

# Articles of Association of Northern 3 VCT PLC

as ~~adopted~~amended by a Special Resolution passed on ~~2010~~2013 ]

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THE COMPANIES ACTS 1985 and 1989

THE COMPANIES ACT 2006

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION  
of  
NORTHERN 3 VCT PLC

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**PRELIMINARY**

**Model articles and Table A not to apply**

- 1 No model articles or regulations for companies (whether contained in the Companies (Model Articles) Regulations 2008, the Companies (Tables A to F) Regulations 1985, or any other enactment) shall apply to the Company. The following shall be the Articles of Association of the Company.

**Interpretation**

- 2 In these Articles of Association (unless the subject or context otherwise requires):

Act	means the Companies Act 2006 including any statutory modification or re-enactment of it for the time being in force
Articles	means the articles of association of the Company as from time to time amended
Auditors	means the auditors for the time being of the Company or, in the case of joint auditors, any one of them
certificate	means a paper certificate (other than a share warrant) evidencing a person's title to specified shares or other securities
certificated	in relation to a share, means that it is not an uncertificated share or a share in respect of which a share warrant has been issued and is current
clear days	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
Companies Acts	means the Companies Acts (as defined in section 2 of the Act) and any order, regulation or other subordinate legislation made under any of the Companies Acts, in so far as they apply to the Company

Company Secretary	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary
distribution recipient	has the meaning given in Article 135
executed	includes any mode of execution
holder	in relation to shares means the person whose name is entered in the register of members as the holder of the shares
month	means calendar month
ordinary shares	means ordinary shares of 5 pence each of the Company
paid	means paid or credited as paid
Recognised Person	means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 285 of the Financial Services and Markets Act 2000
Seal	means the common seal of the Company
Securities Seal	means an official seal kept by the Company by virtue of section 50 of the Act
Transfer Office	means the place where the Register of Members is kept for the time being
transmittee	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law
uncertificated	in relation to a share means that, by virtue of legislation (other than section 778 of the Act) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate
Uncertificated Securities Regulations	means the Uncertificated Securities Regulations 2001 as amended prior to the adoption of these Articles as the articles of association of the Company and includes: <ul style="list-style-type: none"> <li>(a) any enactment or subordinate legislation which amends or supersedes those Regulations; and</li> <li>(b) any applicable rules made under those Regulations including those of a relevant system or under any such enactment or subordinate legislation for the time being in force</li> </ul>
United Kingdom	means Great Britain and Northern Ireland
year	means calendar year
writing	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

Words importing the singular number shall include the plural number and vice versa. Words importing the masculine gender shall include the feminine gender. Save for words defined in Article 2 or unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act.

The headings are inserted for convenience only and shall not affect the construction of the Articles.

References in these Articles to statutory provisions, enactments or EC Directives shall include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or EC Directive from time to time in force and to any regulation, instrument or order or other subordinate legislation made under such provision, enactment or EC Directive.

## **LIABILITY OF MEMBERS**

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

## **SHARE CAPITAL**

### **Power to issue shares**

- 4 Subject to the Companies Acts, the Company may allot and/or issue additional shares of the same class as any existing shares in the Company (for this purpose the rights attached to shares are not regarded as different from those attached to other shares by reason only that they do not carry the same rights to dividends in the twelve months immediately following their allotment) and grant rights to subscribe for or to convert any security into shares of the same class as any existing shares in the Company. Subject to the Companies Acts, but without prejudice to the rights attached to any existing share, the Company may issue shares of a different class to any existing shares with such preferred, deferred, or other rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine and so far as the resolution so authorises them or does not make specific provision as the Directors may determine. Subject to the provisions of the Companies Acts, the Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such shares.

### **Directors' authority to issue and/or allot shares etc**

- 5 Subject to the provisions of the Companies Acts relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, the Directors may issue and/or allot shares in the Company (with or without conferring a right of renunciation), or grant rights to subscribe for or to convert any security into shares of the Company, or deal with treasury shares, or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

### **Commission and brokerage**

- 6 The Company may exercise the powers of paying commissions conferred by the Companies Acts to the full extent thereby permitted. Subject to the provisions of the Companies Acts, any such commission 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. The Company may also on any issue of shares pay such brokerage as may be lawful.

### **Renunciation**

- 7 The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation of it by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such

renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

#### **Trusts not to be recognised**

- 8 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 compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety of it in the holder.

#### **No variation of rights on certain issues of further shares**

- 9 The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by their terms of issue, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* with them but in no respect in priority to them. The special rights attached to the ordinary shares shall be deemed not to be varied by the creation or issue of any further shares ranking in priority to them.

#### **Consolidation, division and fractions**

- 10 Whenever as a result of a consolidation or division of shares any members would become entitled to fractions of a share, the Directors may, on behalf of those members or, if the net proceeds in respect of any holding do not exceed £2.50, on behalf of the Company, sell the shares representing the fractions for the best price reasonably obtainable to any person (including the Company) and distribute the net proceeds of sale in due proportion among those members or the Company, as the case may be, and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his or her title to the shares be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

### **SHARE CERTIFICATES**

#### **Certificates to be issued except in certain cases**

- 11 The Company must issue each member with one or more certificates in respect of the shares which that member holds. This Article does not apply to:
- (a) uncertificated shares;
  - (b) shares in respect of which a share warrant has been issued; or
  - (c) shares in respect of which the Companies Acts permit the company not to issue a certificate.

Except as otherwise specified in the Articles, all certificates must be issued free of charge. No certificate may be issued in respect of shares of more than one class. If more than one person holds a share, only one certificate may be issued in respect of it.

#### **Contents and execution of share certificates**

- 12 Every certificate must specify:
- (a) in respect of how many shares, of what class, it is issued;
  - (b) the nominal value of those shares;
  - (c) the amount paid up on them; and

- (d) any distinguishing numbers assigned to them.

Certificates must have affixed to them the Seal or Securities Seal or be otherwise executed in accordance with the Companies Acts.

#### **Consolidated share certificates**

- 13 When a member's holding of shares of a particular class increases, the Company may issue that member with:
- (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or
  - (b) a separate certificate in respect of only those shares by which that member's holding has increased.

When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the Company need not (in the absence of a request from the member) issue any new certificate if all the shares which the member no longer holds as a result of the reduction, and none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate. A member may request the Company, in writing, to replace the member's separate certificates with a consolidated certificate, or the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify. When the Company complies with such a request it may charge such reasonable fee as the Directors may decide for doing so. A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

#### **Replacement share certificates**

- 14 If a certificate issued in respect of a member's shares is damaged or defaced, or said to be lost, stolen or destroyed, that member is entitled to be issued with a replacement certificate in respect of the same shares. A member exercising the right to be issued with such a replacement certificate:
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

#### **UNCERTIFICATED SHARES**

- 15 Notwithstanding anything in these Articles to the contrary, any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form and converted from uncertificated form to certificated form and vice versa in accordance with the Regulations and practices instituted by the operator of the relevant system. Any provisions of these Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:
- (a) the holding of shares in uncertificated form;
  - (b) the transfer of title to shares by means of a relevant system; or
  - (c) any provision of the Regulations.

16 Without prejudice to the generality and effectiveness of Article 15:

- (a) Articles 11 to 14, and 58(a)(ii)(B) shall not apply to uncertificated shares;
- (b) the Directors may refuse to register a transfer of uncertificated shares in such circumstances as may be permitted or required by the Regulations and the relevant system;
- (c) references in these Articles to a requirement on any person to execute or deliver an instrument of transfer or certificate or other document which shall not be appropriate in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Directors may make from time to time pursuant to Article 16(j) below;
- (d) for the purposes referred to in Article 41, a person entitled by transmission on death or bankruptcy to a share in uncertificated form who elects to have some other person registered shall either:
  - (i) procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person; or
  - (ii) change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person;
- (e) the Company shall enter on the Register of Members the number of shares which are held by each member in uncertificated form and in certificated form and shall maintain the Register of Members in each case as is required by the Regulations and the relevant system and, unless the Directors otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings;
- (f) a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which applies only in respect of certificated shares or uncertificated shares;
- (g) for the purposes referred to in Article 10, the Directors may in respect of uncertificated shares authorise some person to transfer and/or require the holder to transfer the relevant shares in accordance with the facilities and requirements of the relevant system;
- (h) for the purposes of Articles 136 and 137, any payment in the case of uncertificated shares may be made by means of the relevant system (subject always to the facilities and requirements of the relevant system) and without prejudice to the generality of the foregoing such payment may be made by the sending by the Company or any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the holder or joint holders of such shares or, if permitted by the Company, of such person as the holder or joint holders may in writing direct, and for the purpose of Article 138 the making of a payment in accordance with the facilities and requirements of the relevant system concerned shall be a good discharge to the Company;
- (i) subject to the Act the Directors may issue shares as certificated shares or as uncertificated shares in its absolute discretion and these Articles shall be construed accordingly;



- (j) the Directors may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing and transfer of uncertificated shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 16 and the Regulations and the facilities and requirements of the relevant system and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 16;
  - (k) for the purposes referred to in Articles 138 to 145, the Company may in respect of uncertificated shares give any notice or other document by means of the relevant system (subject always to the facilities and requirements of the relevant system);
  - (l) the Directors may utilise the relevant system to the fullest extent available from time to time in the exercise of the Company's powers or functions under the Act or these Articles or otherwise in effecting any actions;
  - (m) the Directors may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security; and
  - (n) the Company shall comply with the provisions of Regulations 21 and 22 of the Regulations.
- 17 Where any class of shares in the capital of the Company is a participating security and the Company is entitled under provisions of the Act or the rules made and practices instituted by the operator of any relevant system or under these Articles to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any shares which are held in uncertificated form, such entitlement (to the extent permitted by the Regulations and the rules made and practices instituted by the operator of the relevant system) shall include the right to:
- (a) request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or
  - (b) require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to change his or her holding of such uncertificated shares into certificated form within such period as may be specified in the notice, prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such shares; and/or
  - (c) appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such shares as may be required to effect a transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned; and/or
  - (d) transfer any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by entering the name of the transferee in the Register of Members in respect of that share as a transferred share; and/or
  - (e) otherwise rectify or change the Register of Members in respect of that share in such manner as may be appropriate; and/or
  - (f) take such other action as may be necessary to enable those shares to be registered in the name of the person to whom the shares have been sold or disposed of or as directed by him or her.

18 For the purposes of Articles 15 to 18:

- (a) words and expressions shall have the same respective meanings as in the Regulations;
- (b) references to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form are references to that share being an uncertificated unit of a security, and references to a certificated share or to a share being in certificated form are references to that share being a unit of a security which is not an uncertificated unit; and
- (c) "cash memorandum account" means an account so designated by the operator of the relevant system.

## **CALLS ON SHARES**

### **Calls**

- 19 The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
- 20 Each member shall (subject to receiving at least fourteen clear days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his or her shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

### **Interest on calls**

- 21 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at such rate (not exceeding 15 per cent per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

### **Sums due treated as calls**

- 22 Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

### **Power to differentiate**

- 23 The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

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

- 24 The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him or her and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate as the member paying such sum and the Directors may agree.

## **FORFEITURE, SURRENDER AND LIEN**

### **Notice if call not paid**

- 25 If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him or her requiring payment of so much of the call or instalment as is then unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment. The notice shall name a further day (not being less than seven clear days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance with the notice the shares on which the call has been made will be liable to be forfeited.

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

- 26 If the requirements of any such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

### **Disposal of forfeited shares**

- 27 A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to execute a transfer of a forfeited or surrendered share to any such other person.

### **Effect of forfeiture**

- 28 A member whose shares have been forfeited or surrendered shall cease to be a member in respect of such shares and shall surrender to the Company for cancellation the certificate for the shares forfeited (or in the case of shares in uncertificated form, the taking of equivalent action under the Uncertificated Securities Regulations). A member shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him or her to the Company in respect of such shares with interest thereon at 15 per cent per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment. The Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at the time of forfeiture or surrender or waive payment in whole or in part.

### **Lien on shares not fully paid**

- 29 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) called or payable at a fixed time in respect of such share. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article 29.

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

- 30 The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and

demanding payment of the sum presently payable and giving notice of its intention to sell in default shall have been given by the Company to the holder for the time being of the share or the person entitled thereto by reason of his or her death or bankruptcy.

#### **Application of proceeds of sale**

- 31 The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are then payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to execute a transfer of the shares sold to the purchaser.

#### **Evidence of forfeiture**

- 32 A statutory declaration in writing that the declarant is a Director or the Company Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with any share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his or her title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

### **TRANSFER OF SHARES**

#### **Form of transfer - certificated shares**

- 33 The instrument of transfer of a certificated share may be in any usual or common form or in any other form which the Directors may approve and may be under hand only and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect of them.

#### **Right to refuse registration - certificated shares**

- 34 The Directors may refuse to register a transfer of shares (whether fully paid or not) in favour of more than four persons jointly.
- 35 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) or such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his or her behalf, the authority of that person so to do). In the case of a transfer by a Recognised Person the lodgement of a share certificate will only be necessary if and to the extent that a certificate has been issued in respect of the shares in question.

#### **Other powers in relation to transfer**

- 36 All instruments of transfer which are registered may be retained by the Company.
- 37 No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.

### **Right to refuse registration - uncertificated shares**

- 38 The Directors may refuse to register a transfer of uncertificated shares in such circumstances as may be permitted or required by the Uncertificated Securities Regulations and the relevant system.

### **Other rights to refuse registration**

- 39 The Directors may also refuse to register any transfer of shares in circumstances permitted in Article 48 or if in their opinion (and with the concurrence of the Financial Services Authority) exceptional circumstances so warrant.

## **TRANSMISSION OF SHARES**

### **On death**

- 40 On the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he or she was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his or her interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him or her.

### **Rights of person entitled by transmission to be registered or to transfer the shares**

- 41 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his or her title to the share either be registered him or herself as holder of the share upon giving to the Company notice in writing to that effect or transfer such share to some other person. All the limitations, restrictions and provisions of the Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.

### **Rights on transmission - dividend and meetings**

- 42 Save as otherwise provided by the Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his or her title to the share) shall be entitled to the same dividends and other advantages as those to which he or she would be entitled if he or she were the registered holder of the share except that he or she shall not be entitled in respect of it (except with the authority of the Directors) to exercise any right to attend or vote or speak or be represented by a proxy at a general meeting of the Company until he or she shall have been registered as a member in respect of the share.

## **DESTRUCTION OF DOCUMENTS**

- 43 The Company is entitled to destroy:
- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration;
  - (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
  - (c) all share certificates which have been cancelled from one year after the date of the cancellation;
  - (d) all paid dividend warrants and cheques from one year after the date of actual payment; and

- (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates.
- 44 If the Company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that:
- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
  - (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
  - (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.
- 45 Articles 43 and 44 do not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this Article permits it to do so. In Articles 43 and 44, references to the destruction of any document include a reference to its being disposed of in any manner.

## **UNTRACED SHAREHOLDERS**

### **Company's right to sell certain shares**

- 46 The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:
- (a) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share at his or her address on the Register of Members or other last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed;
  - (b) the Company has, at the expiration of the said period of twelve years, by advertisement in both a national newspaper published in the United Kingdom and in a newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located given notice of its intention to sell such share;
  - (c) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission.

The Company shall also be entitled to sell, in the manner provided for in this Article any share ("additional share") issued during the said period or periods of twelve years and three months in right of any share to which this Article applies or in right of any share issued during either of such periods, provided that the requirements of sub-paragraphs (a) (but modified to exclude the words "for a period of twelve years" and modified to exclude the proviso), (b) (but modified to exclude the words "at the expiration of the said period of twelve years"), and (c) are satisfied in respect of such additional share.

- 47 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share and such instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such share. The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

#### **DISCLOSURE OF INTERESTS**

- 48 If a member, or any other person appearing to be interested in shares held by that member, has been given notice under section 793 of the Act and has failed in relation to any shares ("the default shares") to give the Company the information thereby required within the prescribed period from the date of service of the notice, the Directors may by notice to the member direct that the following sanctions shall apply unless the Directors otherwise determine:
- (a) the member shall not be entitled in respect of the default shares to vote or attend (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares; and
  - (b) where the default shares represent 0.25 per cent or more in nominal amount of their class:
    - (i) any dividend (including shares issued in lieu of dividend) or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it;
    - (ii) no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:
      - (A) the member is not him or herself in default as regards supplying the information required; and
      - (B) the member provides evidence to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
- 49 Where the sanctions under Article 48 apply in relation to any shares, they shall cease to have effect:
- (a) if the shares are transferred by means of an approved transfer; or
  - (b) when the Directors are satisfied that the information required by the notice mentioned in that paragraph has been received in writing by the Company.
- 50 For the purposes of Articles 48 and 49:
- (a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be so interested;
  - (b) "interested" shall be construed as it is for the purpose of section 793 of the Act;



- (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his or her having failed or refused to give all or any part of it and (ii) reference to his or her having given information which he or she knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (d) “the prescribed period” means:
  - (i) in a case where the default shares represent at least 0.25 per cent in nominal amount of their class, fourteen days; and
  - (ii) in any other case, twenty-eight days;
- (e) an “approved transfer” means, in relation to any shares held by a member:
  - (i) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Act);
  - (ii) a transfer in consequence of a sale made through a Recognised Person or other stock exchange outside the United Kingdom on which the Company’s shares are normally traded; or
  - (iii) a transfer which is shown to the satisfaction of the Directors to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares; and
- (f) the expression “default shares” shall include any shares issued in right of any default shares.

- 51 Where, on the basis of information obtained from a member in respect of any share held by him or her, the Company gives a notice under section 793 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of Article 49.

## **PURCHASE OF OWN SHARES**

- 52 In circumstances where the Company may purchase any of its own shares, neither the Company nor the Directors shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in the Articles, the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company or the Directors pursuant to this Article.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **Quorum**

- 53 No business other than the appointment of a chairman of the meeting shall be transacted at any general meeting unless a quorum is present.
- 54 If within fifteen minutes from the time appointed for a general meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case (subject to the requirements of section 307A of the Act where applicable) it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as may have been specified for



the purpose in the notice convening the meeting or (if not so specified) as the Chairman of the meeting may determine.

### **Chairman of the meeting**

- 55 The Chairman of the Directors, failing whom the Deputy Chairman, shall preside as chairman of the meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and be willing to act, the Directors present shall elect one of their number to be chairman of the meeting and, if there is only one Director present and willing to act, he or she shall be chairman of the meeting. If no Director is willing to act as chairman of the meeting, 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 of the meeting. The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting".
- 56 The chairman of the meeting may take any action he or she considers appropriate to promote the orderly conduct of the meeting. The decision of the Chairman of the meeting on a point of order, matter of procedure or on any other matter that arises incidentally from the business of a meeting is to be final, as is to be his or her decision on whether a point or matter is of such a nature.

### **Attendance of Directors and others**

- 57 A Director shall, notwithstanding that he or she 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 the meeting may invite any person to attend and speak at any general meeting of the Company whom the chairman of the meeting considers to be equipped with knowledge or experience of the Company's business to assist in the deliberations of the meeting. A Director, the Company Secretary or some person authorised for the purpose by the Company Secretary may require any representative of a corporation which is a member of the Company to produce a certified copy of the resolution or other authority appointing that representative before permitting that representative to exercise any powers on behalf of the corporation.

### **Adjournment**

- 58 The chairman of the meeting may, with the consent of a meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. Where a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or indefinitely, not less than seven clear days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
- 59 The chairman of the meeting may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place if it appears to him or her that:
- (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting;
  - (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or
  - (c) an adjournment is otherwise necessary to protect the safety of any person attending the meeting or so that the business of the meeting may be properly conducted.

- 60 Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Attendance and speaking at general meetings**

- 61 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting. A person is able to exercise the right to vote at a general meeting when that person is able to vote, during the meeting, on resolutions put to the vote at the meeting and that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### **Amendments to resolutions**

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

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

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

If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman of the meeting's error does not invalidate the vote on that resolution.

#### **Polls - demands and procedures**

- 63 A resolution put to the vote of the meeting at any general meeting shall be decided on a show of hands unless, either in advance of that general meeting or at that general meeting either before a show of hands on that resolution, or immediately after the result of a show of hands on that resolution is declared, a poll is duly demanded or in advance of that general meeting the Directors have decided that in relation to one or more resolutions to be considered at the meeting voting should be on a poll (and not first on a show of hands). Subject to the provisions of the Companies Acts a poll may be demanded:
- (a) by the chairman of the meeting;
  - (b) by not less than three members having the right to vote on the resolution;

- (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attaching to any treasury shares); or
  - (d) by a member or members and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right (excluding any treasury shares).
- 64 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting 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.
- 65 A poll shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the chairman of the meeting directs and he or she may (and if so directed by the meeting shall) 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. The chairman of the meeting may adjourn the meeting to some place and time fixed by him or her for the purpose of declaring the result of the poll.
- 66 A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place as the chairman of the meeting directs not being more than thirty days from the date of the meeting at which the poll is demanded. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

#### **Accommodation of members at meeting and changes to location of meeting**

- 67 The Directors may, for the purpose of encouraging attendance at or controlling the level of attendance at or ensuring the safety of attendees at any place specified for the holding of a general meeting, from time to time make such arrangements as they shall in their absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place therefor. The entitlement of any person to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Directors. The Directors may, when specifying the place of the general meeting:
- (a) direct that the meeting shall be held at a place specified in the notice at which the Chairman of the meeting shall preside ("the Principal Place"); and
  - (b) make arrangements for simultaneous attendance and participation at other places by persons otherwise entitled to attend the general meeting but excluded therefrom under the provisions of this Article or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of such other places shall be able to exercise their rights to speak and vote at that meeting (or would be able to if they were to have such rights).

Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the Principal Place.

- 68 If, after the giving of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors decide that it is impracticable or unreasonable for a reason beyond the Company's control to hold the meeting at the declared place (or the Principal Place and any other place, in the case of a meeting to which Article [68] applies) and/or time, it may change the place (or the Principal Place or any other places, in the case of a meeting to which Article 68 applies) and/or postpone the time at which the meeting is to be held. If such a decision is made, the Directors may then change the place (or the Principal Place and any other places, in the case of a meeting to which Article 68 applies) and/or postpone the time again if it decides that it is reasonable to do so. In either case:
- (a) the Directors shall, if practicable, advertise the date, time and place of the postponed meeting on the Company's website and in at least one newspaper having a national circulation and so far as practicable shall make arrangements for notices of the change of place and/or postponement to appear at or about the original place and/or at the original time; and
  - (b) the appointment of a proxy in relation to the meeting shall be valid if received in the manner set out or referred to in the notice of meeting not less than 48 hours before any postponed time appointed for holding the meeting.

## **VOTES OF MEMBERS**

### **Voting**

- 69 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, the Companies Acts or the Uncertificated Securities Regulations:
- (a) on a vote on a resolution on a show of hands at a meeting:
    - (i) every member who is present in person shall have one vote; and
    - (ii) subject to Article 70, every proxy present who has been duly appointed by one or more members shall have one vote;
  - (b) on a vote on a resolution on a poll taken at a meeting:
    - (i) every member who is present in person shall have one vote for every share of which he or she is the holder;
    - (ii) a member entitled to more than one vote need not, if he or she votes, use all his or her votes or cast all the votes he or she uses in the same way; and
    - (iii) all or any of the voting rights of a member may be exercised by one or more duly appointed proxies (but where a member appoints more than one proxy, this provision does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person).
- 70 On a vote on a resolution on a show of hands at a meeting, the following additional provisions shall apply where a proxy has been duly appointed by more than one member entitled to vote on the resolution:
- (a) if the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it, the proxy has one vote for and one vote against the resolution; and
  - (b) if the circumstances in paragraph (a) do not apply and the proxy has been instructed by one or more members to vote in one direction on the resolution and has been given a discretion in which direction to vote by one or more other members, the proxy has one

vote in the direction he or she has been so instructed and may (at his or her discretion) cast another vote in the other direction.

- 71 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his or her receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the registered office of the Company, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 72 No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him or her to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him or her to the Company in respect of such shares remains unpaid.
- 73 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at the meeting shall be valid for all purposes. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive. The Company shall be under no obligation to ascertain whether proxies or corporate representatives appointed by members are voting in accordance with their instructions and no vote shall be invalidated should such instructions not be followed.

#### **Proxy Notices**

- 74 Every notice convening a general meeting of the Company or a meeting of any class of its members shall be accompanied by a form of instrument appointing a proxy (a "proxy notice") (with or without provision for its return prepaid) either in blank or nominating in the alternative any one or more of the Directors or the chairman of the meeting or any other person or persons. Every such proxy notice shall:
- (a) be in writing;
  - (b) state the name and address of the member appointing the proxy;
  - (c) identify the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - (d) be signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Directors may decide; and
  - (e) be delivered to the Company in accordance with the Articles or any instructions contained in the notice of the general meeting to which it relates.

The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions. Unless a proxy notice indicates otherwise, it must be treated as allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting and appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself and to vote on any poll taken or demanded at any such meeting.

- 75 No signature on any proxy notice need be witnessed and any proxy notice given by a corporation shall be executed under its common seal or signed on it behalf by an attorney or a duly authorised officer.
- 76 Where a member appoints more than one proxy, each such appointment shall state the whole number of shares in respect of which each proxy is to be appointed, and any proxy appointment which fails to do so may be treated as invalid by the Company.

**Delivery of proxy notices**

- 77 Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form. The proxy notice must:
- (a) be deposited at or delivered to the proxy notification address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the proxy notice proposes to vote or such later time (if any) as set out in any instructions contained in the notice of the general meeting;
  - (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited at or delivered to the proxy notification address not less than 24 hours before the time appointed for the taking of the poll or such later time (if any) as set out in any instructions contained in the notice of the poll; or
  - (c) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered in accordance with Article 77(a) or at the meeting at which the poll was demanded to the chairman of the meeting or to the Company Secretary or to any Director;
- 78 and a proxy notice which is not deposited or delivered in a manner so permitted shall be invalid. The directors, in calculating when a proxy notice is to be delivered, may decide that no account is to be taken of any part of a day that is not a working day. The proxy notice shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. When in respect of the same meeting or poll a proxy notice is delivered or received in respect of the same share for which a proxy notice has already been delivered or received, the proxy notice which is last validly delivered or received (regardless of its date or of the date of its execution) and which is effective in respect of the meeting or poll to which it relates shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share. A proxy notice relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. A proxy notice shall not be valid after the expiration of 12 months from the date named in it as the date of its signature, execution or other authentication, except on a poll demanded at a meeting or an adjourned meeting in cases where the original meeting was held within 12 months from such date.
- 79 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll unless notice of the termination was received by the Company at the proxy notification address or at such other place at which the instrument of proxy was duly deposited 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.



## **DIRECTORS - APPOINTMENT AND RETIREMENT**

### **Number of Directors**

- 80 Unless and until otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than three.

### **Retirement of Directors by rotation**

- 81 At every annual general meeting:
- (a) any Director who has been appointed by the Directors since the last annual general meeting; and
  - (b) any Director who was not appointed or reappointed at one of the preceding two annual general meetings;

must retire from office and any other Director may retire from office. Any Director so retiring may offer him or herself for reappointment by the members of the Company.

### **Position of retiring Director**

- 82 If the Company, at a meeting at which a Director retires in accordance with Article 81, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost or if the retiring Director has given notice in writing to the Company that he or she is unwilling to be reappointed or where the default in filling the vacancy is due to the moving of a resolution in contravention of Article 84.

### **Deemed re-election**

- 83 The retirement of a Director in accordance with Article 83 shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his or her re-election is put to the meeting and lost and accordingly a retiring Director who is reappointed or deemed to have been reappointed will continue in office without a break.

### **Resolutions to appoint Directors**

- 84 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void. For the purposes of this Article 84 a resolution for approving a person's appointment or reappointment or for nominating a person for appointment as a Director shall be treated as a resolution for his or her appointment or reappointment.

### **Eligibility of new Directors**

- 85 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment or reappointment as a Director at any general meeting unless not less than 7 nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the registered office of the Company notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his or her intention to propose such person for election stating the particulars which would, if he or she were so appointed or reappointed, be required to be included in the Company's Register of Directors, together with notice in writing signed by the person to be proposed of his or her willingness to be appointed or reappointed.

### **Powers to appoint Directors**

- 86 Subject as aforesaid, the Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with the Articles.

### **Share qualification**

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

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

- 88 The office of a Director shall be vacated if:
- (a) he or she ceases to be a Director by virtue of any provision of the Companies Acts or he or she otherwise becomes prohibited by law from being a director;
  - (b) he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally;
  - (c) a registered medical practitioner who is treating him or her gives a written opinion to the Company stating that he or she has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - (d) he or she shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his or her office be vacated;
  - (e) he or she resigns his or her office by notice in writing to the Company or he or she offers in writing to resign and the Directors resolve to accept such offer; or
  - (f) he or she is requested in writing by all the other Directors to resign.

### **REMUNERATION OF DIRECTORS**

- 89 The Directors shall be entitled to such remuneration as the Directors shall from time to time determine save that unless otherwise approved by the Company by ordinary resolution the aggregate of such ordinary remuneration shall not exceed £100,000 per annum and such remuneration shall be divisible among the Directors as they may agree, or, failing agreement, equally except that, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
- 90 Any Director who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

### **DIRECTORS' EXPENSES**

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

### **DIRECTORS' APPOINTMENTS AND INTERESTS**

#### **Special services**

- 92 Subject to the provisions of the Companies Acts, the Directors may enter into an agreement or arrangement with any Director for the provision by him or her of any services outside the scope of the ordinary duties of a Director and may permit any person appointed to be a Director to continue in



any other office or employment held by him or her in the Company before he or she was so appointed. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his or her services as they think fit.

#### **Director's interests**

93 A Director, notwithstanding his or her office:

- (a) may be a member of or otherwise interested in the Company and may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in regard to his or her tenure of any office or place of profit or as vendor, purchaser or otherwise;
- (b) may act in person or through his or her firm in a professional capacity (other than that of auditor) for the Company or any other body corporate promoted by the Company or in which the Company is otherwise directly or indirectly interested;
- (c) may be a director or other officer of, or employed by, or a party to any contract, arrangement, transaction or proposal with, or a member of or otherwise directly or indirectly interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any power of appointment; and
- (d) may be a director or other officer of, or employed by, or a member of or otherwise interested in:
  - (i) any body corporate appointed by the Company to act as its investment manager and any member of its group of companies; and
  - (ii) any other company or undertaking which has appointed as its investment manager the body corporate or other undertaking appointed by the Company to act as the Company's investment manager.

#### **Director's duty to avoid conflicts of interest - power of Directors to authorise matters**

- 94 If there is a situation (a "Relevant Situation") in which a Director is or may be either at the time or at some time in the future (or a person who if he or she was to be appointed as a director of the Company would or might be either at the time or at some time in the future) in breach of his or her duty under section 175 of the Act to avoid conflicts of interest (but for any authorisation of the relevant matter(s) by these Articles or by the Directors), the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may authorise the matter or matters on such terms as it may determine, including terms regulating the continuing performance by the relevant Director of his or her duties as a Director of the Company. Any authorisation of a matter pursuant to this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. It is the responsibility of the Director who is or may be in breach or the other person who would or might be in breach of his or her duty under section 175 of the Act to raise the matter(s) for consideration by the Directors.
- 95 Any terms determined by the Directors under Article 94 may be imposed at the time of authorisation or may be imposed or varied subsequently and may be terminated by the Directors at any time, and may include (without limitation):
- (a) subject always to these Articles, whether the relevant Director(s) may vote (or be counted in the quorum at a meeting) in respect of any resolution connected with or relating to the relevant matter(s);

- (b) that relevant Director(s) should not receive from the Company information or participate in discussion by the Directors or otherwise within the Company connected with or relating to the relevant matter(s); and
- (c) (without prejudice to any other obligations of confidentiality) the application to the relevant Director(s) of a strict duty of confidentiality to the Company in respect of any confidential information of the Company or any company in its group connected with or relating to the relevant matter(s).

Except as specified in Article 94 any proposal made to the Directors and any authorisation by the Directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Directors.

#### **Confidential information**

- 96 If a Director obtains (other than through his or her position as a Director or employee of the Company) information that is confidential to a third party, he or she shall not be under a duty to the Company to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence or of any duty he or she owes to that third party whether under section 175 of the Act or otherwise. The provisions of the Companies Acts regarding the declaration by a Director of his or her interest in any transaction or arrangement are not affected by this Article

#### **No liability to account, avoidance of contracts or breach of duty to avoid conflicts of interest**

- 97 A Director, by reason of holding office as a Director (or of the fiduciary relationship established by holding that office), shall not be liable to account to the Company for any remuneration, profit or other benefit connected with or resulting from any interest permitted under Article 93 or any matter authorised under Article 94.
- 98 No contract, arrangement, transaction or proposal shall be liable to be avoided on the grounds of the Director having any interest permitted under Article 93 or any matter authorised under Article 94. A Director shall not be liable for breach of the general duty to avoid conflicts of interest contained in section 175 of the Act in relation to any interest permitted under Article 93 or any matter authorised under Article 94.

#### **Directors' gratuities and pensions**

- 99 The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director or former Director and for any member of his or her family (including a spouse or a former spouse) or any person who is or was dependent on him or her, and may (as well before as after he or she ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

### **GENERAL POWERS OF DIRECTORS**

#### **Powers of directors**

- 100 The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Companies Acts or by the Articles required to be exercised by the Company in general meeting subject nevertheless to any regulations of the Articles, to the provisions of the Companies Acts and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by special resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall

not be limited or restricted by any special authority or power given to the Directors by any other Article.

#### **Delegation of Directors' powers**

- 101 The Directors may establish any local, group or divisional Directors or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local, group or divisional Directors, or any managers or agencies, and may fix their remuneration, and may subject to the provisions of the Articles delegate to any local, group or divisional Directors, managers or agencies any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any such Directors or agencies or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 102 The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the agent or agents or attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Directors may think fit, and may also authorise any such agent or attorney to sub-delegate all or any of the powers, authorities and discretions vested in him or her.
- 103 The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that the number of co-opted members shall be less than one half of the total number of members of the committee and no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.
- 104 The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of the Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

#### **BORROWING POWERS**

- 105 Subject as hereinafter provided and to the provisions of the Companies Acts, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company so as to secure that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Company shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the Adjusted Capital and Reserves. For the purpose of the foregoing limit the following provisions shall apply:

- (a) the Adjusted Capital and Reserves shall mean the aggregate of:
- (i) the amount paid up on the issued share capital of the Company; and
  - (ii) the total of the capital and revenue reserves of the Company (including any share premium account, capital redemption reserve fund, credit balance on the profit and loss account and credit balance on any other undistributable reserves) but excluding sums set aside for taxation (including deferred taxation) and after deducting any debit balance on the consolidated profit and loss account (except to the extent that such deduction has already been made)
- all as shown in the latest audited balance sheet of the Company but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account or other reserves (other than as a result of trading profits or losses) of the Company since the date of its latest audited balance sheet and to take account of any other factor which the Auditors consider relevant;
- (b) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the Company (to the extent that the same would not otherwise fall to be taken into account):
- (i) the principal amount of all debentures (including any fixed or minimum premium payable on final repayment);
  - (ii) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by the Company or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of the Company;
  - (iii) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys the redemption whereof is guaranteed or wholly or partly secured by the Company;
  - (iv) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;
- (c) moneys borrowed by the Company for the purpose of repaying or redeeming (with or without premium) in whole or in part of any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
- (d) any amounts borrowed by the Company from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the third party shall be deemed not to be borrowed moneys;
- (e) borrowed moneys expressed in or calculated by reference to a currency other than sterling shall be translated into sterling using the methods applied in translating the appropriate item in the balance sheet of the Company for the preparation of its last audited accounts or by reference to the rate of exchange or approximate rate of exchange ruling on whatever date and determined on whatever basis the Auditors may determine or approve.

No person dealing with the Company shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual

unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded. A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed or to the effect that the limit imposed by this Article was not or will not be exceeded at any time or times shall be conclusive evidence of such amount or fact for the purpose hereof.

## **PROCEEDINGS OF DIRECTORS**

### **Directors' meetings**

- 106 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Company Secretary at the request of a Director shall, call a meeting of the Directors. Notice of a Directors' meeting must be given to each Director, but need not be in writing. Any Director may waive notice of any meeting and any such waiver may be given after the meeting is held. Subject to the Articles and any direction given by the Directors pursuant to the Articles, each Director participating in a Directors' meeting shall have one vote. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. A Director participates in a meeting of the Directors when each person participating in the meeting can communicate to the others any information or opinions he or she has on any particular item of the business of the meeting. In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other. A meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group where the person appointed to chair the meeting then is.

### **Quorum**

- 107 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two provided that any current or former directors or employees of or professional advisers to any investment managers of the Company from time to time who are also Directors (or alternate directors) shall not be a majority of those present]. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 108 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies or of calling a general meeting. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

### **Chairman**

- 109 The Directors may elect from their number a Chairman of the Directors of Directors and one or more Deputy Chairmen and determine the period for which each is to hold office, but if no Chairman or Deputy Chairman has been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be 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. If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

### **Validity of proceedings**

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

#### **Resolutions in writing**

- 111 A resolution in writing signed or approved by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors.

#### **Interested Director not to vote or count for quorum**

- 112 Save as otherwise provided by the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he or she has an interest which (together with any interest of any person connected with him or her) is to his or her knowledge a material interest otherwise than by virtue of his or her interests in shares or debentures or other securities of or otherwise in or through the Company (a "Material Interest"). A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he or she is debarred from voting.
- 113 Subject to the provisions of the Companies Acts and these Articles, a Director shall (in the absence of some other Material Interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
- (a) the giving of any security, guarantee or indemnity in respect of money lent or to be lent or obligations incurred or to be incurred by him or her or by any other person at the request of or for the benefit of the Company or any subsidiary undertaking of the Company;
  - (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any subsidiary undertaking of the Company for which he or she has assumed or is to assume responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (c) any proposal whereby the Company or any of its subsidiary undertakings is offering securities under an offer in which he or she is or may be entitled to acquire any of such securities or to participate in the underwriting or sub-underwriting of such securities;
  - (d) any proposal relating to any other body corporate or firm in which he or she has a Material Interest except where he or she is beneficially interested, directly or indirectly, in one per cent or more of the issued shares of any class of the equity share capital of such body corporate or firm or of the voting rights available to members at a general meeting of such body corporate or firm;
  - (e) any proposal concerning any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings or which does not award him or her any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;
  - (f) any proposal concerning any insurance which the Company proposes to purchase or maintain for the benefit of persons including Directors, or indemnities in favour of Directors or the funding of expenditure by one or more Directors on defending proceedings against such Director or Directors;
  - (g) any investment proposal in respect of which the Company's investment manager or the Director is required to co-invest with the Company made at the same time and on



substantially the same economic and financial terms (save as to the size of the investment) or made in accordance with a pre-existing agreement between the Company and its investment manager; or

- (h) any investment proposal in respect of which any company or other undertaking whose investment manager is the same as the Company's investment manager co-invests with the Company at the same time and on substantially the same economic and financial terms (save as to the size of the investment).
- 114 Where proposals are under consideration concerning the appointment or termination of appointment (including fixing or varying the terms of appointment or termination of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately, and in such case each of the Directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his or her own appointment or termination of appointment.
- 115 If any question shall arise at any meeting as to the extent or materiality of a Director's interest is a Material Interest or as to the entitlement of any Director to vote and/or be counted in the quorum and such question is not resolved by his or her voluntarily agreeing to abstain from voting, such question shall (subject to the Companies Acts) be referred to the Chairman of the meeting (or, where such question shall arise concerning such Chairman, to such other Director present at the meeting as the Directors present, other than the Chairman, shall by majority vote appoint) and his or her ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been disclosed.
- 116 Subject to the provisions of the Companies Acts, the Company may by ordinary resolution suspend or relax the provisions of Article 115 either generally or in respect of any particular matter, or ratify any contract, transaction, arrangement or proposal not duly authorised by reason of a contravention of these Articles.
- 117 For the purposes of Articles 112 and 113:
- (a) the interest of any person who is connected with a Director (within the meaning of section 252 of the Act) shall be taken to be the interest of that Director; and
  - (b) an interest (whether of his or her or of such a connected person) of which a Director is not aware and of which it is unreasonable to expect him or her to be aware shall not be treated as an interest of his or her.

#### **COMPANY SECRETARY**

- 118 Subject to the provisions of the Companies Acts, the Company Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Company Secretary so appointed may be removed by them, but without prejudice to any claim for damages for breach of any contract of service between him or her and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit a Deputy Company Secretary or one or more Assistant Secretaries.

#### **COMPANY SEALS**

- 119 The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.

- 120 The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed. For the purposes of these Articles, references to a document being sealed with the Securities Seal or to the Securities Seal being affixed to a document include the reproduction of the image of the seal on or in the document by any mechanical or electronic means which has been approved by the Directors for such purposes and in relation to that document or documents of a class to which it belongs.

#### **AUTHENTICATION OF DOCUMENTS**

- 121 Any Director or the Company Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the registered office of the Company the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in reliance thereon that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

#### **RESERVES**

- 122 The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Companies Acts. At any time when the Company has given notice in the prescribed form (which has not been revoked) to the registrar of companies of its intention to carry on business as an investment company ("a Relevant Period") distribution of the Company's capital profits (within the meaning of section 853(2) of the Act) shall be prohibited. The Directors shall establish a reserve to be called the capital reserve. During a Relevant Period all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Directors to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the Act, the Directors may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the Act, any expenses, loss or liability (or provision therefor) which the Directors considers to relate to a capital item (including any proportion of the expenses of management or administration of its assets and/or of the finance costs of the Company) or which the Directors otherwise considers appropriate to be debited to the capital reserve, shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that, notwithstanding any other provision of these Articles, during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the



revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the Act) or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the Act) or be applied in paying dividends on any shares in the Company.

## **DIVIDENDS**

### **Declaration of Dividends by members**

- 123 The Company may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

### **Declaration of Dividends by Directors**

- 124 If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. Provided that the Directors shall act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss which they may suffer in consequence of the payment of a dividend on any shares having non-preferred or deferred rights.

### **Entitlement to Dividends**

- 125 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid and shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.
- 126 Subject to the provisions of the Companies Acts, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
- 127 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 128 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- 129 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to

the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

#### **Unclaimed distributions**

- 130 All dividends or other sums which are payable in respect of shares and unclaimed after having been declared or become payable may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it. If 12 years have passed from the date on which a dividend or other sum became due for payment and the distribution recipient has not claimed it the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing to the Company.

#### **Distribution of specific assets**

- 131 A general meeting declaring a dividend on shares of any class may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures or other securities or rights of any other company, and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may issue fractional certificates may determine the value for distribution of such specific assets or any part of them may resolve that cash payments shall be made to any members upon the basis of the value so determined in order to adjust the rights of members may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates or any part of them and otherwise as they think fit.

#### **Payment of dividends and other distributions**

- 132 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;
  - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide;
  - (d) in the case of an uncertificated share, by any transfer permitted by the Uncertificated Securities Regulations; or
  - (e) any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide.

In these Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable, the holder of the share, if the share has two or more joint holders, whichever of them is named first in the register of members, or if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

- 133 Every such transfer shall be made and every such cheque shall be sent and every such other means of payment shall be made at the risk of the distribution recipient. If on two consecutive

occasions cheques in payment of dividends or other monies payable on or in respect of any shares have been sent through the post in accordance with the provisions of Article 132 but have been returned undelivered or left uncashed during the periods for which the same are valid, the Company need not thereafter despatch further cheques or warrants in payment of dividends or other monies payable on or in respect of the share in question until the distribution recipient or other person entitled thereto shall have communicated with the Company and supplied in writing to the Transfer Office a new registered address or address within the United Kingdom for the service of notices.

- 134 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

#### **Record dates**

- 135 Notwithstanding any other provisions of these Articles, but without prejudice to any rights attached to any existing shares or to the rights inter se in respect thereof of transferors and transferees of any shares, the Company or the Directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.

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

- 136 The Directors may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of ordinary shares on the Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of ordinary shares and applying such sum on their behalf in paying up in full new ordinary shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully-paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- 137 The Directors may with the prior sanction of an ordinary resolution of the Company offer the holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of such dividend or dividends (or part thereof) as are specified by any such resolution. The following provisions shall apply:
- (a) the said resolution may specify a particular dividend or may specify all or any dividends declared or resolved in respect of a specified period but such period may not end later than the annual general meeting next following the date of the meeting at which such resolution is passed provided nevertheless that the Directors may in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and

may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination;

- (b) the entitlement of each ordinary shareholder to new ordinary shares shall be determined by the Directors so that the Relevant Value thereof shall be as nearly as possible equal to (but not in excess of) the cash amount that such shareholders would have received by way of dividend. For this purpose "Relevant Value" shall be calculated by reference to the average of (where the shares are admitted to the Official List) the middle market quotations for the Company's ordinary shares on the London Stock Exchange, as derived from the Daily Official List, on the day when the ordinary shares are first quoted "ex" the relevant dividend and on the four subsequent dealing days, adjusted (if need be) as the auditors may consider appropriate;
- (c) in each year when a dividend or dividends become payable on fully-paid ordinary shares the first 0.1 pence per share of the first dividend to be declared in each year (or, if less, the amount of such dividend) shall not be subject to the said right of election but shall in any event be payable in cash;
- (d) the Directors may specify a minimum number of ordinary shares in respect of which the right of election may be exercised. The basis of allotment shall be such that no member may receive a fraction of a share and the Directors may make such provision as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit accrues to the Company;
- (e) the Directors may make exclusions or restrictions as respects the rights of certain shareholders to elect to receive ordinary shares instead of cash as they think necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
- (f) the Directors, after determining the basis of allotment, shall notify the holders of ordinary shares in writing of the right of election and specify the procedure (including any form of election) determined by the Directors to be followed and place at which, and the latest time by which (being at least 21 days after the despatch of the notice), duly completed forms of election must be lodged in order to be effective;
- (g) the dividend (or that part of the dividend in respect of which a right of election has been offered and other than the part payable in cash under paragraph (c) above) shall not be payable on ordinary shares in respect whereof the said election has been duly made ("the Elected Ordinary Shares") and instead thereof additional ordinary shares shall be allotted to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid; for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the holders of the Elected Ordinary Shares on such basis. A resolution of the Directors capitalising any part of the reserves or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been sanctioned by an ordinary resolution of the Company in accordance with the preceding Article;
- (h) notwithstanding the foregoing, the Directors may at any time prior to payment of the relevant dividend determine, if it appears to them desirable to do so because of a change in circumstances, that the dividend shall be payable wholly in cash after all and if they so determine then all elections made shall be disregarded. The dividend shall be payable

wholly in cash if the ordinary share capital of the Company ceases to be listed at any time prior to the due date of issue of the additional shares or if the listing is suspended and not reinstated by the date immediately preceding the due date of such issue;

- (i) the additional ordinary shares so allotted shall be allotted as of the record date for the dividend in respect of which the right of election has been offered and shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue save only that the shares so allotted will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date or any earlier record date;
- (j) the Directors shall apply for the additional ordinary shares so allotted to be listed and admitted to trading; and
- (k) the Directors shall have power to do all acts and things as they consider necessary or expedient to give effect to this Article.

## **NOTICES AND DOCUMENTS**

- 138 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Acts or the Uncertificated Securities Regulations provides for documents or information which are authorised or required by any provision of the Companies Acts to be sent or supplied by or to the Company. Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being. A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 139 A document or information sent by post shall be deemed to have been received by the intended recipient 24 hours after it was posted. A document or information sent or supplied by electronic means (other than by way of a website) shall be deemed to have been received by the intended recipient 24 hours after it was sent. Any document or information sent to an intended recipient by being left at the registered address of the intended recipient shall be deemed to have been received by the intended recipient on the day on which it was so left. Where any document or information sent to an intended recipient is deemed to have been received, the actual non-receipt of any document or other information by the intended recipient shall not invalidate the proceedings of any general meeting.
- 140 A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him or her shall be entitled to have notices given to him or her at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
- 141 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.
- 142 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his or her name is entered in the Register of Members, has been duly given to a person from whom he or she derives his or her title other than any notification issued under section 793 of the Act.

### **Suspension of postal services**

- 143 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the Company's website and in at least one national newspaper published in the United Kingdom. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least 7 days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

### **Validation of notice**

- 144 Where these Articles require a notice or other document to be signed or authenticated by a member or other person then any notice or other document sent or supplied in electronic form is sufficiently authenticated in any manner authorised by the Companies Acts or in such other manner as may be approved by the Directors. Subject to the Companies Acts, the Directors may designate procedures or systems for validating any such notice or other document, and any such notice or other document not so validated by use of such procedures or systems shall be deemed not to have been received by the Company.
- 145 Nothing in these Articles shall affect any requirement of the Companies Acts that any particular offer, notice or other document be served in any particular manner.
- 146 Notices of meetings of the members of the Company or documents or other information may be sent or supplied to those members who appear on the register of members at a time and on a day selected by the Company not being earlier than the day 21 days before the date of the notice or the date the document or other information is sent or supplied (the "Relevant Date"). If shares are issued or transfers are registered after the Relevant Date to persons not on the relevant register of securities at the Relevant Date, such persons shall nevertheless be entitled, subject as otherwise provided in the Companies Acts and these articles, to attend and to participate in the meeting to which the notice relates. The issue or transfer of, or the registration of any transfer of, shares after the Relevant Date shall not affect the validity of the notice of meeting or the sending or supply of the document or other information.

### **CONTINUATION OF THE COMPANY AS A VENTURE CAPITAL TRUST**

- 147 At the annual general meeting of the Company held in ~~2015~~2019 and, if the Company has not then been liquidated, unitised or reconstructed, at each fifth subsequent annual general meeting of the Company convened by the Directors thereafter, the Directors shall propose a resolution that the Company should continue as a venture capital trust for a further five year period, on which resolution the vote shall be decided on a show of hands unless on declaration of the result of the show of hands a poll is duly demanded. A poll may be demanded only by those persons set out in Article 63. For the purpose of this Article only, the resolution that the Company should continue as a venture capital trust shall not be passed only where the vote is held on a poll and the votes against the resolution:
- (a) constitute a majority of the votes cast in respect of the resolution (votes withheld shall be ignored); and
  - (b) represent not less than 25 per cent of the total number of votes then exercisable in respect of that resolution by the holders of the issued share capital of the Company. If such resolution is not passed, the Directors shall draw up proposals for the voluntary liquidation, unitisation or other reorganisation of the Company for submission to the members of the Company at an extraordinary general meeting to be convened by the Directors for a date not more than nine months after the date of the meeting at which



such ordinary resolution was not passed. The Directors shall use all reasonable endeavours to ensure that such proposals for the liquidation, unitisation or reorganisation of the Company as are approved by special resolution are implemented as soon as is reasonably practicable after the passing of such resolution.

#### **INDEMNITY AND INSURANCE**

- 148 Subject to the provisions of and so far as may be consistent with the Companies Acts and without prejudice to any indemnity to which a director may otherwise be entitled, the Company may indemnify every Director, Company Secretary or other officer of the Company (other than any person (whether an officer or not) employed by the Company as auditor) against all costs, charges, losses, expenses and liabilities incurred by him or her in the execution and/or discharge of his or her duties and/or the exercise of his or her powers and/or otherwise in relation to or in connection with his or her duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him or her in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him or her as an officer or employee of the Company and in which judgment is given in his or her favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part) or in which he or she is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him or her by the Court.
- 149 Subject to the provisions of the Companies Acts, the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any Director of the Company against any liability which may attach to him or her or loss or expenditure which he or she may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer or auditor.

#### **PROPER LAW**

- 150 These Articles are governed by and are to be construed in accordance with the laws of England.