary, commission, profit-sharing or other benefits (and can be paid partly in one way and partly in another). This is all decided by the directors or any committee authorised by the directors.

#### DIRECTORS' EXPENSES

107. The directors shall be entitled to be re-paid all such reasonable (including 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 which they otherwise properly incur in connection with the discharge of their duties. The Company may also fund a director's expenditure on defending proceedings as provided in the legislation.

#### EXECUTIVE DIRECTORS

108. The board may from time to time appoint one or more of its body to the office of Chairman, Chief Executive, Managing Director, or to any other office (except that of auditor), employment or place of profit in the Company, for such period and on such terms (as to remuneration and otherwise) as it thinks fit and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose appointment is revoked may have against the Company by reason of such revocation). The board may permit any person appointed to be a director to continue in any other office or employment held by him before he was so appointed.

109. A director appointed to the office of Chairman, Chief Executive or Managing Director shall (subject to the provisions of any contract between himself and the Company) be subject to the same provisions as to retirement, resignation and removal as the other directors.

110. Any appointment of a director to the office of Chairman, Chief Executive, Managing Director or an executive officer 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. A director appointed to an executive office shall not ipso facto cease to be a director if his appointment to such executive office terminates.

111. The emoluments of any Chairman, Chief Executive, Managing Director or director holding any other 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.

112. The board may entrust to and confer upon a Chairman, Chief Executive, Managing Director or director holding any other executive office any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and in the case of a Chief Executive or Managing Director, either collaterally

with or to the exclusion of its own powers and may from time to time revoke, withdraw or vary all or any of such powers.

#### DIRECTORS' INTERESTS

##### 113. Conflicts of interest requiring authorisation by directors

(1) The directors may, subject to the quorum and voting requirements set out in this Article, authorise any matter which would otherwise involve a director breaching his duty under the legislation to avoid conflicts of interest ("Conflict").

(2) A director seeking authorisation in respect of a Conflict must tell the directors of the nature and extent of his interest in a Conflict as soon as possible. The director must give the directors sufficient details of the relevant matter to enable them to decide how to address the Conflict together with any additional information which they may request.

(3) Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the directors under the provisions of these Articles except that:

- (a) the relevant director and any other director with a similar interest will not count in the quorum and will not vote on a resolution giving such authority; and
- (b) the relevant director and any other director with a similar interest may, if the other directors so decide, be excluded from any meeting of the directors while the Conflict is under consideration.

(4) Where the directors give authority in relation to a Conflict or where any of the situations described in Article 113(2) apply in relation to a director ("Relevant Situation"):

- (a) they may (whether at the time of giving the authority or subsequently) (i) require that the relevant director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the Conflict or Relevant Situation; and (ii) impose upon the relevant

director such other terms for the purpose of dealing with the Conflict or Relevant Situation as they think fit;

- (b) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict or Relevant Situation;
- (c) the directors may also provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (d) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (e) the directors may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.

#### 114. Other conflicts of interest

(1) If a director knows that he is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must tell the other directors of the nature and extent of that interest in accordance with the legislation.

(2) If he has disclosed the nature and extent of his interest in accordance with paragraph (1) of this Article, a director can do any one or more of the following:

- (a) have any kind of interest in a contract with or involving the Company or another company in which the Company has an interest;
- (b) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the directors may decide;
- (c) alone, or through a firm with which he is associated do paid professional work for the Company or another company

in which the Company has an interest (other than as auditor);

- (d) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company has an interest; and
- (e) be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.

#### 115. Benefits

A director does not have to hand over to the Company any benefit he receives or profit he makes as a result of anything authorised under Article 113(1) or allowed under Article 114(2) nor is any type of contract authorised under Article 113(1) or allowed under Article 114(2) liable to be avoided.

#### 116. Quorum and voting requirements

(1) A director cannot vote or be counted in the quorum on a resolution of the directors relating to appointing that director to a position with the Company or a company in which the Company has an interest or the terms or the termination of the appointment.

(2) This paragraph applies if the directors are considering proposals about appointing two or more directors to positions with the Company or any company in which the Company has an interest. It also applies if the directors are considering setting or changing the terms of their appointment. These proposals can be split up to deal with each director separately. If this is done, each director can vote and be included in the quorum for each resolution, except any resolution concerning him or concerning the appointment of another director to a position with a company in which the Company is interested where the director has a Relevant Interest in it.

(3) A director cannot vote or be counted in the quorum on a resolution of the directors about a contract in which he has an interest and, if he does vote, his vote will not be counted, but this prohibition will not apply to any resolution where that interest



cannot reasonably be regarded as likely to give rise to a conflict of interest or where that interest is included in the following list:-

- (a) a resolution about giving him any guarantee, indemnity or security for money which he or any other person has lent or obligations he or any other person has undertaken at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) a resolution about giving any guarantee, indemnity or security to another person for a debt or obligation which is owed by the Company or any of its subsidiary undertakings to that other person if the director has taken responsibility for some or all of that debt or obligation. The director can take this responsibility by giving a guarantee, indemnity or security;
- (c) a resolution about giving him any other indemnity where all other directors are also being offered indemnities on substantially the same terms;
- (d) a resolution about the Company funding his expenditure on defending proceedings or the Company doing something to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements;
- (e) a resolution relating to an offer by the Company or any of its subsidiary undertakings of any shares or debentures or other securities for subscription or purchase if the director takes part because he is a holder of shares, debentures or other securities or if he takes part in the underwriting or sub-underwriting of the offer;
- (f) a resolution about a contract in which he has an interest because of his interest in shares or debentures or other securities of the Company or because of any other interest in or through the Company;
- (g) a resolution about a contract involving any other company if the director has an interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder in that company). This does not apply if he knows that he has a Relevant Interest in that company;
- (h) a resolution about a contract relating to a pension fund, superannuation or similar scheme or retirement, death or

disability benefits scheme or employees' share scheme which gives the director benefits which are also generally given to the employees to whom the fund or scheme relates;

- (i) a resolution about a contract relating to an arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings which only gives him benefits which are also generally given to the employees to whom the arrangement relates; and
- (j) a resolution about a contract relating to any insurance which the Company can buy or renew for the benefit of directors or of a group of people which includes directors.

(4) A director will be treated as having a Relevant Interest in a company if he holds an interest in shares representing one per cent. or more of a class of equity share capital (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights of that 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. Interests which are unknown to the director and which it is unreasonable to expect him to know about are ignored.

(5) Where a company in which a director has a Relevant Interest is interested in a contract, the director will also be treated as being interested in that contract.

(6) Subject to these Articles, the directors can exercise or arrange for the exercise of the voting rights attached to any shares in another company held by the Company and the voting rights which they have as directors of that company in any way that they decide. This includes voting in favour of a resolution appointing any of them as directors or officers of that company and deciding their remuneration. Subject to these Articles, they can also vote and be counted in the quorum as directors of the Company in connection with any of these things.

(7) If a question comes up at a meeting of the directors about whether a director (other than the chairman of the meeting) has an interest in a contract and whether it is likely to give rise to a conflict of interest or whether he can vote or be counted in the quorum and the director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman of the meeting's ruling about any other director is final and conclusive unless the nature or extent of the director's interest (so far as it

is known to him) has not been fairly disclosed to the directors. If the question comes up about the chairman of the meeting, the question shall be decided by a resolution of the directors. The chairman of the meeting cannot vote on the question but can be counted in the quorum. The directors' resolution about the chairman of the meeting is conclusive, unless the nature or extent of the chairman's interest (so far as it is known to him) has not been fairly disclosed to the directors.

#### 117. General

##### (1) References in Articles 113 to 116 to

- (a) a contract include references to an existing or proposed contract and to an existing or proposed transaction or arrangement whether or not it is a contract; and
- (b) a conflict of interest include a conflict of interest and duty and a conflict of duties.

(2) The Company can by ordinary resolution suspend or relax the provisions of Articles 113 to 116 to any extent or ratify any contract which has not been properly authorised in accordance with those Articles.

#### GRATUITIES AND PENSIONS

118. The board may (by establishment of or maintenance of schemes or otherwise) provide benefits, whether by the payment of gratuities, pensions, annuities, allowances or by insurance, or otherwise, to or for the benefit of any past or present director or employee who has held any salaried office or place of profit with the Company or any of its subsidiaries or any company associated with, or any business acquired by, any of them, or to or for the benefit of persons who were related to or dependants of any such director or employee 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 pension, annuity, allowance, gratuity or other benefit and may make payments for or towards the insurance of any such person. No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

119. Pursuant to section 247 of the Companies Act 2006, 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

120. Subject to the provisions of the 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 or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. 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 and any waiver after the meeting has taken place will not affect the validity of the meeting or any business conducted at the meeting.

121. 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. For the purpose of determining whether the quorum for the transaction of the business of the board exists:-

- (a) in the case of a resolution agreed by directors in telephonic communications, all such directors shall be counted in the quorum; and
- (b) in the case of a meeting of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum.

122. 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.

123. All acts done by a meeting of the board, or of a committee or of a sub-committee of the board, or by a person acting as a director or by an alternate director shall, notwithstanding that it be afterwards

discovered that there was a defect in the appointment of or continuance in office of any director or any alternate director or any person acting as aforesaid 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 or had duly continued in office 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.

124. (1) 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 -

- (a) a resolution may consist of several documents to the same effect each signed by one or more directors;
- (b) a resolution signed by an alternate director need not also be signed by his appointor; and
- (c) a resolution signed by a director who has appointed an alternate director need not also be signed by the alternate director in that capacity.

(2) Without prejudice to the first sentence of Article 120, a meeting of the board or of a committee or of a sub-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 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 the Articles shall be construed accordingly.

#### THE SEAL

127. 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 by one director in the presence of a witness who attests the signature.

128. All forms of certificates for shares, or debentures or representing any other form of security (other than letters of allotment or scrip certificates) shall except to the extent that the terms and conditions for the time being relating thereto otherwise provide be issued under the seal in the manner above provided; but the board may by resolution determine either generally or in any particular case that as regards any certificates for shares or debentures or representing any other form of security of the Company such signature or signatures shall be dispensed with or affixed by some mechanical means. Any certificate signed in accordance with the foregoing shall be held to have been validly signed and shall be presumed to be authentic whether or not any signature is attested by witnesses.

#### DIVIDENDS

129. Subject to the provisions of the legislation, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend or interim dividend shall exceed the amount recommended by the board.

130. Subject to the provisions of the legislation, 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 any dividend payable at a fixed rate on any shares of the Company with preferential rights half-yearly or otherwise 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.

131. 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.

132. A general meeting declaring a dividend may, upon the recommendation of the board, 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 company, and, where any difficulty arises in regard to the distribution, the board may settle the same as it thinks fit and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or disregard fractions altogether and 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.

133. 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 on account of calls or otherwise in relation to shares in the Company.

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

(2) The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

135. Any dividend or other moneys payable in respect of a share may be paid:

- (a) by inter-bank transfer or by other electronic means (including payment through CREST) directly to an account with a bank or other financial institution (or other organisations operating deposit accounts if allowed by the company) named in a written instruction from the persons entitled to receive the payment under this Article;
- (b) by sending a cheque or warrant by post to the holder at his registered address;

- (c) by sending a cheque, warrant or similar financial instrument payable to someone else named in a written instruction from the shareholder (or all joint shareholders) and sent by post to the address specified in that instruction; or
- (d) in some other way requested in writing by the shareholder (or all joint shareholders) and agreed with the Company.

136. In respect of payment of any dividend or other money, the directors can decide and notify shareholders that:

- (A) one or more of the payment means described in Article 135 above will be used for payment and, where more than one means will be used, a shareholder (or all joint shareholders) may elect to receive payment by one of the means so notified in the manner prescribed by the directors;
- (B) one or more of such means will be used for the payment unless a shareholder (or all joint shareholders) elects for another means of payment in the manner prescribed by the directors; or
- (C) one or more of such means will be used for the payment and that shareholders will not be able to elect to receive the payment by any other means.

137. If:

- (a) a shareholder (or all joint shareholders) does not specify an address, or does not specify an account of a type prescribed by the directors, or does not specify other details, and in each case that information is necessary in order to make a payment of a dividend or other money in the way in which under this Article the directors have decided that the payment is to be made or by which the shareholder (or all joint shareholders) has validly elected to receive the payment; or
- (b) payment cannot be made by the Company using the information provided by the shareholder (or all joint shareholders),

then the dividend or other money will be treated as unclaimed for the purposes of these Articles.

138. For joint shareholders or persons jointly entitled to shares by law, payment can be made to the shareholder whose name stands first in the register. The Company can then rely on a receipt for a dividend or other money paid on shares from any one of them on behalf of them all.



139. Any dividend or other sums payable on or in respect of any shares which has remained unclaimed for six years from the date when it became due for payment shall, if the board so resolves, be forfeited and shall revert to 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 any cheque, warrant or similar financial instrument though the post or any other means of payment, including payment by means of a relevant system, for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if such instruments have been returned undelivered or remain uncashed during or at the end of the period for which the same are valid or that means of payment has failed on at least two consecutive occasions. In addition, the Company may cease to send any cheque, warrant or similar financial instrument through the post or may cease to employ any other means of payment if, in respect of one dividend payable on those shares, the cheque, warrant or similar financial instrument has been returned undelivered or remains uncashed during or at the end of the period for which the same is valid or that means of payment has failed and reasonable enquiries have failed to establish any new postal address or account of the holder. The entitlement conferred on the Company by this Article in respect of any member shall cease if such member or person entitled by transmission claims a dividend or requests payment in writing.

140. Cheques, warrants and similar financial instruments are sent, and payment in any other way is made, at the risk of the person who is entitled to the money. The Company is treated as having paid a dividend if the cheque, warrant or similar financial instrument is cleared or if a payment is made through CREST, bank transfer or other electronic means. The Company will not be responsible for a payment which is lost or delayed.

141. Where a person is entitled by transmission to a share, any dividend or other sum payable by the company in respect of the share may be paid as if he were a holder of the share and his address noted in the register were his registered address and where two or more persons are so entitled, any one of them may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the shares.

#### SCRIP DIVIDEND

142. The board may, if authorised by an ordinary resolution of the Company, offer any holders of ordinary shares (excluding any member holding shares as treasury shares) the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of

the whole (or some part, to be determined by the board) of any dividend specified by the ordinary resolution. The following provisions shall apply:-

(i) an ordinary resolution may specify some or all of a particular dividend (whether or not already declared) or may specify some or all of any dividends declared or paid within a specified period, but such period may not end later than the third anniversary of the date of the meeting at which the ordinary resolution is passed;

(ii) the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement 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 forgo. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the Daily Official List (or any other publication of a recognised investment exchange showing quotations for the Company's ordinary shares) on such five consecutive dealing days as the board shall determine provided that the first of such days shall be on or after the day on which the ordinary shares are first quoted "ex" the relevant dividend or in such other manner as may be determined by or in accordance with the ordinary resolution. 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 and in giving such a certificate or report the auditors may rely on advice or information from brokers or other sources of information as they think fit;

(iii) no fraction of any ordinary share shall be allotted. The board may make such provisions as it thinks fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained without interest and in each case accumulated on behalf of any holder of ordinary shares and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such holder of fully paid ordinary shares and/or provisions whereby cash payments may be made to such holders in respect of their fractional entitlements;

(iv) the board, if it intends to offer an election in respect of any dividend, shall give notice to the holders of ordinary shares of the right of election offered to them, and specify the procedure to be followed which, for the avoidance of doubt, may include an election by means of a relevant system and the place at which, and the latest time by which, elections must be lodged in order for elections to be effective; no such notice need be given to holders of ordinary shares

who have previously given election mandates in accordance with this Article and whose mandates have not been revoked; the accidental omission to send or supply notice of any right of election to, or the non receipt (even if the Company becomes aware of such failure to send or supply or non-receipt) of any such notice by, any holder of ordinary shares entitled to the same shall neither invalidate any offer of an election nor give rise to any claim, suit or action;

(v) the board shall not proceed with any election unless the Company has sufficient reserves or funds that may be capitalised, and the board has authority to allot sufficient shares, to give effect to it after the basis of allotment is determined;

(vi) the board may exclude from any offer or make other arrangement in relation to any holders of ordinary shares where the board believes that such exclusion or arrangement is necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, or the board believes that for any other reason the offer should not be made to them;

(vii) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made (for the purposes of this Article "the elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose the board shall capitalise, out of any amount standing to the credit of any reserve or fund (including retained earnings) at the relevant time whether or not the same is available for distribution as the board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis. The board may do all acts and things considered necessary or expedient to give effect to any such capitalisation;

(viii) the additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully-paid ordinary shares then in issue except that they will not be entitled to participation in the relevant dividend;

(ix) unless the board otherwise determines, or unless the uncertificated securities rules otherwise require, the new ordinary share or shares which a member has elected to receive instead of cash in respect of the whole (or some part) of the specified dividend declared or paid in respect of the member's elected ordinary shares

shall be in uncertificated form (in respect of the member's elected ordinary shares which were in uncertificated form on the date of the member's election) and in certificated form (in respect of the member's elected ordinary shares which were in certificated form on the date of the member's election);

(x) the board may also from time to time establish or vary a procedure for election mandates, which, for the avoidance of doubt, may include an election by means of a relevant system, under which a holder of ordinary shares may elect in respect of future rights of election offered to that holder under this Article until the election mandate is revoked or deemed to be revoked in accordance with the procedure;

(xi) the board may decide how any costs relating to making new shares available in place of a cash dividend will be met, including deciding to deduct an amount from the entitlement of a shareholder under this Article; and

(xii) at any time before new ordinary shares are allotted instead of cash in respect of any part of a dividend, the board may determine that such new ordinary shares will not be allotted. Any such determination may be made before or after any election has been made by holders of ordinary shares in respect of the relevant dividend.

#### CAPITALISATION OF PROFITS AND RESERVES

143. The Company's shareholders may, upon the recommendation of the board -

- (a) subject as hereinafter provided, resolve by ordinary resolution to capitalise any undistributed profits or retained earnings of the Company not required for paying the fixed dividends on any preference shares or other shares issued on special conditions (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;
- (b) appropriate the sum resolved to be capitalised to the 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 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 shares to be allotted to members credited as fully paid;

- (c) make such provision (by the issue of fractional certificates or by payment in cash or otherwise) as it thinks fit for the case of shares, debentures or obligations becoming distributable in fractions;
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for either -
  - (i) the allotment to such members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled upon such capitalisation; or
  - (ii) the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts or any part of the amounts, remaining unpaid on their existing shares,

and any agreement made under such authority shall be binding on all such members; and

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

#### ACCOUNTS AND AUDIT

144. (1) 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.

(2) The company may send or supply copies of its strategic reports with supplementary materials to its members instead of copies of its full accounts and reports.

145. (1) Auditors of the Company shall be appointed and their duties regulated in accordance with the legislation.

(2) Subject to Article 150 below, the auditors' report to the members made pursuant to the statutory provisions as to audit shall be read before the Company in general meeting and shall be open to inspection by any member; and in accordance with the legislation every member shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed thereto) and auditors' report.

#### METHODS OF SERVICE

146. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the board need not be in writing.

147. The Company send or supply any notice, document, including a share certificate, or other information to a member either:

- (i) personally;
- (ii) by sending it by post in a prepaid envelope addressed to the member at his address in the register;
- (iii) by means of a relevant system;
- (iv) where appropriate, by sending or supplying it in electronic form to an address notified by the member to the company for that purpose;
- (v) where appropriate, by making it available on a website and notifying the member of its availability; or
- (vi) by any other means authorised in writing by the member.

The Company may at any time and in its sole discretion choose (a) to serve, send or supply notices, documents or other information in hard copy form alone to some or all members; and (b) not to serve, send or supply any notice, document or other information to a particular member where it considers this necessary or appropriate to deal with legal, regulatory or practical problems in, or under the laws of, any territory.

148. In the case of joint holders of a share, all notices, documents or other information shall be given to the joint holder whose name stands first in the register in respect of the joint holding and notice so given shall be deemed for all purposes sufficient notice to all the joint holders. A member, including any joint holder, 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 shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company. Where there are joint holders of a share, anything which needs to be agreed or specified in relation to any notice, document or other information to be sent or supplied to them can be agreed or specified by any one of the joint shareholders. The agreement or specification of the senior will be accepted to the exclusion of the agreement or specification of the other joint shareholder(s). For this purpose, seniority will be determined by the order in which the joint shareholders' names stand in the register in respect of the joint shareholding.

149. If on three consecutive occasions any notice, document or other information sent or supplied to a shareholder has been returned undelivered or the Company is made aware that the shareholder is no longer contactable at the delivery address, the Company need not send or supply further notices, documents or other information to that shareholder until he has communicated with the Company and supplied the Company (or its agents) with a new registered address, or a postal address for the service of notices and the despatch or supply of documents and other information, or has informed the Company of an address for the service of notices and the sending or supply of documents and other information in electronic form. Any notice, document or other information sent by post will be treated as returned undelivered if the notice, document or other information is sent back to the Company (or its agents), and any notice, document or other information sent or supplied in electronic form will be treated as returned undelivered if the Company (or its agents) receives notification that the notice, document or other information was not delivered to the address to which it was sent. For the avoidance of doubt, a notice, document or other information served, sent or supplied in electronic form shall not be treated as a failure to deliver if the company (or its agents) receives an out of office notification from such member.

150. 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.

151. A notice may be given by the Company to the persons entitled to a share, and who proves this to the reasonable satisfaction of the directors, in consequence of the death or bankruptcy or mental disorder of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice 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 supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

152. 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 to a share shall be bound by any Default Notice issued under Article 74 to a person from whom he derives his title.

153. (1) Any notice, document or other information, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving service, sending or supply, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document not sent by post but left at a registered address or at a postal address notified to the Company in accordance with these Articles by a shareholder or a person who is entitled to a share by law shall be deemed to have been served or delivered on the day it was so left.

(2) Any notice, document or other information sent by post to, or left at the address in the register of, any member in pursuance of these Articles shall, notwithstanding such member be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as holder or joint holder thereof, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in such share.

(3) Any notice, document or other information served, sent or supplied by the Company using electronic means shall be deemed to have been received on the day on which it was sent notwithstanding that the Company subsequently sends a hard copy of such notice, document or other information by post. Any notice, document or other information made available on a website is treated as being received on the day on which the notice, document or other information was first made available on the website, or, if later, when a notice of availability is received or treated as being received by the member in accordance with these Articles. In proving that any notice, document or other information served, sent or supplied by electronic means was served,



sent or supplied, it is sufficient to show that it was properly addressed.

(4) If any notice, document or other information is given, sent or supplied by the Company by any other means authorised in writing by a shareholder, it is treated as being received when the Company has done what it was authorised to do by that shareholder.

154. If a notice is sent through CREST, it is treated as being received when the Company, or any CREST participant acting for the Company, sends the issuer-instruction relating to the notice, document or other information.

155. (1) If at any time, in the opinion of the directors, the Company is unable effectively or satisfactorily 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, the Company need only give notice of a general meeting to those members with whom the Company can communicate by electronic means and who have provided the company with an address for this purpose. The Company shall also advertise the notice of such general meeting in at least one newspaper with a national circulation and make it available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

(2) Any notice given by advertisement shall be deemed to have been served at noon on the day when the advertisement appears.

156. Where the Company sends or supplies notices, documents or other information to shareholders, it can do so by reference to the shareholders' register as it stands at any time not more than 15 days before the date the notice, document or other information is sent or supplied. Any change of details on the register after that time will not invalidate the sending or supply and the Company is not obliged to send or supply the same notice, document or other information to any person entered on the shareholders' register after the date selected by the Company.

#### DESTRUCTION OF DOCUMENTS

157. The Company shall be entitled to destroy all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates or variations or cancellations thereof and notifications of change of address at any time after the expiration of

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

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner; and
- (d) if the documents relate to CREST shares, the Company must comply with any requirements of the uncertificated securities rules which limit its ability to destroy or delete these documents.

#### UNTRACED SHAREHOLDERS

158. (1) The Company shall be entitled to sell 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 at the best price reasonably obtainable at the time of sale if and provided that -

- (a) during the period of six years prior to sending the notice referred to in paragraph (b) below (i) the shares have been in issue either as certificated shares or as CREST shares, (ii) at least three cash dividends have been declared and all dividend payments have been made in the manner authorised by the Articles, and (iii) such dividends have remained uncashed or otherwise unsatisfied by the transfer of funds to a bank account or through CREST; and
- (b) the Company has sent a notice to the registered address or last known address of the member or person concerned, of its intention to sell such share and before sending such a notice to the member or other person concerned, the Company must have used reasonable efforts to trace the member or other person entitled, engaging, if considered appropriate by the Company, a professional asset reunification company or other tracing agent, and at least a period of three months has elapsed from the date of sending such notices; and
- (c) during the said period of six years and the period of three months following the notice the Company shall have received no indication either of the whereabouts or of the existence of such member or person.

If during any six year period referred to in paragraph (a) above, further certificated or uncertificated 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 have been satisfied in regard to the further shares, the Company may also sell at the best price reasonably obtainable at the time of sale the further shares.

(2) To give effect to any such sale, the board may authorise some person to sign an instrument of transfer of the shares sold to, or in accordance with the directions of, the transferee and an instrument of transfer signed by that person shall be as effective as if it had been signed 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.

(3) The net proceeds of sale shall belong to the Company which shall enter the name of such former member or (if known) the person who would have been entitled to the shares by law, as a creditor for such amount in its accounts, unless and until forfeited under this Article. 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. If no valid claim for the money has been received by the Company during a period of two years from the date on which the relevant shares were sold by the Company under this Article, the money will be forfeited and will belong to the Company.

#### INDEMNITY

159. Subject to the provisions of the legislation but without prejudice to any indemnity to which a director or former director may otherwise be entitled:-

- (i) the Company may indemnify any director or former director of the Company or of any associated company against any liability and may purchase and maintain for any such director or former director insurance against any liability;
- (ii) without prejudice to the generality of (i) above, every director or former director of the Company or of any associated company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court, from liability for negligence, default or breach of duty or trust in relation to the affairs of the Company;
- (iii) no director or former director of the Company or of any associated Company shall be accountable to the Company or the members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company; and
- (iv) for the purposes of (ii) above, the "affairs of the Company" include the activities of the Company as trustee of any occupational pension scheme of the Company.

160. These Articles shall be governed by, and construed in accordance with, English law.