



# Stobart Group Limited Articles of Incorporation

The Companies (Guernsey) Law 2008, as amended  
Company Limited By Shares  
Adopted by special resolution on 29 June 2017

## **Interpretation**

**1.** In these Articles the following words shall bear the following meanings if not inconsistent with the subject or context:

### **Word "Adjusted Capital and Reserves"**

Meaning the aggregate of the amount paid up or credited as paid up on the issued share capital of the Company and the amounts standing to the credit or debit of the capital and revenue reserves (including share premium account, capital redemption reserve fund, investment reserve and profit and loss account) of the Company, all as shown in the latest audited balance sheet of the Company or any other balance sheet of the Company approved by the Directors but adjusted as may be appropriate in respect of any variation in such paid up share capital, share premium account, capital redemption reserve fund, investment reserve and profit and loss account since the date of such balance sheet.

### **Word "Articles"**

Meaning these Articles of Incorporation as now framed and at any time altered.

### **Word "At any time"**

Meaning at any time or times and includes for the time being and from time to time.

### **Word "Authorised Operator"**

Meaning Euroclear and Ireland Limited or such other person as may for the time being be authorised under the Regulations to operate an Uncertified System.

### **Word "Board"**

Meaning the Directors at any time or the Directors present at a duly convened meeting at which a quorum is present or, as the case may be, the Directors assembled as a committee of such Board.

### **Word "Deferred Shares"**

Meaning deferred shares of 0.1 p each having the rights set out in Article 3(5).

### **Word "Dematerialised Instruction"**

Meaning an instruction sent or received by means of an Uncertified System.

### **Word "Director"**

Meaning a Director of the Company for the time being.

### **Word "Dividend"**

Meaning includes bonus.

### **Word "Electronic Means"**

Meaning a document is sent in electronic form if it is in electronic form and is sent by electronic means, which means that it is sent and received at its destination by means of electronic equipment for the processing (which expression includes, without limitation, digital compression) or storage of data, and entirely transmitted and received by wire, by radio, by optical means or by other electromagnetic means, or is sent by other means.

### **Word "Executors"**

Meaning includes Administrators.

### **Word "Financial Year"**

Meaning the financial year of the Company from time to time.

### **Word "Group"**

Meaning any holding company of the Company and any subsidiary of such holding company and any subsidiary of the Company.

### **Word "Law"**

Meaning the Companies (Guernsey) Law, 2008, as amended.

### **Word "Liquidator"**

Meaning includes joint Liquidators.

### **Word "Member"**

Meaning includes a registered holder of an Ordinary Share and any person entitled on the death, disability or insolvency of a member. In relation to shares of the Company held in an Uncertified System means (a) a person who is permitted by the Authorised Operator to transfer, by means of that system, title to Uncertified shares of the Company of the Company held by him, or (b) two or more persons who are jointly permitted to do so.

### **Word "Memorandum"**

Meaning the Memorandum of Incorporation of the Company.

**Word "Month"**

Meaning calendar month.

**Word "Office"**

Meaning the registered office at any time of the Company.

**Word "Ordinary Shares"**

Meaning ordinary shares of 10p nominal value in the capital of the Company.

**Word "Ordinary Shareholder"**

Meaning a registered holder of Ordinary Shares.

**Word "Participating Security"**

Meaning a security (including a share) the title to units of which is permitted by an Authorised operator to be transferred by means of an Uncertificated System.

**Word "Proxy"**

Meaning includes attorney.

**Word "Register"**

Meaning the Register of Members kept pursuant to the Law Which shall, unless the context otherwise requires, include the register required to be kept by the Company under the Regulations and the Rules in respect of Company shares held in Uncertificated Form.

**Word "Regulations"**

Meaning the Uncertificated Securities (Guernsey) Regulations 2009 (as amended from time to time).

**Word "Rules"**

Meaning the rules, including any manuals, issued from time to time by the Authorised Operator governing the admission of securities to and the operation of the Uncertificated System managed by the Authorised Operator.

**Word "Seal"**

Meaning the Common Seal of the Company.

**Word "Secretary"**

Meaning includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of Secretary.

**Word "Uncertificated"**

Meaning a unit of a Guernsey security title to which is recorded on the relevant Register of Members or on the Company's register of non-share securities as being held in uncertificated form, and title to which may be transferred by means of an Uncertificated System in accordance with the Regulations and the Rules, if any.

**Word "Uncertificated System"**

Means any computer-based system and its related facilities and procedures that are provided by the Authorised operator and by means of which title to units of a security (including shares) can be evidenced and transferred in accordance with the Regulations without a written certificate or instrument.

**Word "United Kingdom"**

Meaning Great Britain and Northern Ireland.

**Word "Working Day"**

Meaning as defined in the Law.

**"Financial assistance"**, **"holding company"** and **"subsidiary"** shall have the respective meanings ascribed to them by the Law, save that the terms **"holding company"** and **"subsidiary"** shall include overseas companies (as such term is defined in the Law).

**"non-business day"** for the purposes of Article 137 shall mean any day that is not a Working Day.

The singular includes the plural and vice versa.

The masculine includes the feminine.

Words importing persons include corporations.

Expressions referring to writing include any mode of representing or reproducing words.

Subject to the above any words defined in the Law shall if not inconsistent with the subject or context bear the same meaning in these Articles.

**Business**

**2. Any branch or kind of business which by the Memorandum or by these Articles is either expressly or impliedly authorised to be undertaken may be undertaken or suspended at any time by the Board whether commenced or not.**

## Shares

3. (1) The share capital of the Company is £50,527,268 divided into 505,272,670 Ordinary Shares and 1,000 Deferred Shares having the rights hereinafter described.

(2) The rights attaching to the Ordinary Shares shall be as follows:

(a) as to Capital – the holders of the Ordinary Shares shall be entitled to participate in the distribution of capital on a winding up in the manner described in Article 139.

(b) as to Voting – the holders of Ordinary Shares shall be entitled to receive notice of and attend and vote at general meetings of the Company. Each holder of Ordinary Shares who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands shall have one vote and on a poll every such holder who is present in person (or, being a corporation, by representative) or by proxy and entitled to vote shall have one vote in respect of each Ordinary Share held by him.

(3) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares any share in the Company may be issued with such preferred deferred or other special rights or restrictions whether as to dividend voting return of capital or otherwise as the Company at any time by ordinary resolution may determine and subject to and in default of such determination as the Board may determine.

The Company may issue fractions of a share in accordance with the Law.

(4) For the avoidance of doubt and without prejudice to Article 3(2)(a), dividends or other distributions resolved to be distributed in respect of any Financial Year shall be distributed to the holders of Ordinary Shares pro rata to their holdings.

(5) The Deferred Shares shall have the following rights but be subject to the following restrictions:

(i) they shall be non-voting;

(ii) they shall be in certificated form (unless the Board otherwise determine);

(iii) on a return of capital on winding up or otherwise, they shall entitle the holders thereof only to the repayment of the amounts paid up on such shares after payment in respect of each Ordinary Share of the capital paid upon such share and £1,000,000;

(iv) shall not entitle the holders thereof to the payment of any dividend or other distribution;

(v) shall not entitle the holders thereof to receive notice of or attend or vote at any general meeting of the Company;

(vi) shall not entitle the holders thereof to seek any public listing or trading on any public market for shares.

(6) An allotment and issue of or conversion into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof (and/or an agreement to transfer the same) to such person as the Company may determine as custodian thereof and/or to purchase the same in any such case for not more than 1p for all the Deferred Shares without obtaining the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificate for such Deferred Shares.

4. Subject to the provisions of the Law, the terms and rights attaching to the Ordinary Shares, the Deferred Shares and these Articles:

(1) any shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on

such terms and in such manner as the Board may determine and all or any class of shares may be converted into redeemable shares;

(2) the Company may purchase its own shares in accordance with the Law and may hold any shares purchased by it as treasury shares;

(3) the Company may give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or the acquisition of shares in any of the Company's holding companies;

(4) the Company may by ordinary resolution alter its share capital in accordance with the Law; and

(5) the Company is authorised to issue shares of no par value and to issue shares with a nominal or par value.

5. If at any time the share capital of the Company is divided into shares of different classes, all or any of the rights for the time being attached to any share or class of shares (and notwithstanding that the Company may or may be about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of a resolution passed by a majority of not less than three-quarters of the votes recorded (including any votes cast by proxy) in accordance with these Articles passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles. The quorum for such meeting (other than an adjourned meeting) shall be two Members present in person or by proxy holding one-third of the voting rights of the issued shares of that class or, for an adjourned meeting, one person present holding shares of the class in question, or where the class has only one member, that member. Any holder of shares of the class present in person or by proxy may demand a poll.

6. (1) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be

deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

(2) The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the exercise of any powers under Article 10.

(3) For the avoidance of doubt, it is hereby declared that a resolution to increase the authorised share capital of the Company shall not be regarded or deemed as varying, modifying or abrogating the special rights conferred upon the holders of any shares issued with preferred, deferred or other special rights.

7. (1) Subject to the provisions of these Articles the unissued shares shall be at the disposal of the Board which may issue them, or grant rights to subscribe for or to convert any security into them, to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount and so that the amount payable on application on each share shall be fixed by the Board.

(2) The following provisions govern the operation of applicable pre-emption rights in respect of any shares of any class in the Company:

a) in this Article 7(2):

i) equity securities means:

(1) any class of share of the Company; or

(2) rights to subscribe for, or to convert securities into, any class of shares of the Company; and

ii) references to the issue of equity securities include:

(1) the grant of a right to subscribe for, or to convert any securities into, any class of shares of the Company; and

(2) the sale of any class of shares of the Company that immediately before the sale are held by the Company as treasury shares.

b) the Company shall not issue equity securities of a particular class to a person on any terms unless:

i) it has made an offer to each person who holds shares of the relevant class to issue to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of that class of shares; and

ii) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.

c) equity securities that the Company has offered to issue to a holder of shares may be allotted to him, or anyone in whose favour he has renounced his right to their issue, without contravening Article 7(2)(b)(ii) and, if Article 7(2)(b) applies in relation to the grant of such right, it will not apply in relation to the issue of equity securities in pursuance of that right.

d) shares held by the Company as treasury shares shall be disregarded for the purposes of this Article 7(2), so that the Company is not treated as a person who holds equity securities, and the treasury shares are not treated as forming part of the share capital of the Company.

e) any offer required to be made by the Company pursuant to Article 7(2)(b) should be made by a notice (given in accordance with Articles 129-138) and such offer must state a period during which

such offer may be accepted and such offer shall not be withdrawn before the end of that period. Such period must be a period of at least 21 days beginning on the date on which such offer is deemed to be delivered or received (as the case may be) pursuant to Articles 129-138.

f) article 7(2)(b) shall not apply in relation to the issue of bonus shares, scrip dividend shares nor to a particular issue of equity securities if these are, or are to be, wholly or partly paid otherwise than in cash or held under or allotted or issued or transferred pursuant to an employee share scheme (as defined in the Law).

g) the Company may by special resolution resolve that Article 7(2)(b) shall be excluded or that such Article shall apply with such modifications as may be specified in the resolution:

i) generally in relation to the issue by the Company of equity securities;

ii) in relation to issues of a particular description; or

iii) in relation to a specified issue of equity securities; and any such resolution must:

iv) state the maximum number of equity securities in respect of which Article 7(2)(b) is excluded or modified which, for the avoidance of doubt, may be an unlimited number of shares; and

v) specify the date on which such exclusion of modifications will expire, which must be not more than five years from the date on which the resolution is passed.

h) any resolution passed pursuant to Article 7(2)(g) may:

- i) be renewed or further renewed by special resolution of the Company for a further period not exceeding five years; and
- ii) be revoked or varied at any time by special resolution of the Company.
- i) notwithstanding that any such resolution referred to in Article 7(2)(g) or 7(2)(h) has expired, the directors may issue equity securities in pursuance of an offer or agreement previously made by the Company if the resolution enabled the Company to make an offer or agreement that would or might require equity securities to be issued after it expired.
- j) in this Article 7(2), in relation to any offer to issue equity securities a reference (however expressed) to the holder of shares of any description is to whoever was the holder of shares of that description at the close of business on a date to be specified in the offer and the specified date must fall within the period of 28 days immediately before the date of the offer.

**8.** The Company may pay commission in money or shares to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares in the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in the Company provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Law. The Company may also pay brokerages.

**9.** Except as ordered by a court of competent jurisdiction or as required by law the Company shall not be affected or bound by or be compelled in any way to recognise (even when having notice) any equitable contingent future or partial interest in any share or fraction or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety in the registered holder and whether or not such share shall be entered in the Register as held in

trust nor shall the Company be bound to see to the execution of any trust to which any share may be subject.

**10.**

- (1) The Directors shall have power by notice in writing to require any Member to disclose to the Company the identity of any person other than the Member (an interested party) who has any interest in the shares held by the Member and the nature of such interest.
- (2) Any such notice shall require any information in response to such notice to be given in writing within a prescribed period.
- (3) The Company shall maintain a register of interested parties to which the provisions of the Law shall apply mutatis mutandis as if the register of interested parties was the Register and whenever in pursuance of a requirement imposed on a shareholder as aforesaid the Company is informed of an interested party the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.
- (4) Directors may be required to exercise their powers under Article 10(1) on the requisition of Members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as carries at that date the right of voting at general meeting of the Company.

The requisition must:

- (i) state that the requisitionists are requiring the Company to exercise its powers under this Article;
- (ii) specify the manner in which they require those powers to be exercised; and
- (iii) give reasonable grounds for requiring the Company to exercise those powers in the manner specified,

and must be signed by the requisitionists and deposited at the Office.

The requisition may consist of several documents in like form each signed by one or more requisitionists.

On the deposit of a requisition complying with this section it is the Directors' duty to exercise their powers under Article 10(1) in the manner specified in the requisition.

(5) If any Member has been duly served with a notice given by the Directors in accordance with Article 10(1) and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter serve a notice (a "direction notice") upon such Member as follows:

(a) a direction notice may direct that, in respect of:

(i) any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares"); and

(ii) any other shares held by the Member, the Member shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company; and

(b) where the default shares represent at least 0.25% of the class of shares concerned, then the direction notice may additionally direct that in respect of the default shares:

(i) any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability

to pay interest thereon when such money is finally paid to the Member;

(ii) no transfer other than an approved transfer (as set out in Article 10(8)(c)) of the default shares held by such Member shall be registered unless:

(1) the Member is not himself in default as regards supplying the information requested; and

(2) when presented for registration the transfer is accompanied by a certificate by the Member in a form satisfactory to the Directors to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.

(6) If shares are issued to a Member as a result of that Member holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the Member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that Member as such default shares. For this purpose, shares which the Company procures to be offered to Members pro rata (or pro rata ignoring fractional entitlements and shares not offered to certain Members by reason of legal or practical problems associated with offering shares outside the United

Kingdom or Guernsey) shall be treated as shares issued as a result of a Member holding other shares in the Company.

(7) Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such Member by means of an approved transfer as set out in Article 10(8)(c). As soon as practical after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Directors shall procure that the restrictions imposed by paragraphs (5) and (6) above shall be removed and that dividends withheld pursuant to paragraph (5)(b)(i) above are paid to the relevant Member.

(8) For the purpose of this Article:

(a) A person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification which either (i) names such person as being so interested or (ii) fails to establish the identities of those interested in the shares, and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

(b) the prescribed period in respect of any particular Member is 28 days from the date of service of the said notice in accordance with Article 10(1) except where the shares of the Member on whom notice is being served pursuant to Article 10(1) represent at least 0.25% of the class of shares concerned in which case such period shall be 14 days;

(c) a transfer of shares is an approved transfer if but only if:

(i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the Offeror or connected person of the Offeror in respect of the Company; or

(ii) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the Member and with other persons appearing to be interested in such shares; or

(iii) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any stock exchange outside the United Kingdom on which the Company's shares are listed or normally traded.

For the purposes of this subparagraph any person referred to in Article 85(3) in relation to Directors shall, mutatis mutandis, be included amongst the persons who are connected with the Member or any person appearing to be interested in such shares.

(9) Any shareholder who has given notice of an interested party in accordance with Article 10(2) who subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Directors shall promptly amend the register of interested parties accordingly.

## Certificates and Register of Members

**11.** (1) Subject to the Law, the Board may issue shares as certificated shares or as uncertificated shares in its absolute discretion.

(2) The Company shall issue:

- (a) without payment one certificate to each person for all his shares of each class and when part only of the shares comprised in a certificate is sold or transferred a balance certificate; or
- (b) upon payment of such sum as the Board may determine several certificates each for one or more shares of any Class.

(3) Any certificate issued shall specify the shares to which it relates and the amount paid up and the distinguishing numbers (if any).

(4) All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment scrip certificates and other like documents) may if determined by the Board be issued under the Seal of the Company and shall be signed autographically unless there shall be in force a resolution of the Board adopting some method of mechanical signature in which event the signatures (if authorised by such resolution) may be effected by the method so adopted.

(5) Shares of any class may be traded through an electronic settlement system and held in uncertificated form in accordance with such arrangements as may from time to time be permitted by any statute, regulation, order, instrument or rule in force affecting the Company. Amendments to these Articles which may be necessary or expedient for this purpose may be made by special resolution but will not be deemed to vary the rights of any class of shares.

**12.** The Register shall be kept at the registered office of the Company in Guernsey. The Company shall not be bound to register more than 4 persons as the joint holders of any share or shares.

**13.** If a share certificate is issued and is defaced lost or destroyed it may be replaced or renewed without charge (other than exceptional out of pocket expenses) on such terms (if any) as to evidence and indemnity as the Board thinks fit.

## **Lien**

**14.** The Company shall have a first and paramount lien (extending to all dividends payable) on all shares (not being fully paid) for all monies whether presently payable or not called or payable at a fixed time in respect of those shares and for all the debts and liabilities of the holder to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Member of the Company or not).

**15.** For the purpose of enforcing such lien the Company may sell, in such manner as the Directors think fit, any shares 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 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer to the purchaser thereof the shares so sold.

**16.** 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 debt or liability in respect whereof the lien exists, so far as the same is presently 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. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

## **Calls on Shares**

**17.** The Board may at any time make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each

Member shall pay to the Company at the time and place appointed the amount called. A call may be revoked or postponed.

**18.** Joint holders shall be jointly and severally liable to pay calls.

**19.** If a sum called in respect of a share is not paid before or on the day appointed the person from whom the sum is due shall pay interest from the day appointed to the time of actual payment at such rate as the Board may determine.

(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these 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 and in the case of non-payment all the relevant provisions of these 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.

(2) Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as the Member paying such sum and the Directors agree upon PROVIDED THAT any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.

**20.** The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.

## **Forfeiture and Surrender of Shares**

**21.** If a Member fails to pay any call or instalment on the day appointed the Board may at any time during such period as any part remains unpaid serve notice requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.

**22.** The notice shall state a further day on or before which the payment required by the notice is to be made and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. If the requirements of any such notice are not complied with any share in respect of which the notice has been given may at any time before payment has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

**23.** Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.

**24.** A forfeited share shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of on such terms as the Board shall think fit with or without all or any part of the amount previously paid on the share being credited as paid and at any time before a sale or disposition the forfeiture may be cancelled.

**25.** A person whose shares have been forfeited shall cease to be a Member in respect of those shares but shall notwithstanding remain liable to pay to the Company.

**26.** All monies which at the date of forfeiture were payable in respect of the shares with interest at such rate as the Board may determine. The Board may enforce payment without any allowance for the value of the shares at the time of forfeiture.

**27.** A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall notwithstanding the forfeiture

remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon from the date of forfeiture until payment at such rate as the Directors may determine and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture.

**28.** The Board may accept from any Member on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.

**29.** A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.

**30.** The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture sale re-allotment or disposal.

## Transfer and Transmission of Shares

**31.** (1) Under and subject to the Regulations and the Rules, the Board shall have power to implement such arrangements as it may, in its absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of an Uncertificated System. Where it does do so, the provisions of this Article 31 shall commence to have effect immediately prior to the time at which the relevant Authorised Operator admits the class to settlement by means of the relevant Uncertificated System.

(2) In relation to any class of shares which, for the time being, an Authorised Operator has admitted to settlement by means of its Uncertificated System, and for so long as such class remains so admitted, no provision of these Articles (including for the avoidance of doubt Article 10) shall apply or have effect to the extent that it is in any

respect inconsistent with:- (i) the holding of shares of that class in Uncertificated form;

(ii) the transfer of title to shares of that class by means of an Uncertificated System; or

(iii) the Regulations or the Rules.

(3) Without prejudice to the generality of Article 31(2) and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted to settlement by means of an Uncertificated System such securities may be issued in Uncertificated form in accordance with and subject as provided in the Regulations and the Rules;

(i) Unless the Board otherwise determines, such securities held by the same holder or joint holder in certificated form and Uncertificated form shall be treated as separate holdings;

(ii) Such securities may be changed from Uncertificated to Certificated form, and from certificated to Uncertificated form, in accordance with and subject as provided in the Regulations and the Rules;

(iii) Title to such of the shares as are recorded on the Register as being held in Uncertificated form may be transferred only by means of the Uncertificated System and as provided in the Regulations and the Rules and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred the Company shall comply in all respects with the Regulations and the Rules;

(iv) provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in Uncertificated form; and

(v) The permitted number of joint holders of a share shall be four. Words and expressions not specifically defined in this Article shall bear the same meaning as those words and expressions defined in the Rules.

(4) Subject to such of the restrictions of these Articles as may be applicable:-

(i) Any Member may transfer all or any of his Uncertificated shares by means of an Uncertificated System in such manner provided for and subject to the Regulations and the Rules and accordingly no provision of these Articles shall apply in respect of an Uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;

(ii) Any Member may transfer all or any of his Certificated shares by an instrument of transfer in any usual common form or in any other form which the Board may approve; and

(iii) An instrument of transfer of a Certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a Certificated share need not be under seal.

(5) If it shall come to the notice of the Board that any shares are owned directly, indirectly, or beneficially by a Non-Qualified Holder, the Board may give notice to such person requiring him either (i) to provide the Board within thirty days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder; or (ii) to sell or transfer his shares to a person who is not a Non-Qualified Holder within thirty days and within such thirty days to provide the Board with satisfactory evidence of such sale or transfer. Pending such sale or transfer the Board may suspend the exercise of any voting or consent rights and rights to receive notice of, or attend, meetings of the Company and any rights to receive dividends or other distributions with respect to such shares, and the holder shall repay the Company any amounts distributed to such holder by the Company during the time such holder held such shares. If any person upon whom such a notice is served pursuant to this Article does not within thirty days after such notice

either (i) transfer his shares to a person who is not a Non-Qualified Holder or (ii) establish to the satisfaction of the Board (whose judgment shall be final and binding) that he is not a Non-Qualified Holder; (a) such person shall be deemed upon the expiration of such thirty days to have forfeited his shares and the Board shall be empowered at their discretion to follow the procedure pursuant to Articles 23 to 30 or, (b) if the Board in its absolute discretion so determines, to the extent permitted under the Regulations and the Rules, if any, the Board may arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be held by a Non-Qualified Holder, in which event the Company may, but only to the extent permitted under the Regulations and the Rules, take any action whatsoever that the Board considers necessary in order to effect the transfer of such share by the holder of such share (including where necessary requiring the holder in question to execute powers of attorney or other authorisations, or authorising an officer of the Company to deliver an instruction to the relevant Authorised Operator), and the Company shall pay the net proceeds of sale to the former holder upon its receipt of the sale proceeds and the surrender by him of the relevant share certificate or, if no certificate has been issued, such evidence as the Board may reasonably require to satisfy themselves as to his former entitlement to the share and to such net proceeds of sale and the former holder shall have no further interest in the relevant shares or any claim against the Company in respect thereof. No trust will be created and no interest will be payable in respect of such net proceeds of sale.

**32.** Every instrument of transfer of a certificated share shall be left at the Office or such other place as the Board may prescribe with the certificate of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate (if any) shall remain

in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing.

**33.** (1) The Board may, in its absolute discretion and without giving a reason, decline to transfer, convert or register any transfer of any share in Certificated form or (to the extent permitted by the Regulations and the Rules) Uncertificated form (subject to Article 33(2) below) which is not fully paid or on which the Company has a lien provided in the case of a listed or quoted share, that this would not prevent dealings in the share from taking place on an open and proper basis on the London Stock Exchange. In addition, the Board may refuse to register a transfer of shares if:-

(i) It is in respect of more than one class of shares;

(ii) It is in favour of more than four joint transferees;

(iii) In relation to a share in Certificated form, having been delivered for registration to the Office or such other place as the Board may decide, it is not accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; and

(iv) The transfer is in favour of any Non-Qualified Holder.

(2) The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in regulations issued for this purpose under the Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system, and where, in the case of a transfer, to joint holders, the number of joint holders

to whom the uncertificated share is to be transferred exceeds 4.

(3) If the Board refuses to register the transfer of a share it shall, within 2 months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.

(4) To the extent permitted by the Laws the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in the aggregate in any calendar year) as the Board may decide on giving notice in *La Gazette Officielle* and either generally or in respect of a particular class of share except that, in respect of any shares which are participating shares held in an Uncertificated System, the Register shall not be closed without the consent of the relevant Authorised Operator.

(5) No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate or marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.

**34.** The Company shall keep the Register in accordance with the Law. The Register may be closed during such periods as the Board think fit not exceeding in all 30 days in any year.

**35.** On the death of a Member the survivors where the deceased was a joint holder and the executors or administrator of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.

**36.** A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Member or otherwise by operation of law (subject as hereinafter provided), upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company,

or save as aforesaid, to any of the rights or privileges of a Member unless and until he shall be registered as a Member in respect of the share PROVIDED ALWAYS THAT the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.

### **Alteration of capital**

**37.** The Company at any time may by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

**38.** Subject to the terms and rights attaching to the Ordinary Shares and these Articles, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.

**39.** Subject as provided elsewhere in these Articles, the Company may by ordinary resolution:

(1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(2) subdivide all or any of its shares into shares of smaller amount than is fixed by the Memorandum so however that in subdivision the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more of the shares may have such preferred deferred or other rights over the others as the Company has power to attach to unissued or new shares;

(3) cancel any shares which at the date of the resolution have not been taken or

agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled;

(4) convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency in accordance with the Law; the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other date as may be specified therein;

(5) where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency, or otherwise.

**40.** The Board on any consolidation of shares may deal with fractions of shares in any manner.

**41.** The Company may by special resolution reduce its share capital any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorised and consent required by the Law.

### **General Meetings**

**42.** (1) General meetings (which are annual general meetings) shall be held once at least in each calendar year. All general meetings (other than annual general meetings) shall be called general meetings. General meetings may be held in Guernsey or elsewhere.

(2) A member of the Company shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company unless all calls due from him in respect of that share have been paid.

(3) A member of the Company shall not, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the

Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a notice requiring the disclosure of shareholders interests and given under Article 10 within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in Article 10.

(4) A Member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting shall be treated as forming part of the quorum of that meeting provided that the Members present at the meeting can hear and speak to the participating Member.

(5) A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Members participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Members resolve otherwise.

**43.** Any general meeting convened by the Board unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition may be postponed by the Board by notice in writing and the meeting shall subject to any further postponement or adjournment be held at the postponed date for the purpose of transacting the business covered by the original notice.

**44.** The Board may whenever it thinks fit and shall on the requisition in writing of one or more holders representing more than one-tenth of the issued share capital of the Company as carries the right of voting at general meetings of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene a general meeting.

**45.** The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists.

**46.** If the Board does not within 21 days from the date of the requisition being so deposited proceed to call a meeting to be held on a date not more than 28 days after the date of the notice convening the meeting the requisitionists or a majority of them in value may themselves convene the meeting.

**47.** Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.

### **Notice of General Meetings**

**48.** Not less than 21 clear days' (for annual general meetings) or 14 clear days' (for all other general meetings) written notice specifying the time and place of any general meeting and specifying also in the case of any special business the general nature of the business to be transacted shall be given by notice sent by post by the Secretary or other officer of the Company or any other person appointed in that behalf by the Board to such Members as are entitled to receive notices provided that with the consent in writing of all the Members entitled to receive notices of such meeting a meeting may be convened by a shorter notice or at no notice and in any manner they think fit. In every notice there shall appear a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Member.

**49.** The accidental omission to give notice of any meeting to or the nonreceipt of such notice by any Member shall not invalidate any resolution (or any proposed resolution otherwise duly approved) passed or proceeding at any meeting.

**50.** All Members are deemed to have agreed to accept communications from the Company by Electronic Means in accordance with Articles 129-138.

### **Proceedings at General Meetings**

**51.** The ordinary business of a general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and

the reports of the Directors and the auditors to elect Directors and appoint auditors and other officers in the place of those retiring to fix the remuneration of the Directors and auditors to sanction or declare dividends and to transact any other business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.

**52.** The quorum for a general meeting shall be two Members present in person or by proxy.

**53.** If within five minutes from the time appointed for the meeting a quorum is not present the meeting if convened by or upon a requisition shall be dissolved. If otherwise convened it shall stand adjourned for 7 days at the same time and place or to such other day and at such other time and place as the Board may determine and (subject to Article 54) no notice of adjournment need be given. On the resumption of an adjourned meeting, those Members present in person or by proxy shall constitute the quorum.

**54.** The Chairman (if any) or, if absent, the Deputy Chairman (if any) of the Board or, failing him, some other Director nominated by the Directors shall preside as Chairman at every general meeting of the Company, but if at any meeting none of the Chairman nor the Deputy Chairman nor such other Director be present within fifteen minutes after the time appointed for holding the meeting, or if none of them be willing to act as Chairman, the Directors present shall choose some Director present to be Chairman, or if no Directors be present, or if all the Directors present decline to take the chair the Members present shall choose some Member present to be Chairman.

**55.** The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**56.** At any meeting a resolution put to the vote shall be decided by a show of hands or by a poll at the

option of the Chairman. Nevertheless before or on the declaration of the result a poll may be demanded:

(1) by the Chairman; or

(2) by one Member present in person or by proxy provided he represents at least one-tenth of the subscribed capital; or

(3) by 2 Members present in person or by proxy.

The demand for a poll may be withdrawn.

Unless a poll be demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.

**57.** A poll if demanded shall be taken at the meeting at which the same is demanded or at such other time and place as the Chairman shall direct and the result shall be deemed the resolution of the meeting.

**58.** If a poll is duly demanded, it shall be taken in such manner and at such place as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

**59.** A poll demanded on the election of a Chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded.

**60.** In case of an equality of votes on a poll the Chairman shall have a second or casting vote.

## **Votes of Members**

**61.** Subject to any special rights or restrictions for the time being attached to any class of share:

(1) on a show of hands every Member present in person or by proxy shall have one vote;

(2) on a poll every Member present in person or by proxy shall have one vote for each share held by him.

**62.** Where there are joint registered holders of any share such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.

**63.** Any Member being incapable or of unsound mind may vote by his curator or other legal guardian. Any of such persons may vote either personally or by proxy.

**64.** On a poll votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be a Member. An instrument of proxy may be valid for one or more meetings.

**65.** No Member shall be entitled to be present or take part in any proceedings or vote either personally or by proxy at any meeting unless all calls due from him have been paid. No Member shall be entitled to vote in respect of any shares unless he has been registered as their holder.

**66.** No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the Chairman whose decision shall be final and binding.

**67.** The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised.

**68.** The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office not less than 48 hours before the time for holding

the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.

**69.** The instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.

**70.** The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.

**71.** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.

**72.** Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member of the Company. Number and Appointment of Directors

**73.** The first Directors of the Company shall be appointed by the subscribers to the Memorandum. Unless such subscribers appoint a sole Director and unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two and, unless and until otherwise determined as aforesaid, the maximum number of Directors shall be ten.

**74.** The Board shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number (if any) fixed pursuant to these Articles. The continuing Directors

may act notwithstanding any vacancy in their body, provided that if the number of Directors be less than the prescribed minimum the remaining Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment. If there be no Director or Directors able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed shall (subject to the provisions of the Law and these Articles) hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

**75.** (1) At each annual general meeting, one-third of the Directors who are subject to retirement by rotation and in office at the opening of business on the date of the notice calling the relevant annual general meeting or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, or if their number is less than three then one of them, shall retire from office. A Director retiring at a meeting shall retain office until the dissolution of such meeting. The Directors to retire at each annual general meeting shall include such of the Directors referred to in Article 74 who wish to retire and not offer themselves for re-election (if any) together with, to the extent that the number of such Directors is insufficient to meet the number required to retire under this Article 75, such of the Directors who have been longest in office as are necessary to meet such number. As between two or more who have been in office an equal length of time, the Director(s) to retire shall (in default of agreement between them) be determined by lot. The length of time a Director has been in office shall be computed from his last election, re-election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election.

(2) No person other than a Director retiring at a general meeting shall unless

recommended by the Directors be eligible for election by the Company to the office of Director unless not less than 7 nor more than 42 clear days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

**76.** (1) The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been reappointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 74 hereof) fill up any other vacancies.

(2) Without prejudice to the powers of the Board the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

(3) At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

## **Qualification and Remuneration of Directors**

**77.** A Director need not be a member of the Company.

**78.** The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine. Any fees payable pursuant to these Articles shall be distinct from and shall not include any salary, remuneration for any executive office or other amounts payable to a

Director pursuant to any other provisions of these Articles and shall accrue from day to day. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company. If by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such sum as the Board may think fit for expenses and also such reasonable additional remuneration as the Board may determine.

### **Alternate Directors**

**79.** Any Director may by notice in writing under his hand served upon the Company appoint any person (whether a Member of the Company or not) as an alternate Director to attend and vote in his place at any meeting of the Directors at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply:

(1) Every alternate Director while he holds office as such shall be entitled:

- (a) if his appointor so directs the Secretary to notice of meetings of the Directors; and
- (b) to attend and to exercise (subject to any restrictions) all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present.

(2) Every alternate Director shall ipso facto vacate office if and when his appointment expires by effluxion of time or his appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand served upon the Company.

(3) No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable

expenses incurred in the exercise of his duties.

(4) A Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director.

### **Borrowing Powers**

**80.** (1) Power to borrow money

(a) Subject to the following provisions of this Article, the Directors may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage, hypothecate, pledge or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and, subject to the provisions of the Law, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its holding company (if any) or any subsidiary of the Company or of any third party.

(b) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries undertakings so far as by such exercise they can secure) that the aggregate amount at any one time owing by the Group (being the Company and all its subsidiaries from time to time) in respect of moneys borrowed, exclusive of moneys borrowed by the Company or any of its subsidiaries from any other of such companies, shall not at any time, without the previous sanction of the Company in general meeting, exceed a sum equal to twice (2 x) the aggregate of:

(i) the nominal capital of the Company for the time being issued and paid-up or credited as paid up; and

(ii) the amounts standing to the credit of the consolidated reserves of the Company and its subsidiaries whether distributable or undistributable and including (without limitation) share premium account, capital redemption reserve and profit and loss account; all as shown in a consolidation of the then latest audited balance sheets of the Company and each of its subsidiaries but after:

(iii) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital, share premium account and capital redemption reserve of the Company since the date of its latest audited balance sheet;

(iv) excluding therefrom (so far as not already excluded)

(i) any sums set aside for future taxation;

(ii) amounts attributable to outside shareholders in subsidiaries;

(v) deducting therefrom

(i) an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended or made since that date except so far as provided for in such balance sheet; and

(ii) any debit balances on profit and loss account.

(c) For the purposes of this Article, "moneys borrowed" shall be deemed to include the following

except insofar as otherwise taken into account:

(i) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest whereof is not for the time being owned by the Company or any of its subsidiaries or any body whether corporate or unincorporated and the payment or repayment whereof is the subject of a guarantee or indemnity by the Company or any of its subsidiaries;

(ii) the outstanding amount raised by acceptance by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;

(iii) the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;

(iv) the principal amount of any preference share capital of a subsidiary owned otherwise than by any of the Company and its subsidiaries;

(v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowings;

(vi) any fixed amount in respect of a hire purchase agreement or of a finance lease payable in either case by the Company or any of its subsidiary undertakings which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet(s) (and for the purpose of this Article 80(1)(c)(vi) "finance lease" means a contract between a lessor and the

Company (or any of its subsidiary undertakings) as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by that company and "hire purchase agreement" means a contract of hire purchase between a hire purchase lender and the Company or any of its subsidiary undertakings as hirer);

(vii) such proportion of monies borrowed by the Company or any of its subsidiaries (which are borrowed from any part owned subsidiary as that part of such part owned subsidiary's issued and paid up equity share capital which is not beneficially owned by the Company (or any of its subsidiaries) bears to the whole of its issue and paid up equity share capital, but shall be deemed not to include:

(1) borrowings for the purposes of repaying the whole or any part of borrowings by Company or any of its subsidiaries or the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and

(2) borrowings for the purpose of financing any contact in respect of which any part of the price receivable by the Company or its subsidiaries is guaranteed or insured up to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

(d) A report by the auditors of the Company as to the aggregate amount which may at any one time in accordance with the provisions of Article 80(1)(b) be owing by the Company and its subsidiaries without such sanction as aforesaid shall be conclusive in

favour of the Company and all persons dealing with the Company. In addition and for the purposes of this Article 80(1), the Board may act in reliance on a bona fide estimate as to the aggregate amount which may at any one time in accordance with the provisions of Article 80(1)(b) be owing by the Company and its subsidiaries without such sanction as aforesaid and, if in consequence the borrowing limit imposed by this Article 80(1) is inadvertently exceeded, the amount of moneys borrowed equal to the excess may be disregarded until the expiration of 28 days after the day on which (by reason of the determination of the auditors of the Company or otherwise) the Board became aware that such a situation has or may have arisen.

(e) When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 80(1) on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business); or where the repayment of such moneys is expressly covered by a forward purchase contract currency option, back to back loan, swap or other arrangements taken out or entered into to reduce the risk associated with fluctuations in

exchange rates, at the rate of exchange specified therein.

(f) No debt incurred or security given in respect of moneys borrowed or to be taken into account as moneys borrowed in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or would thereby be exceeded. No lender or person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

(2) Mode of borrowing Subject as provided in Article 80(1) and subject to the provisions of the Law, the Directors may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures or securities to exchange the same for shares in the Company of any class authorised to be issued.

(3) Security for payment of moneys borrowed or raised Subject as provided in Article 80(1) and subject to the provisions of the Law, the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage of or charge upon or security interest in all or any part of the undertaking, property or assets of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security, and the Directors may confer upon any mortgagee, chargee or person in whom any debenture or security is vested such rights and powers as they think necessary or expedient. The Directors may vest any

property or assets of the Company in trustees for the purpose of securing any moneys so borrowed or raised and confer upon the trustees or any receiver to be appointed by them or by any debenture-holder such rights and powers as the Directors may think necessary or expedient in relation to the undertaking, property or assets of the Company so vested or the management or the realisation thereof or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise. The Directors may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

(4) Security for payment of monies The Directors may give security for the payment of moneys payable by the Company in like manner as for the payment of moneys borrowed or raised, but in such case the amount shall for the purposes of the limit in Article 80(1) be reckoned as part of the moneys borrowed.

### **Other Powers and Duties of the Board**

**81.** The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to these Articles and to the Law and to such regulations as may be prescribed by the Company in general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

**82.** The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and the Board may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing assisting or subsidising any such subsidiary company or guaranteeing its contracts obligations or liabilities.

**83.** The Board may establish any local boards or agencies for managing any of the affairs of the Company and may appoint any one or more of its

number or any other persons to be members of such local Boards or any managers or agents and may fix their remuneration and may delegate to any local board manager or agent any of the powers authorities and discretions vested in the Board with power to sub-delegate and may authorise the members of any local board to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board 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.

**84.** The Board may at any time by power of attorney given under the hand of such person or persons duly authorised in that behalf appoint any person or any fluctuating body of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers and discretions and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretions.

**85.** (1) A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board. In the case of a proposed contract such disclosure shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Board held after he became so interested. In a case where the Director becomes interested in a contract or arrangement after it is made disclosure shall be made at the first meeting of the Board held after the Director becomes so interested. For the purpose of the foregoing a general notice given to the Board by a Director to the effect that he is a member of a specified company or firm and is to be

regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm shall be deemed to be a sufficient disclosure of interest if either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is raised and read at the next meeting of the Board after it is given.

(2) A Director may not vote (or be counted in the quorum) in respect of any resolution of the Directors or committee of the Directors concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:

(a) obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(d) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a member of the Group) in which he (and any persons connected with him) is interested and whether as an officer, shareholder, creditor or otherwise, if he does not to his knowledge hold an interest in shares representing one per cent. or more of either a class of the equity share capital (or of any third party company through which his interest is derived) or of the voting rights in the relevant company;

(e) any contract, arrangement, transaction or proposal relating to an arrangement for the benefit of the employees of the Company or its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme under which he may benefit and which either has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes or relates to both employees and Directors of the Company (or any of its subsidiaries) and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and

(f) a contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors

or for the benefit of persons including Directors.

(3) For the purposes of this Article a person shall be treated as being connected with a Director if that person is:

(i) a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or

(ii) an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20% or more of the nominal value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20% of the voting power at general meetings; or

(iii) a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within paragraphs (i) or (ii) above excluding trustees of an employees' share scheme or pension scheme; or

(iv) a partner (acting in that capacity) of the Director or persons in categories (i) to (iii) above.

(4) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or whereat the terms of any such appointment are arranged or whereat any contract in which he is interested is considered, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment or its termination) of 2 or more directors to offices or places of profit with the Company or a company in which the Company is

interested, such proposals shall be divided and a separate resolution considered in relation to each director. In such case each of the directors concerned (if not otherwise debarred from voting under these provisions) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(5) A Director may hold any other office or place of profit under the Company (other than auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(6) Any Director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(7) Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such

other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to themselves as directors, managing directors, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in the manner aforesaid, notwithstanding that he may be or be about to be appointed a director, managing director, manager or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

**86.** All cheques promissory notes drafts bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed drawn accepted endorsed or otherwise executed in such manner as the Board shall at any time determine.

**87.** The Board shall cause minutes to be made in books provided for the purpose:

- (1) of all appointments of officers;
- (2) of the names of the Directors present at each meeting of the Board and of any committee;
- (3) of all resolutions and proceedings at meetings of the Company and meetings of the Board and of committees.

Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings took place, or by the Chairman of the next succeeding meeting, shall be evidence of their proceedings.

**88.** A Register of Directors' interests in shares shall be kept at the Office and shall be open to the inspection of any Member or holder of debentures of the Company between the hours of 10:00am and noon for a period beginning 14 days before and ending 3 days after the annual general meeting. The said register shall also be produced at the commencement of each annual general meeting and shall remain open and accessible during the

continuance of the meeting to any person attending the meeting.

### **Disqualification and Removal of Directors**

**89.** The office of a Director shall ipso facto be vacated:

(1) if he (not being a person holding for a fixed term an executive office subject to termination if he cease from any cause to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office;

(2) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated;

(3) if he becomes a lunatic, of unsound mind or incapable;

(4) if he becomes a bankrupt, suspends payment, compounds with his creditors or is adjudged insolvent;

(5) if he is requested to resign by written notice signed by all his co-Directors; or

(6) if the Company in general meeting shall declare that he shall cease to be a Director;

(7) If he dies or becomes ineligible to be a director in accordance with the Law.

PROVIDED THAT there shall be no age limit for retirement.

**90.** If the Company in general meeting removes any Director before the expiration of his period of office it may by an ordinary resolution appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.

### **Proceedings of Directors**

**91.** (1) The Board may meet for the despatch of business adjourn and otherwise regulate its

meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman at the meeting shall have a second or casting vote.

(2) A video link or telephone conference call or other electronic or Telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting.

**92.** The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.

**93.** A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.

**94.** The continuing Directors may act notwithstanding any vacancy but if and so long as their number is reduced below the minimum number fixed pursuant to these Articles the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act then any holder may summon a general meeting for the purpose of appointing Directors.

**95.** The Board may elect one of their number as Chairman of their meetings and determine the period for which he is to hold office. If no such Chairman be elected or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting.

**96.** The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

**97.** The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be 2 except that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum. For the purposes of this Article an alternate appointed by a Director shall be counted in a

quorum at a meeting at which the Director appointing him is not present.

**98.** A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee and may be transmitted to the Company by facsimile.

### **Executive Director**

**99.** (1) The Board may at any time appoint one or more of their body to be holder of any executive office including the office of Managing Director on such terms and for such periods as they may determine.

(2) The appointment of any Director to any executive office shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(3) The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.

### **Secretary**

**100.** The Directors may at their discretion appoint such person to be Secretary on such terms as they see fit (including as to remuneration) and for the avoidance of doubt may (but are not obliged to) appoint one of their number to act as both Director and Secretary and where the Company has appointed a Secretary, and without prejudice to the responsibility of any other person or to any other responsibilities he may hold, the functions and responsibilities of the Secretary are those which are set out in any agreement under which the Secretary is appointed from time to time or, failing such

agreement the Secretary shall take reasonable steps to ensure:

- (1) That all registers and indexes are maintained in accordance with the provisions of the Law;
- (2) That all notices and documents required to be filed or served upon the Registrar or other persons are duly so filed or served;
- (3) That all resolutions, records and minutes of the Company are properly kept;
- (4) That copies of the Memorandum and Articles are kept fully up to date; and
- (5) That the Directors are aware of any obligations imposed by the Memorandum and Articles.

**101.** No person shall be appointed or hold office as Secretary who is:

- (1) the sole Director of the Company, or
- (2) a corporation the sole Director of which is the sole Director of the Company, or
- (3) the sole Director of a corporation which is the sole Director of the Company.

### **The Seal**

**102.** If the Board determines to maintain a Seal they shall provide for the safe custody of the Seal which shall only be used by authority of the Board or of a committee and every instrument to which the Seal shall be affixed shall be signed by any such persons as are authorised by the Board in that behalf. The Board may authorise the use of a duplicate or facsimile Seal for use outside Guernsey in such manner as the Board may at its discretion determine.

### **Authentication of Documents**

**103.** Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Board and any books records documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts; and where any books records documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having

their custody shall be deemed to be a person appointed by the Board as aforesaid.

## **Dividends**

**104.** The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

**105.** Subject to Article 10, 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 of nominal value paid up on the shares in respect whereof the dividend is paid.

**106.** The Board may at any time declare and pay such interim dividends as appear to be justified by the position of the Company.

**107.** Subject to the Law 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 profits and losses as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits and 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 Board be treated as revenue and it shall not be obligatory to capitalise all or part of the same.

**108.** The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

**109.** The Board may retain any dividend or other monies 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 liabilities or obligations in respect of which the lien exists.

**110.** The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member until such person has become a Member.

**111.** Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post at the risk of the person entitled to the money represented thereby to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the

Register. Any one of 2 or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings.

**112.** No dividend or other monies payable on or in respect of a share shall bear interest against the Company.

**113.** All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of five years after having been declared or became due for payment shall be forfeited and shall revert to the Company.

**114.** The Board may in relation to any dividend whether declared or not offer holders of shares dividends in stock in lieu of cash. Such scrip dividends may be satisfied, at the discretion of the Board, by the issue of new shares and/or if the market price of the shares is below their net asset value by the purchase in the market of existing shares at a price not exceeding their net asset value at the time.

## **Reserves**

**115.** The Board 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 Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board 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 Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Law.

The Board shall establish a capital reserve (the "capital reserve") and either carry to the credit of the capital reserve or apply in providing for depreciation or contingencies all capital appreciation arising on the sale, realisation, transposition, repayment or revaluation of any investments or other capital assets of the Company in excess of the book value thereof. Any loss realised on the sale, realisation, transposition, repayment or revaluation of any

investments or other capital assets and any other sum incurred in connection with the assets of the Company, which in the opinion of the Board is reasonably and fairly apportioned to capital, may be carried to the debit of the capital reserve except in so far as the Board may in their discretion decide to make good the same out of other reserves of the Company. All sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which sums standing to any reserve are applicable except and provided that no part of the capital reserve or any other monies in the nature of accretion to capital shall be transferred to revenue account or be applied in paying dividends on any shares in the Company's capital. The Board may, subject to applicable legislation and practice, determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other.

### **Capitalisation of Profits**

**116.** The Board may with the authority of an ordinary resolution of the Company but subject to any special rights attaching to any shares:

(1) resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of the Company's share premium or capital redemption reserve or other undistributable reserve;

(2) appropriate the sum resolved to be capitalised to the holders of shares in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those

members, in those proportions; provided that in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment of such sums;

(3) resolve that any shares so allotted to holders of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends.

**117.** Whenever such resolution as is referred to in Article 116 shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised and all allotments and issues of fully-paid shares and generally shall do all things required to give effect thereto with full power to the Board to make such provision by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and also to authorise any person to enter on behalf of all Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

### **Accounts**

**118.** The Board shall cause proper books of account to be kept with respect to all the transactions assets and liabilities of the Company in accordance with the Law.

**119.** The books of account shall be kept at the Office or at such other place as the Board shall think fit and

shall at all times be open to the inspection of any Director, Secretary or officer but no person other than a Director Secretary, officer or auditor or other person whose duty requires and entitles him to do so shall be entitled to inspect the books accounts and documents of the Company except as provided by the Law or authorised by the Board or by the Company in general meeting.

**120.** A balance sheet and profit and loss account must be prepared for each of the Company's financial years (as defined in the Law). The accounts shall include a profit and loss account and a balance sheet. The accounts shall give (and state that they give) a true and fair view, be in accordance (and state that they are in accordance) with generally accepted accounting principles and state which principles have been adopted, and comply (and state that they comply) with any relevant enactment for the time being in force. The accounts shall be approved by the Board of Directors and signed on their behalf by at least one of them. The Directors shall also prepare a directors' report for each of the Company's financial years (as defined in the Law). The Directors' Report must state the principal activities (if any) of the Company in the course of the financial year and may be in summary form. If the Company is audited, the directors' report must contain a statement to the effect that, in the case of each of the persons who are Directors at the time the report is approved (a) so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware, and (b) he has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. Where a Company is exempt from audit its directors' report must state that its accounts are exempt from the requirement to be audited and has not been audited.

**121.** The Company must send a copy of its accounts, its directors' report and its auditor's report (where required) to each member of the Company within twelve months after the end of the financial year (as defined in the Law) to which they relate. In addition the Company must send a copy of the most recent accounts, directors' report and Auditor's Report (where required) to a member or officer of the Company within seven days after the date on which the member makes such a request, provided that he has not previously made such a request within that financial year. If the Company holds a general

meeting, it shall lay before that meeting copies of its most recent accounts, directors' report and Auditor's Report (where required).

#### **Auditors**

**122.** Subject to the Law the Company may elect to become an unaudited company. Whilst the Company continues as an unaudited company the provisions of these Articles in so far as they relate to the appointment of Auditors the duties of Auditors and to the report of Auditors shall be suspended and cease to have effect. If an appointment of Auditors is not made at an annual general meeting, the Court may, on the application of any member of the Company appoint an Auditor of the Company for the current year and fix the remuneration to be paid to him by the Company for his services. A Director shall not be capable of being appointed as an auditor.

**123.** A person other than a retiring auditor shall not be capable of being appointed auditor at a general meeting unless notice of intention to nominate that person as auditor has been given by a Member to the Company not less than 14 days before the meeting and the Board shall send a copy of any such notice to the retiring auditor and shall give notice to the Members not less than 7 days before the meeting provided that if after notice of the intention to nominate an auditor has been so given a meeting is called for a date 14 days or less after such notice has been given the requirements of this provision as to time in respect of such notice shall be deemed to have been satisfied and the notice to be sent or given by the Company may instead of being sent or given within the time required by this Article be sent or given at the same time as the notice of the meeting.

**124.** The first auditors shall be appointed by the Board before the first annual general meeting and they shall hold office until the first annual general meeting unless previously removed in which case the Members at such meeting may appoint the auditors.

**125.** The Board may fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditors (if any) may act.

**126.** The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the Company may determine except that the remuneration of any auditors appointed by the Directors shall be fixed by the Directors.

**127.** Every Auditor shall have a right of access at all times to the books and accounts and vouchers of the Company and as regards books, accounts and vouchers of which the originals are not readily available shall be entitled to rely upon copies thereof or extracts therefrom certified by the Company's representatives, and shall be entitled to require from the Board and the Officers of the Company such information and explanations as may be necessary for the performance of the duties of the Auditors, and the Auditors shall make a report to the members on the accounts examined by them, and on every balance sheet and profit and loss account laid before the Company in General Meeting during their tenure of office, and the report shall state:

- (1) whether or not they have obtained all the information and explanations they have required; and
- (2) whether in their opinion the balance sheet and profit and loss account referred to in the report is drawn up in conformity with the Law; and whether in their opinion such balance sheet and profit and loss account exhibits a true and fair view of the state of the Company's affairs and the profit and loss of the Company for that financial year.

**128.** Any auditor shall be eligible for re-election.

#### **Notices**

**129.** Any Member may notify the Company of a Relevant Electronic Address for the purpose of his receiving communications by Electronic Means from the Company at any time.

**130.** Any document or notice which, in accordance with these Articles, may be transmitted by the Company in electronic form and by Electronic Means shall, if so transmitted, be deemed to be regarded as served immediately after it was transmitted. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the United Kingdom Institute of Chartered Secretaries and Administrators) that a communication was transmitted by Electronic Means by the Company shall be conclusive evidence of such transmission.

(ii) If

**131.** A communication by Electronic Means shall not be treated as served by the Company if it is rejected by computer virus protection arrangements.

**132.** A notice may be given by the Company to any Member either personally or in electronic form by Electronic Means or personally or by sending it by prepaid post or courier addressed to such Member at his registered address or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose or by being transmitted to his Relevant Electronic Address by Electronic Means in accordance with this Article. Notices to be sent to addresses outside the Channel Islands, the United Kingdom or the Isle of Man shall, so far as practicable and unless sent by Electronic Means, be forwarded by prepaid airmail or by courier.

**133.** All Members shall be deemed to have agreed to accept communication from the Company by Electronic Means (including, for the avoidance of doubt, by means of a website) in accordance with Sections 523, 524 and 526 and Schedule 3 of the Law unless a Member notifies the Company otherwise. Notice under this Article must be in writing and signed by the Member and delivered to the Office or such other place as the Directors decide.

**134.** In the absence of any notice from a Member in accordance with Article 133, the Company may, but is not obliged to, satisfy its obligation to send a Member any notice or other document by:

- (1) Publishing such notice or document on a website; and
- (2) Notifying him that such notice or document has been so published, specifying the address of the website on which it has been published, the place on the website where it may be accessed, how it may be accessed and:
  - (i) If it is a notice relating to a shareholders' meeting stating (a) that the notice concerns a notice of a Company meeting served in accordance with the Law (b) the place, date and time of the meeting, (iii) whether the meeting is to be an annual or extraordinary general or class meeting, and (iv) such other information as the Law may prescribe; and

it is a notice of a Written Resolution or a statement relating to a Written Resolution, the notice must be available on the website throughout the period beginning with the circulation date and ending on

the date on which the resolution lapses.

135. For the avoidance of doubt, any Relevant Electronic Address specified by a Member to the Company prior to the date of adoption of these Articles for the purpose of communicating by Electronic Means will constitute a notification of that Relevant Electronic Address for the purposes of Article 129.

**136.** The Company shall, where no other period is specified in these Articles, give all Members sufficient notice to enable them to exercise their rights or comply with the terms of the notice.

**137.** A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.

**138.** A document sent by post shall unless the contrary is shown, be deemed to have been received:

(1) in the case of a document sent to an address in the United Kingdom, the Channel Islands or the Isle of Man, on the second day after the day of posting excluding that is a non-business day;

(2) in the case of a document sent elsewhere by airmail on the third day after the day of posting, excluding that is a non-business day; or

(3) in the case of a document transmitted by Electronic Means, immediately after it was transmitted in accordance with Article 130.

## **Winding Up**

**139.** (1) If the Company shall be wound up, the surplus assets remaining after payment of all creditors, including the payment of bank borrowings, shall be divided between the holders of Ordinary Shares pro rata to their holdings.

(2) If the Company shall be wound up the Liquidator may with the authority of a special resolution divide among the members in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set

such value as he deems fair upon any one or more class or classes or property and may determine how such division shall be carried out as between the Members or different classes of members. The Liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.

(3) Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company ("the transferee") the Liquidator may, with the sanction of an ordinary resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares policies or other like interests in the transferee for distribution among the Members of the Company or may enter into any other arrangement whereby the Members of the Company may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

## **Indemnity**

**140.** The Directors, Managing Directors, Managers, Agents, Secretary and other Officers or servants for the time being of the Company, and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every of them, and every of their heirs and executors, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages, and expenses, which they or any of them, their or any of their heirs or executors shall or may incur or sustain in respect of any person other than the Company or an associated company (as defined in the Law) by reason of any contract entered into or any act done, concurred in, or omitted in or about the execution of their duty or supposed duty in their respective

offices or trusts, except such (if any) as they shall incur or sustain by or through their own negligence, default, breach of duty or breach of trust in relation to the Company or in respect of any liability of the Director to pay any fine imposed in criminal proceedings, any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising) or any liability incurred by the Director in defending criminal proceedings in which he is convicted, in defending civil proceedings brought by the Company or an associated company, in which judgment is given against him or in connection with an application for relief under the Statutes in which the Court refuses to grant him relief. And none of them shall be answerable for the acts, receipts, neglects, or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other person with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for any bankers, brokers, or other persons into whose hands any money or assets of the Company may come, or for any defects of title of the Company to any property purchased, or for insufficiency or deficiency of or defect of title of the Company to any security upon which any moneys of or belonging to the Company shall be placed out or invested, or for any loss, misfortune or damage resulting from any such cause as aforesaid, or which may happen in the execution of their respective offices or trusts, or in relation thereto, except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

## **Insurance**

**141.** Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any other body (whether or not incorporated) which is or was its subsidiary of the Company (together "Group Companies") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges,

expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

## **Inspection of Documents**

**142.** The Board shall determine whether and to what extent and at what times and places and under what conditions the accounts books and documents of the Company shall be open to inspection and no Member shall have any right of inspecting any account or book or document except as conferred by the Law or authorised by the Board.

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