

BELLWAY p.l.c.  
ARTICLES OF ASSOCIATION

(adopted by a special resolution passed on 15 January 2010)



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THE COMPANIES ACT 2006

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

BELLWAY p.l.c.

(adopted by a special resolution passed on 15 January 2010)

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INTERPRETATION

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1. No regulations set out in any statute or in any statutory instrument made under any statute concerning companies apply to the Company. The following shall be the Articles of Association of the Company.

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

“the Act”	means, the Companies Act 2006 including any statutory modification, re-enactment or replacement of it for the time being in force;
“address” or “place”	includes, in relation to electronic communication, any number or address (including, in the case of any Uncertificated Proxy Instruction permitted pursuant to Article 73(b), an identification number of a participant in the relevant system concerned) used for the purposes of such communication;
“Alternative Investment Market”	means the Alternative Investment Market of the London Stock Exchange;
“Articles”	means the Articles of Association of the Company as from time to time amended;
“Auditors”	means the auditors for the time being of the Company or, in the case of joint auditors, any one of them;
“cash memorandum account”	means an account so designated by the relevant system concerned;
“clear days”	in relation to the period of a notice means that period excluding the day when the notice is given

	or deemed to be given and the day for which it is given or on which it is to take effect;
“Combined Code”	has the same meaning as attributed to it by the Listing Rules;
“Companies Acts”	the Companies Acts as defined in section 2 of the Act;
“Directors”	means the directors of the Company from time to time and “Director” shall mean any of them;
“Disclosure Rules”	has the same meaning as in the Financial Services and Markets Act 2000;
“communication”	except in Article 44(a), has the same meaning as in the Electronic Communications Act 2000;
“electronic communication”	has the same meaning as in the Electronic Communications Act 2000;
“executed”	includes any mode of execution;
“holder”	in relation to shares means the member whose name is entered in the register of members as the holder of the shares;
“in writing”	means written or produced by any substitute for writing or any method of representing or reproducing words in a legible and non-transitory form (including printed, typewritten, telexed, lithographed, transmitted by facsimile) or partly one and partly another;
“Listing Rules”	has the same meaning as in the Financial Services and Markets Act 2000;
“London Stock Exchange”	means London Stock Exchange plc;
“month”	means calendar month;
“Office”	means the registered office of the Company for the time being;
“Official List”	has the same meaning as in the Financial Services and Markets Act 2000;
“paid”	means paid or credited as paid;
“properly authenticated dematerialised	has the meaning given in the Uncertificated Securities Regulations;

instruction”

“Prospectus Rules” has the same meaning as in the Financial Services and Markets Act 2000;

“Recognised Person” means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 778 of the Act;

“relevant system” has the same meaning as in the Uncertificated Securities Regulations;

“Seal” means the common seal of the Company;

“Secretary” means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

“Securities Seal” means an official seal kept by the Company pursuant to section 50 of the Act;

“Statutes” means the Companies Acts and every other statute for the time being in force concerning companies and affecting the Company;

“subsidiary undertaking” shall have the meaning given to such term in the Statutes;

“Summary Financial Statement” statement which may be issued to the holders of shares and/or other persons by virtue of the Articles and any statutory enactment which may be passed from time to time;

“The Stock Exchange” means London Stock Exchange plc;

“Transfer Office” means the place where the Register of Members is kept for the time being;

“UK Listing Authority” means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;

“Uncertificated Proxy Instruction” has the meaning set out in Article 74;

“Uncertificated Securities Regulations” means the Uncertificated Securities Regulations 2001 including any substitution, modification or re-enactment of those Regulations for the time being in force;

“the United Kingdom” means Great Britain and Northern Ireland;

“year” means calendar year.

- (2) Words importing the singular number shall include the plural number and vice versa. Words importing the masculine gender shall include the feminine gender. Unless the subject or context otherwise requires, words or expressions contained in the Articles bear the same meaning as in the Act or the Uncertificated Securities Regulations (as the case may be) but excluding any statutory modification not in force when the Articles become binding on the Company.
- (3) References herein to a share (or to a holding of shares) being in uncertificated form or in certificated form are references, respectively, to that share being an uncertificated unit of a security or a certificated unit of a security.
- (4) Except where otherwise expressly stated, a reference in these Articles to any primary or delegated legislation or legislative provision includes a reference to any modification or re-enactment of it for the time being in force.
- (5) The expressions "debenture" and "debenture holder" shall respectively include "debenture stock" and "debenture stockholder".
- (6) A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of the Articles.

#### SHARE CAPITAL

3.
  - (a) The share capital of the Company is divided into ordinary shares of 12.5p each and 9.5 per cent Cumulative Redeemable Preference Shares 2014 of £1 each (hereinafter referred to as "the Preference Shares").
  - (b) The Preference Shares shall confer on the holders thereof the special rights and privileges and subject them to the limitations and restrictions following, namely:
    - (i) Income

The right to receive out of the profits of the Company available for distribution and resolved to be distributed a fixed cumulative preferential dividend ("the Preference Share Dividend") at the rate of 9.5 per cent per annum (exclusive of any imputed tax credit available to shareholders) on the nominal capital for the time being paid up or credited as paid up thereon, to be payable half-yearly on 6th April and 6th October in each year in respect of the half years ending on those respective dates ("the Fixed Dividend Dates"). In respect of each issue of Preference Shares, the first such payment shall be made on the Fixed Dividend Date next following the date of allotment in respect of the period from the date of allotment to such date. The Preference Shares shall not entitle the holders thereof to any further or other right of participation in the profits of the Company. The Preference Shares shall rank for dividend *pari passu* with any Further Preference Shares (as defined below) and, save as aforesaid, in priority to any other shares in the capital of the Company.

(ii) Capital

On a distribution of assets on a winding-up or otherwise (but not on a return of capital on conversion or redemption or purchase of any shares in the capital of the Company, howsoever ranking), the holders of the Preference Shares shall be entitled to receive, out of the surplus assets of the Company remaining after payment of its liabilities, in the case of a voluntary winding-up only, an amount ascertained as hereinafter provided in this paragraph (ii) or, in the case of any other winding-up, a sum equal to the nominal capital paid up or credited as paid up on the Preference Shares held by them respectively, together with, in the case of any winding-up, all arrears (if any) of the Preference Share Dividend, whether or not such Preference Share Dividend has become earned or declared or has become due and payable, to be calculated up to and including the date of the commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case). The amount first referred to above shall be a sum per Preference Share equal to whichever is the greater of:-

1. the price (as reported to the Company by a gilt-edged market-maker selected by the Directors) at which the Gross Redemption Yield on each Preference Share if it was held until its final redemption date is equal to the mean Gross Redemption Yield on 12 per cent. Exchequer Stock 2013/17 while that stock is in issue, and thereafter such United Kingdom government stock as the Directors, with advice from two gilt-edged market-makers selected by the Directors, may decide to be appropriate, calculated by reference to the average of the middle market quotations (as derived from the Stock Exchange Daily Official List) for that stock during the period of 20 business days immediately preceding the date of the commencement of the voluntary winding-up; and
2. the nominal amount of a Preference Share, but so that such sum shall not in any event exceed a sum equal to twice the nominal amount of a Preference Share. For this purpose "Gross Redemption Yield" means a yield calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries, Volume 105 Part 1, 1978, page 18.

The Preference Shares shall not entitle holders thereof to any further or other rights of participation in the assets of the Company.

The Preference Shares shall rank on a return of capital on a winding-up or otherwise (but not on a return of capital on conversion or redemption or purchase of any shares in the capital of the Company, howsoever ranking) *pari passu* with any Further Preference Shares (as hereinafter defined) and, save as aforesaid, in priority to any other shares in the capital of the Company.

(iii) Further Preference Shares

1. The Company may from time to time create and issue further preference shares (in this Article called "Further Preference Shares") ranking as regards participation in the profits and assets of the

Company pari passu with the Preference Shares and so that, notwithstanding any other provision of these Articles, the creation and issue of any Further Preference Shares shall be deemed not to be a variation, modification, alteration or abrogation of any of the rights, privileges, limitations or restrictions attached to the ordinary shares, the Preference Shares, or any other Further Preference Shares, and any Further Preference Shares may carry, as regards participation in the profits and/or assets of the Company, either rights identical in all respects with the Preference Shares or with any other Further Preference Shares or rights differing therefrom in that:

- (A) the rate of dividend may differ;
- (B) such Further Preference Shares may rank for dividend as from such date as may be provided by the terms of issue thereof;
- (C) the dates for payment of dividend may differ;
- (D) the amount payable on a distribution of assets in the event of a winding-up of the Company may differ;
- (E) a premium may be payable on redemption or there may be no such premium;
- (F) the terms and conditions for redemption and/or purchase may differ or there may be no such terms and conditions provided that the redemption date applicable to any Further Preference Shares shall not be earlier than 6th April 2014 unless prior to such date all the Preference Shares and any Further Preference Shares which were outstanding at the date of the issue of such Further Preference Shares shall have been redeemed or purchased; or
- (G) such Further Preference Shares may be convertible into ordinary shares or any other class of shares ranking as regards participation in the profits and assets of the Company after the Preference Shares or any other Further Preference Shares in issue in each case on such terms and conditions as may be prescribed by the terms of issue thereof,

provided that (save where the proceeds of the issue of Further Preference Shares are to be applied in or towards the redemption of the Preference Shares or any other Further Preference Shares in issue) no Further Preference Shares shall be issued unless at the time of such issue and in relation thereto the auditors for the time being of the Company shall have certified in writing to the Company that:

- (1) immediately following such issue the aggregate nominal amount (together with any fixed or minimum premium payable on final redemption) of the Further Preference Shares to be issued when added to the aggregate nominal amount of the Preference Shares and any other Further Preference Shares for the time being in issue, will not exceed an amount equal to

35 per cent. of the aggregate of the nominal amount paid up or credited as paid up on the issued share capital of the Company and the amounts standing to the credit of the reserves of the Company all as shown by the then latest audited consolidated balance sheet of the Company and its subsidiaries but after making such adjustments as the auditors of the Company for the time being consider reasonable to reflect any variation in the amount of such capital or reserves since the date of such audited balance sheet; and

- (2) the average of the profit after taxation and before extraordinary items and dividends for the most recent three accounting reference periods of the Company for which audited accounts are available (on an annualised basis if any of such periods is a period of less than 12 months), as shown in the audited consolidated profit and loss accounts of the Company and its subsidiaries, shall exceed 3 times the aggregate amount of the dividends (exclusive of any imputed tax credit available to shareholders) payable in the then current accounting reference period on the whole of the issued share capital of the Company ranking as regards participation in the profits of the Company in priority to or *pari passu* with the Preference Shares or any Further Preference Shares (including any such share capital then being issued).

The issue of further shares ranking as regards participation in the profits or assets of the Company in any respect in priority to or except as hereinbefore provided *pari passu* with the Preference Shares or any Further Preference Shares already in issue shall be deemed to be a variation of the rights and privileges attached to such shares.

2. If at any time the Preference Shares and any Further Preference Shares issued pursuant to this paragraph (iii) for the time being in issue are not identical in all respects (ignoring for this purpose the date from which any further Preference Shares shall rank for dividend) then all shares which are in all respects identical as aforesaid shall (subject as hereinafter provided) be deemed to constitute a separate class of shares for the purpose of Article 9 of these Articles which shall have effect as regards the Preference Shares and any Further Preference Shares subject to the following provisions:

- (A) any change in the rate of dividend payable on any Preference Shares or any Further Preference Shares or (where any of such shares is redeemable) of the provisions of these Articles as to the redemption thereof or (where any of such shares is convertible into other shares) of the terms of conversion thereof shall not be deemed to be a variation, modification, alteration or abrogation of any rights, privileges, limitations or restrictions attached to any other shares if the auditors for the time being of the Company shall have certified in writing that, if upon the date of such change the shares in question were cancelled and re-issued subject to such change, the re-issue would be an

would be an issue permitted by paragraph (iii)1. above;

- (B) if any proposed variation or abrogation of rights or privileges affect all or any of such shares and the Board shall be of the opinion that there is no conflict of interest between the holders of any of the shares so affected, all such shares shall be deemed to constitute a single class in respect of which a single consent or sanction is required;
- (C) if any proposed variation or abrogation of rights or privileges affects all or any of such shares and the Board shall be of the opinion that there is or might be a conflict of interest between the holders of any of the shares so affected and any others of such shares so affected the shares so affected which in the opinion of the Board should be treated as a separate class shall be deemed to constitute a separate class in respect of which a separate consent or sanction is required.

(iv) Voting and general meetings

1. The Preference Shares shall not confer the right to receive notice of or to be present or to vote either in person or by proxy at any general meeting of the Company unless:
  - (A) at the date of the notice convening the meeting the Preference Share Dividend on such shares or any part thereof shall have remained unpaid for six months or more after the Fixed Dividend Date upon which it shall have become due and payable; or
  - (B) a resolution is to be proposed for the winding-up of the Company or the reduction of its share capital; or
  - (C) a resolution is to be proposed for the variation or abrogation of any of the rights or privileges attached to the Preference Shares, other than a resolution for the creation of Further Preference Shares as permitted under article 3(b)(iii) above; or
  - (D) the Company shall have failed to redeem the Preference Shares in accordance with sub-paragraph 2. of paragraph (v) below (except where the Company is not permitted to redeem the Preference Shares in any circumstances).

Where such right to receive notice of and to attend and vote at any such meeting arises pursuant to sub-paragraphs (B) and (C) of this paragraph (iv)1. the holders of the Preference Shares shall be entitled to vote at any such meeting only in respect of such resolution as is mentioned in such sub-paragraph (B) and (C) of this paragraph (iv)1. At any general meeting of the Company at which holders of Preference Shares are entitled to attend and vote, on a show of hands every such holder who is present in person or (being a corporation) by a representative shall have one vote and on a poll every such holder who is present in person or by proxy or (being a corporation) by a

representative shall have one vote for every £1 nominal amount of Preference Shares capital held by him.

At any separate meeting of the holders of the Preference Shares the provisions of Article 9 of these Articles shall apply.

2. The following shall be deemed to be a variation (requiring the consent of the holders of the Preference Shares as a class) of the rights attached to the Preference Shares:

- (A) any resolution passed after the date of the adoption of this Article for the reduction of the share capital of the Company or any uncalled liability in respect thereof or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Acts; or

- (B) any variation in the restriction upon the exercise of the borrowing powers of the Company from time to time contained in these articles.

(v) Redemption and purchase of Preference Shares

1. The Company shall have the right (subject to the provisions of these articles) to redeem the whole or any part of the Preference Shares for the time being issued and outstanding at any time upon giving to the holders of the particular shares to be redeemed not less than 3 months' previous notice in writing. In the case of any partial redemption, the Company shall for the purpose of ascertaining the particular shares to be redeemed cause a drawing to be made at the registered office or at such place as the Directors may determine in the presence of a representative of the auditors for the time being of the Company.

In the case of a redemption made pursuant to this paragraph (v)1., the holders of the Preference Shares so redeemed shall be entitled to receive a sum per Preference Share to be so redeemed equal to whichever is the greater of:

- (A) the price (as reported to the Company by a gilt-edged market-maker selected by the Directors) at which the Gross Redemption Yield on each Preference Share if it was held until its final redemption date is equal to the mean Gross Redemption Yield on 12 per cent. Exchequer Stock 2013/17, while that stock is in issue, and thereafter such United Kingdom government stock as the Directors, with advice from two gilt-edged market-makers selected by the Directors, may decide to be appropriate, calculated by reference to the average of the middle-market quotations (as derived from the Stock Exchange Daily Official List) for that stock during the period of 20 business days immediately preceding the date fixed for redemption; and

- (B) the nominal amount of a Preference Share;

but so that such sum shall not in any event exceed a sum equal to twice the nominal amount of a Preference Share. For this purpose "Gross Redemption Yield" means a yield calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries, Volume 105 Part 1, 1978, page 18.

2. The Company shall, subject to the provisions of the Acts and to the extent that it shall not have exercised the right in sub-paragraph 1 of this paragraph (v), redeem on 6th April 2014, or as soon thereafter as it may lawfully do so, all of the Preference Shares for the time being issued and outstanding, upon giving to the holders of the Preference Shares not less than three months' previous notice in writing.
3. The provisions of this sub-paragraph 3 shall apply in relation to any Preference Shares that are to be redeemed and that, on the date fixed for redemption (the "Redemption Date"), are in certificated form. Any notice of redemption served pursuant to sub-paragraph 1 or 2 of this paragraph (v) shall specify the Redemption Date and the place at which the certificates for such Preference Shares are to be presented for redemption and upon such date each of the holders of the Preference Shares concerned shall be bound to deliver to the Company at such place the certificates for such of the Preference Shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption.
4. The provisions of this sub-paragraph 4 shall apply in relation to any Preference Shares that are to be redeemed and that, on the Redemption Date, are in uncertificated form. The Directors shall be entitled in their absolute discretion to determine the procedures for the redemption of such Preference Shares (subject always to the facilities and requirements of the relevant system concerned). Upon being satisfied that such procedures have been effected, the Company shall pay to the holder of the Preference Shares concerned the amount due in respect of redemption of such Preference Shares.
5. Without prejudice to the generality of sub-paragraph 4 above, but subject as set out in that paragraph:-
  - (A) the procedures for the redemption of any Preference Shares may involve or include the sending by the Company or by any person on its behalf of an issuer-instruction to the Operator of the relevant system concerned requesting or requiring the deletion of any computer-based entries in the relevant system concerned that relate to the holding of the Preference Shares concerned; and/or
  - (B) the Company may, if the Directors so determine (by notice in writing to the holder concerned, which notice may be included in the notice of redemption concerned) require the holder of the Preference Shares concerned to change the form of the Preference Shares from uncertificated to certificated form prior

to the Redemption Date (in which case sub-paragraph 3 above shall then apply as regards the procedure for redemption).

6. There shall be paid on each Preference Share redeemed pursuant to sub-paragraph 2 of this paragraph (v) the nominal amount paid up or credited as paid up thereon together with an amount equal to any accrued but unpaid Preference Share Dividend thereon (together with a certificate for the related tax credit) to be calculated up to and including the date fixed for redemption and to be payable irrespective of whether such dividend has been declared or earned.
7. As from the date fixed for redemption, whether pursuant to sub-paragraph 1 or 2 of this paragraph (v), the Preference Share Dividend shall cease to accrue on the Preference Shares to be redeemed except on any such Preference Shares in respect of which, upon either due presentation of the certificate relating thereto, or, if the Preference Share was in uncertificated form on the relevant Redemption Date, the procedures for redemption as referred to in sub-paragraph 4 above having been effected, payment of the money due at such redemption shall be refused by the Company, in which case the Preference Share Dividend shall be deemed to have continued and shall accrue from the date fixed for such redemption up to and including the date of payment.
8. Whether any Preference Shares are in certificated or uncertificated form on the Redemption Date shall be determined by reference to the Register as at 12.01 am on the Redemption Date or such other time as the Directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.
9. On the purchase of any Preference Shares or the redemption of any Preference Shares the unissued shares resulting from such purchase and/or redemption and comprised in the authorised capital of the Company shall thereupon be designated and (if necessary and so far as possible) sub-divided or consolidated into ordinary shares without any further resolution or consent being required or obtained.
10. The receipt of the registered holder for the time being of any Preference Shares or in the case of joint registered holders the receipt of any of them for the moneys payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof. If any holder of a Preference Share shall, in the case of a Preference Share in certificated form, fail or refuse to deliver the certificate relating to such Preference Share or, in the case of a Preference Share in uncertificated form, shall fail to complete the procedures for redemption as referred to in sub-paragraph 4, the Company may retain the relevant redemption monies until delivery of the certificate or of an indemnity in respect thereof satisfactory to the Company or until such procedures have been effected (as the case may be), but shall within seven days after such delivery or the completion of such procedures pay the relevant redemption monies to such holder.

11. The Company may (subject to the Act) purchase Preference Shares at any time:

(A) in the market;

(B) by tender (available alike to all holders of Preference Shares); or

(C) by private treaty,

in each case at a price (exclusive of expenses but inclusive of accruals of the Preference Share Dividend) which, if the Preference Shares are then listed on the Stock Exchange, shall not exceed the average of the middle market quotations therefore (as derived from the Stock Exchange Daily Official List) during the period of 10 business days immediately preceding the date of such purchase or, in the case of a purchase on The Stock Exchange, at the market price thereof provided that such market price shall be not more than 5 per cent. above such average, or, if the Preference Shares are not so listed, shall not exceed 110 per cent. of the nominal amount paid up or credited as paid up on a Preference Share in either case upon such other terms and conditions as it may think fit, but may not otherwise purchase any Preference Shares.

4. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred, or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine) and, subject to the provisions of the Statutes, the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.
5. Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.
6. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment in favour of some other person and may accord to any allottee of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
7. The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest

in any fractional part of a share, or (except only as by the Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

#### VARIATION OF RIGHTS

9. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, (subject to the provisions of the Statutes and unless otherwise provided by the terms of issue of the shares of that class), be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting all the provisions of the Articles relating to general meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.
10. The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by their terms of issue, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto. The special rights attached to the ordinary shares shall be deemed not to be varied by the creation or issue of any further shares ranking in priority thereto and no consent in writing or sanction of the holders of ordinary shares shall be required under the foregoing Article to any variation or abrogation effected by a resolution on which only the holders of ordinary shares are entitled to vote.

#### ALTERATION OF SHARE CAPITAL

11. The Company may by ordinary resolution:
  - (a) increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and of the Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (c) subject to the provisions of the Statutes sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the holders of the shares resulting from the sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares; and

- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 12. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Directors may, on behalf of those members or, if the net proceeds in respect of any holding do not exceed £2.50, on behalf of the Company, sell the shares representing the fractions for the best price reasonably obtainable to any person (including the Company) and distribute the net proceeds of sale in due proportion among those members or the Company, as the case may be, and the Directors may, in the case of shares in certificated form, authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser; and in the case of shares in uncertificated form, the Directors may take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 13. Subject to the provisions of the Statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account or undistributable reserve in any way.

#### SHARE CERTIFICATES

- 14. Every share certificate shall be issued under the Seal (or under a Securities Seal or, in the case of shares on a branch register, an official seal for use in the relevant territory) and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class. No certificate shall normally be issued in respect of shares held by a Recognised Person.
- 15. In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of joint holders shall be sufficient delivery to all.
- 16.
  - (1) Any person (other than a Recognised Person in respect of whom the Company is not required by law to complete and have ready a certificate) whose name is entered in the Register of Members in respect of any shares of any one class upon the issue or transfer thereof shall be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully paid shares) within fourteen days after lodgment of a transfer or (in the case of a transfer of partly-paid shares) within two months after lodgment of a transfer.
  - (2) Paragraph (1) of this Article shall not apply in relation to shares in uncertificated form.
- 17. Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

18. (a) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate representing all such shares issued in lieu without charge.
- (b) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.
- (c) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out of pocket expenses of the Company in connection with the request as the Directors may think fit.
- (d) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

#### CALLS ON SHARES

19. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed and may be made payable by instalments.
20. Each member shall (subject to receiving at least fourteen clear days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
21. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at such rate (not exceeding 15 per cent per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
22. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
23. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
24. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment

in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate as the member paying such sum and the Directors may agree.

#### FORFEITURE AND LIEN

25. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
26. The notice shall name a further day (not being less than seven clear days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.
27. If the requirements of any such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
28. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, in the case of a share in certificated form, if necessary, authorise some person to execute an instrument of transfer of a forfeited or surrendered share to any such other person as aforesaid and, in the case of a share in uncertificated form, the Directors may take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer of such share.
29. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at 15 per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at the time of forfeiture or surrender or waive payment in whole or in part.
30. The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and, subject to the Statutes, the Company shall also have a first and paramount lien on every share (not being a fully-paid share) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company 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 member and whether the period for the payment or discharge of the same shall have actually arrived

or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

31. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen clear days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of its intention to sell in default shall have been given by the Company to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
32. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are then payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may, in the case of a share in certificated form, authorise some person to execute an instrument of transfer and, in the case of a share in uncertificated form, the directors may take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer.
33. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with, in the case of a share in certificated form, the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required, in the case of a share in certificated form) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

#### TRANSFER OF SHARES

34. The instrument of transfer of a share in certificated form may be in any usual or common form or in any other form which the Directors may approve and may be under hand only and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
35. The following provisions of this Article relate to any shares in certificated form:
  - (a) The Directors may in their absolute discretion refuse to register any transfer of shares (not being fully paid shares) provided that the exercise of such discretion does not prevent dealings in the shares taking place on an open and proper basis.

- (b) The Directors may also refuse to register a transfer of shares (whether fully paid or not) in favour of more than four persons jointly.
  - (c) The Directors may refuse to register a transfer of shares which are the subject of a notice served upon a member (or any other person appearing to be interested in such shares) holding not less than 0.25 per cent of the issued shares of the same class as the said shares in the circumstances set out in Article 69 if the member (or any other person as aforesaid) is in default for a period of fourteen days from the service of the said notice in supplying to the Company the information thereby required. Provided that the Directors' power to refuse to register any such transfer shall subsist for a period expiring seven days following full compliance with the requirements of the said notice but shall not apply to a transfer arising from (i) a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or (ii) acceptance of a take-over offer within the meaning of Section 974 of the Act for the Company; or (iii) a transfer which is shown to the satisfaction of the Directors to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
36. (1) The Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the Uncertificated Securities Regulations to register the transfer; and they may refuse to register any such transfer in favour of more than four transferees.
- (2) If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company (in the case of a share in certificated form) or the date on which the Operator-instruction was received by the Company (in the case of a share in uncertificated form) send to the transferee notice of the refusal giving reasons for the refusal.
37. The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In the case of a transfer by a Recognised Person the lodgment of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.
38. All instruments of transfer which are registered may be retained by the Company.
39. No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.

40. The Company shall be entitled to destroy:

- (a) all instruments of transfer of shares or debentures or other forms of security of the Company, all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfer and applications for allotment which have been registered or in respect of which an entry shall have been made on the register at any time after the expiration of six years from the date of registration or entry thereof; and
- (b) all dividend mandates and other written instructions as to the payment of dividends or interest and notifications of change of address at any time after the expiration of two years from the date of recording thereof; and
- (c) all registered certificates for shares or debentures or representing any other form of security of the Company (being certificates for shares, debentures or other securities in the name of a transferor and in respect whereof the Company has registered a transfer) which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof.

It shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-

- (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;
- (iii) References herein to the destruction of any document include references to the disposal thereof in any manner; and
- (iv) Any document referred to in paragraphs (b) and (c) of this Article may be destroyed at a date earlier than that authorised by this Article provided that a permanent copy (which shall include a microfiche or scanned copy) of such document shall have been made which shall not be destroyed before the expiration of the period otherwise applicable to the destruction of the original of such document and in respect of which the Directors shall take adequate precautions for guarding against falsification and for facilitating its production.

## TRANSMISSION OF SHARES

41. In case of the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
42. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of his desire or transfer such share to some other person. All the limitations, restrictions and provisions of the Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
43. Save as otherwise provided by the Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.

## UNTRACED SHAREHOLDERS

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

received any communication from the member or person entitled by transmission.

- (b) The Company shall also be entitled to sell, in the manner provided in this Article, any share ("additional share") issued during the said period or periods of twelve years and three months in right of any share issued during either such periods, provided that the requirements of sub-paragraphs (i) (but modified to exclude the words "for a period of twelve years before the giving of a notice pursuant to sub-paragraph (i) of this paragraph" and modified to exclude the proviso), (ii) (but modified to exclude the words "at the expiration of the said period of twelve years") and (iii) of paragraph (a) are satisfied in respect of such additional share.
- (c) To give effect to any such sale the Company may, in the case of a share in certificated form, authorise any person to execute as transferor an instrument of transfer of such share sold to, or in accordance with the directions of the purchaser; and, in the case of a share in uncertificated form, the Company may take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as it thinks fit to effect the transfer. The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

#### PURCHASE OF OWN SHARES

- 45. Subject to the provisions of the Statutes the Company may purchase any of its own shares (including any redeemable shares) Provided that no such purchase shall take place until it shall have been sanctioned by an extraordinary resolution passed at a separate general meeting of the holders of each class of shares in issue convertible into equity share capital of the Company. Neither the Company nor the Directors shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in the Articles, the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company or the Directors pursuant to this Article.

#### GENERAL MEETINGS

- 46. An annual general meeting shall be held once in every year, at such time (subject to the Act) and place as may be determined by the Directors.
- 47. The Directors may call general meetings whenever they think fit and, on the requisition of members pursuant to the provisions of the Statutes, shall forthwith proceed to convene a general meeting for a date not later than 28 days after the date of the notice convening the meeting. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or any member of the Company may call a general meeting.

## NOTICE OF GENERAL MEETING

48. An annual general meeting shall be called by at least twenty-one clear days' notice. All other general meetings shall be called by at least fourteen clear days' notice (or such longer period as may be required from time to time by the Companies Acts) but a general meeting may be duly called by shorter notice if it is so agreed:
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
  - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote thereat being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.
49. (a) Every notice calling a general meeting shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.
- (b) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.
50. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:-
- (a) declaring dividends;
  - (b) receiving and/or adopting the accounts, the reports of the Directors and auditors and other documents required to be attached or annexed to the accounts;
  - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
  - (d) re-appointing the retiring auditors (unless they were last appointed otherwise than by the Company in general meeting);
  - (e) fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed.
51. Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and auditors, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member of the Company.
52. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at any general meeting.

## PROCEEDINGS AT GENERAL MEETINGS

53. (a) No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted each being a member or proxy for a member or a duly authorised representative of a corporation which is a member shall be a quorum for all purposes.
- (b) If within fifteen minutes from the time appointed for a general meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to such day (being at least 10 clear days after the date of the original meeting) and at such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the Chairman may determine and if at the adjourned meeting a quorum is not present within five minutes from the time appointed for the meeting, any two members present shall constitute a quorum.
54. The Chairman of the Directors, or failing him the Deputy Chairman, shall preside as chairman of the meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither of them are present and willing to act within five minutes after the time appointed for holding the meeting, the Directors present shall elect one of their number to be chairman of the meeting and, if there is only one Director present and willing to act, he shall be chairman of the meeting.
55. If no Director is willing to act as chairman of the meeting, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
56. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
57. The Chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die or to some other place, not less than seven clear days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting or by advertisement in one leading daily newspaper circulating throughout the United Kingdom.
58. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
59. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than a merely clerical amendment to correct a patent error) may in any event be considered or voted upon.

60. A resolution put to the vote of the meeting at any general meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Statutes a poll may be demanded:
- (a) by the chairman of the meeting; or
  - (b) by not less than three members present in person or by proxy having the right to vote at the meeting; or
  - (c) by a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
61. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
62. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
63. A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting directs and he may (and if so directed by the meeting shall) appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
64. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. No notice need be given of a poll not taken immediately.
65. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

#### VOTES OF MEMBERS

66. Subject to any special rights or restrictions as to voting attached by or in accordance with the Articles to any class of shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one

vote and on a poll every member shall have one vote for every ordinary share of 12.5p of which he is the holder.

67. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names of the holders stand in the Register of Members in respect of the share.
68. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
69. (a) No member shall be entitled to be present or to vote either personally or by proxy or otherwise at any general meeting or upon any poll or to exercise any other right in relation to meetings of the Company in respect of all or, as the case may be, the appropriate proportion of the shares registered in his name where:-
- (i) a notice served pursuant to Section 793 of the Act ("the Notice") has been given to him by the Company requiring the delivery to the Office of a declaration ("an Ownership Declaration") in writing signed by a person or persons declaring that he or they is/are the beneficial owner(s) of the shares registered in the name of the member or such of the shares so registered as may be specified in the Notice and giving the further particulars (if any) required by sub-paragraph (b) below; and
  - (ii) an Ownership Declaration, duly completed and complying in all respects with the Notice, has not been so delivered in respect of all the shares specified in the Notice; and
  - (iii) where the shares specified in the Notice comprise in aggregate 0.25 per cent or more of the relevant class, a period of 14 days has elapsed, or (in any other case) a period of 28 days has elapsed, since the service of the Notice; and
  - (iv) the Company has, where the shares specified in the Notice comprise in aggregate 0.25 per cent or more of the relevant class, after the date 7 days after the date of the Notice, or (in any other case) after the date 14 days after the date of the Notice, notified the member stating or to the effect that no Ownership Declaration has at the date of such notification been received at the Office and that accordingly unless an Ownership Declaration, duly completed and complying in all respects with the Notice is so delivered in respect of all the shares specified in the Notice, the member will, on receipt of a further notice from the Company, not be entitled to be present or to vote either personally or by proxy or otherwise at any general meeting or upon any poll or to exercise any other right in relation to meetings of the Company in respect of all or, as

the case may be, the appropriate proportion of the shares registered in his name; and

- (v) the Company has given the member a further notice ("a Disenfranchisement Notice") stating or to the effect that such member shall in respect of such shares (or such proportion of the shares in respect of which an Ownership Declaration shall not have been so delivered) not be entitled to be present or to vote or to exercise rights as aforesaid from the time of service of such Disenfranchisement Notice until the due delivery of an Ownership Declaration;

and the provisions of this Article shall have effect whether or not the member is aware of the identity of the beneficial owner(s) of all the shares specified in the Notice.

- (b) Where the Ownership Declaration declares that a corporation is the beneficial owner or is one of the beneficial owners of shares, the Ownership Declaration shall also state the following:-

- (i) whether or not any other corporation is a holding company of that corporation within the meaning of Section 736 of the 1985 Act;
- (ii) if there is such a holding company, the name and address of each such holding company;
- (iii) whether or not any person (other than any such holding company) beneficially owns one third or more of the equity share capital (as defined for the purposes of the said Section) of the first mentioned corporation or of any such holding company; and
- (iv) if any such person does so own, then the name and address of each such person.

- (c) For the purpose of sub-paragraph (a) of this Article:-

- (i) an Ownership Declaration shall be treated as duly signed by a person being a corporation if it is signed by a natural person who states that he is duly authorised to sign on behalf of the corporation; and
- (ii) where a Disenfranchisement Notice is stated to apply in respect of only a proportion of the shares registered in the name of a member the restrictions on his entitlements applying by virtue of sub-paragraph (a) of this Article shall accordingly apply only to that proportion of the shares so registered as is specified in the Disenfranchisement Notice.

- (d) (i) A Disenfranchisement Notice may be cancelled by the Company in respect of all or some of the shares concerned at any time.
- (ii) A Disenfranchisement Notice shall be cancelled in respect of each of the shares concerned seven days after the earlier of the following:-

- (aa) receipt by the Company of notice that the shareholding has been sold by means of a transfer arising from a sale made through a recognised investment exchange (as defined in the

Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of Section 974 of the Act) or a transfer which is shown to the satisfaction of the Directors to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other persons appearing to be interested in the shares; and

- (bb) where the Directors are satisfied that an Ownership Declaration, duly completed and complying in all respects with the Notice requiring the delivery of such Ownership Declaration, is delivered to the Office, with effect from the date on which such Ownership Declaration is delivered to the Office.
- (e)
  - (i) The provisions of sub-paragraph (a) of this Article shall apply to all members who are corporations.
  - (ii) Such provisions shall only apply to members not being corporations (or in the case of a joint holder not including a corporation) where the member is registered in respect of shares carrying voting rights representing more than 0.01% of the aggregate voting rights exercisable in all circumstances at general meetings of the Company (and so that the temporary suspension of voting rights in respect of issued shares of any class shall be ignored for the purposes of this sub-paragraph).
- (f) Shares issued in right of shares which are for the time being subject to a Disenfranchisement Notice shall on issue become subject to the same restriction.
- (g) The Company shall keep a register in respect of the information as to beneficial ownership provided to it under this Article and shall operate such register in like manner as it is required to do under the Statutes in relation to the register recording notification of interests in shares.
- (h) The Company is not, by virtue of anything done for the purposes of this Article, to be affected with notice of, or put on enquiry as to, the rights of any person in relation to any shares.
- (i) Where the shares specified in the Notice comprise in aggregate 0.25 per cent or more of the relevant class, the Directors may withhold the dividends payable upon shares which are subject to a Disenfranchisement Notice until such Disenfranchisement Notice is cancelled.
- (j) Forthwith upon cancellation of a Disenfranchisement Notice pursuant to sub-paragraph (d) above the restrictions attaching to the shares which are the subject of the relevant Disenfranchisement Notice shall cease to apply and any dividend withheld pursuant to sub-paragraph (i) above shall be paid to the person entitled thereto.

70. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at the meeting shall be valid for all purposes. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
71. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A member may appoint more than one proxy to attend on the same occasion. However, each proxy must be appointed to exercise rights in respect of a different share or shares held by the shareholder. A proxy need not be a member of the Company.
72. The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in any form which is common or usual or any other form which the Directors may approve. No signature on any instrument need be witnessed. Any such instrument given by a corporation shall be executed under its common seal or signed on its behalf by an attorney or its duly authorised officer.
73. The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:
- (a) in the case of an instrument in writing, be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting 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; or
  - (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:-
    - (i) in the notice convening the meeting; or
    - (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or
    - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
  - (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
  - (d) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the Secretary or to any Director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

- (e) The appointment of proxy shall, unless the contrary is stated on it, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Provided that an appointment of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
- (f) An appointment of a proxy shall be deemed to include the right to speak generally and demand or join in demanding a poll.

74. Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Directors may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an Uncertificated Proxy Instruction (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned)) and may in a similar manner permit supplements to or amendments or revocations of any such Uncertificated Proxy Instruction to be made by like means. The Directors may in addition prescribe the method for determining the time at which any such properly authorised dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The Directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.
75. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
76. The Directors may at the expense of the Company send instruments of proxy to the members by post or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other person. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission to send such an instrument or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

## CORPORATIONS ACTING BY REPRESENTATIVES

77. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or of any class of members of the Company.

## NUMBER OF DIRECTORS

78. Unless and until otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall not be less than three nor more than nine.

## ALTERNATE DIRECTORS

79. Any Director (other than an alternate director) may, by a statement signed by him to that effect and deposited at the Office or delivered at a meeting of the Directors, appoint any other Director, or any other person approved by the Directors and willing to act, to be an alternate director and may in like manner remove from office an alternate director so appointed by him.

80. An alternate director shall (except when absent from the United Kingdom) be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.

If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any Committees of the Directors the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such Committee of which his appointor is a member. An alternate director shall not (save as aforesaid) have power to act as a Director.

81. An alternate director shall cease to be an alternate director if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment. The appointment of an alternate director shall determine on the happening of any event which if he were a Director would cause him to vacate such office.

82. Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

83. Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. An alternate director shall be entitled to the same extent as if he were a Director to contract and be

interested in any benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

84. (a) At every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office by rotation provided that, if there is only one Director who is subject to retirement by rotation, he shall retire.
- (b) Subject to the provisions of the Statutes the Directors to retire by rotation shall include (so far as is necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election and any Director who is retiring in accordance with the Combined Code, the Listing Rules or otherwise. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
- (c) If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost or if the retiring Director has given notice in writing to the Company that he is unwilling to be re-elected or where the default in filling the vacancy is due to the moving of a resolution in contravention of the next following Article or where such Director has attained any retirement age applicable to him as a Director.
- (d) The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.
85. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void. For the purposes of this Article a resolution for approving a person's appointment or for nominating a person for appointment as a Director shall be treated as a resolution for his appointment.
86. (a) No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment or reappointment as a Director at any general meeting unless not less than 7 nor more than 42 clear days before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's Register of Directors, together with

notice in writing signed by the person to be proposed of his willingness to be appointed or reappointed.

- (b) Not less than three nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person in respect of whom notice has been duly given to the Company under paragraph (a) of this Article. The notice under this paragraph shall give the particulars of that person stated in the notice under paragraph (a).
87. Subject as aforesaid the Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with the Articles. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
88. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.
89. Subject as aforesaid, a Director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

90. The office of a Director shall be vacated if:
- (a) he ceases to be a Director by virtue of any provision of the Statutes or he otherwise becomes prohibited by law from being a director; or
  - (b) he becomes bankrupt or becomes subject to a bankruptcy restriction order or undertaking or makes any arrangement or composition with his creditors generally; or
  - (c) he is, or may be, suffering from mental disorder and either:
    - (i) he is admitted to hospital in pursuance of an application for admission for treatment under any statute for the time being in force relating to mental disorder, or
    - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
  - (d) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated;

- (e) he resigns his office by notice in writing to the Company or he offers in writing to resign and the Directors resolve to accept such offer; or
- (f) being a Managing Director or a Director holding an executive office, he is dismissed from such office; or
- (g) he is requested in writing by all the other Directors to resign; or
- (h) he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director thereof.

91. Without prejudice to the provisions of sections 168 and 169 of the Act, the Company may by ordinary resolution of which special notice has been given in accordance with section 312 of the Act remove from office any Director notwithstanding anything in the Articles or in any agreement between the Company and such Director and without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

#### REMUNERATION OF DIRECTORS

92. (a) Unless and until otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors (other than any alternate director) such fees for their services in the office of Director as the Directors may determine (not exceeding in aggregate an annual sum of £500,000 or such larger amount as the Company may by ordinary resolution decide) divided between the Directors as they may determine, or failing such determination, equally except that unless the Company by ordinary resolution determines otherwise, the fees shall be deemed to accrue from day to day.
- (b) Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors or any committee of the Directors may determine.

#### DIRECTORS' EXPENSES

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

## DIRECTORS' APPOINTMENTS AND INTERESTS

94. (a) The Directors may authorise any matter where any Director (or former Director if that former Director is still subject to the statutory duty to avoid conflicts of interest) has or may have a direct or indirect interest and/or duty that conflicts or possibly may conflict with the interests and/or duties of the Company provided that:-
- (i) the Director concerned and any other interested Director are not counted towards any requirement as to quorum; and
  - (ii) the matter is agreed without such Director or other Director voting (or would have been agreed to if their votes had not counted).
- (b) Any authorisation of a matter under this Article 94 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. However, for the avoidance of doubt, no authorisation is required under Article 94(a) in relation to a transaction or arrangement with the Company.
- (c) The authorising Directors may impose any limits or conditions on their authorisation under Article 94(a) at the time when such authorisation is given or subsequently as they in their discretion consider appropriate including the following:-
- (i) limiting or preventing the disclosure of information to the Director who has or may have the interest that is the subject of the authorisation;
  - (ii) limiting or preventing the attendance of such Director at any board meeting or discussion; and
  - (iii) limiting or preventing the availability of board or briefing papers to such Director
- in each case to the extent the authorising Directors consider appropriate to protect that Director from being in breach of his statutory duty to avoid conflicts of interest.
- (d) A Director shall not, except as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article 94 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
95. (a) Provided he has declared to the Directors the nature and extent of any interest of his at a meeting of the Board or in the manner set out in section 184 or 185 of the Act, a Director, notwithstanding his office:-
- (i) may be a party to, or otherwise interested in, any transaction or arrangement with a Relevant Company;
  - (ii) may be a director or other officer of, or employed by or otherwise interested in any Relevant Company;

- (iii) may act (or any firm of which he is a partner, employee or member may act) in a professional capacity for any Relevant Company (other than as auditor) whether or not he or it is remunerated; and
- (iv) may have any other interest authorised by ordinary resolution of the Company.

No authorisation under Article 94 shall be necessary in respect of any such interest.

- (b) Such Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such Relevant Company and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- (c) For the purposes of this Article 95, "Relevant Company" means:-
  - (i) the Company;
  - (ii) a subsidiary undertaking of the Company;
  - (iii) any holding company of the Company or a subsidiary undertaking of any such holding company;
  - (iv) any body corporate promoted by the Company; or
  - (v) any body corporate in which the Company is otherwise interested.

96. For the purposes of Article 95:-

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) subject to the provisions of the Companies Acts in force from time to time, a Director may vote on a resolution about any proposals relating to any indemnities in favour of a Director which are consistent with or no more onerous than the provisions of these Articles or the funding or expenditure by one or more Directors on defending proceedings against him or them or doing anything to enable such Director to avoid such expenditure; and
- (c) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

#### DIRECTORS' GRATUITIES AND PENSIONS

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

## POWERS OF DIRECTORS

98. The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by the Articles required to be exercised by the Company in general meeting subject nevertheless to any regulations of the Articles, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by special resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article. Subject to the provisions of the Articles all powers of the Directors shall be exercised at a meeting of the Directors which has been validly convened and at which a quorum is present.
99. The Directors may establish any local, group or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local, group or divisional boards, or any managers or agencies, and may fix their remuneration, and may subject to the provisions of the Articles delegate to any local, group or divisional board, managers or agencies any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any such boards or agencies or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
100. The Directors shall have power from time to time to appoint any one or more persons to be an honorary President of the Company upon such terms and conditions as the Directors may determine and subsequently to remove any such person or persons from office. An honorary President shall not have any powers to act as a Director nor shall he be deemed to be a Director for the purposes of the Articles.
101. Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.
102. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
103. The Directors may exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

## DELEGATION OF DIRECTORS' POWERS

104. Subject to the provisions of the Statutes the Directors may appoint one or more of their number to the office of Managing Director or to any other executive office under the Company, may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director and may permit any person appointed to be a Director to continue in any other office or employment held by him in the Company before he was so appointed. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Without prejudice to the generality of the foregoing the Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.
105. The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (a) the number of co-opted members shall be less than one half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.
106. The meetings and proceedings of any such committee consisting of two or more Directors shall be governed mutatis mutandis by the provisions of the Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under Article 105.
107. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the agent or agents or attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Directors may think fit, and may also authorise any such agent or attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
108. The Directors may from time to time appoint any person to any office or employment having a designation or title including the word "director", or attach to any existing office or employment with the Company such a designation or title and may at any time determine any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment with the Company shall not imply that the holder thereof is a director of the Company, nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of the Articles.

109. The following powers of the Directors may not be delegated except to a duly appointed committee of the Directors, namely attaching rights to and issuing shares; making calls; declining to register transfers; determining Directors' remuneration; appointing and removing executive Directors (within the scope of Article 104); appointing Directors under Article 87; borrowing; recommending and declaring dividends.
110. All acts done by any meeting of Directors, or of any committee, or by any person acting as a Director or as a member of any committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the Committee and had been entitled to vote.

#### BORROWING POWERS

111. (a) Subject as hereinafter provided and to the provisions of the Statutes the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (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 subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to two times the Adjusted Capital and Reserves.
- (c) For the purpose of the foregoing limit the following provisions shall apply:-
- (i) the Adjusted Capital and Reserves shall mean the aggregate of:-
1. the amount paid up on the issued share capital of the Company; and
  2. the total of the capital and revenue reserves of the Group (including any share premium account, capital redemption reserve fund, credit balance on the consolidated profit and loss account and credit balance on any other undistributable reserves) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiaries and deducting any debit balance on the consolidated profit and loss account (except to the extent that such deduction has already been made), all as shown in the latest audited consolidated balance sheet of the Group but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account or other reserves (other than as a result of trading profits or losses) of the Company since the date of its latest audited balance sheet and to reflect any change since that date in the companies comprising the Group and

to take account of any other factor which the Auditors consider relevant;

- (ii) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):-
  - (a) the principal amount of all debentures (including any fixed or minimum premium payable on final repayment) of any member of the Group which are not for the time being beneficially owned within the Group;
  - (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
  - (c) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;
  - (d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which or borrowed moneys the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption whereof is guaranteed or wholly or partly secured by any member of the Group;
  - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account.
- (iii) moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part of any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
- (iv) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed moneys;
- (v) moneys borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and moneys borrowed and owing to a partly owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid "minority

proportion" shall mean the proportion of the issued equity share capital of such partly owned subsidiary which is not attributable to the Company;

- (vi) borrowed moneys of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be translated into sterling using the methods applied in translating the appropriate item in the balance sheet of the relevant member of the Group for the preparation of the last audited consolidated accounts of the Group or by reference to the rate of exchange or approximate rate of exchange ruling on whatever date and determined on whatever basis the auditors may determine or approve.
- (d) No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.
- (e) In this Article references to a consolidated balance sheet or profit and loss account are to be taken, in the case where the Company has no subsidiaries, as references to the balance sheet or profit and loss account of the Company and, in a case where the Company has subsidiaries but there are no consolidated accounts of the Group, as references to the respective balance sheets or profit and loss accounts of the companies comprising the Group.
- (f) A certificate, report or bona fide estimate by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed or to the effect that the limit imposed by this Article was not or will not be exceeded at any time or times shall be conclusive evidence of such amount or fact for the purpose hereof.

#### PROCEEDINGS OF DIRECTORS

- 112. Subject to the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retroactive. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. Any Director may participate in a meeting by means of conference telephone or other communication equipment whereby all persons participating in the meeting can hear each other and any Director so participating shall be deemed to be present in person at that meeting.
- 113. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

114. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies or of calling a general meeting. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.
115. (a) The Directors may elect from their number a Chairman of the board of Directors and one or more Deputy Chairmen and determine the period for which each is to hold office, but if no Chairman or Deputy Chairman has been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.
- (b) If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.
116. All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
117. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
118. (a) Save as otherwise provided by the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal in which he has an interest which (together with any interest of any person connected with him within the meaning of Section 252 of the Act) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (b) Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-
- (i) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which

he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- (iii) where the Company or any of its subsidiary undertakings is offering securities 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;
  - (iv) any proposal concerning another company in which he and any persons connected with him (within the meaning of Section 252 of the Act) do not to his knowledge hold an interest (as that term is used in Part 16 of the Act) representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company;
  - (v) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
  - (vi) any proposal concerning insurance which the Company proposes to purchase or maintain for the benefit of Directors or for the benefit of persons including Directors.
- (c) Where proposals are under consideration concerning the appointment or termination of appointment (including fixing or varying the terms of appointment or termination of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (b)(iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment or termination of appointment.
- (d) If any question shall arise at any meeting as to the extent or materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall (unless the Director concerned is the Chairman in which case he shall withdraw from the meeting and the Directors shall elect (if it shall not already have done so) a Deputy Chairman to consider the question in place of the Chairman) be referred to the Chairman of the meeting and, subject to the Statutes, his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of the interest in the accounts of the Company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned). For the purpose of deciding whether or not a Director's interest is material the Chairman of the meeting or, if appropriate, the majority of Directors (other than the Director concerned) shall (save as provided by the Act) be entitled to ignore the interest of any person who is for the purpose of Part 10 of the Act connected with the Director concerned.
- (e) The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or authorise the exercise thereof by the Directors or any of them as directors of such other company in such manner and

in all respects as they think fit (including the exercise thereof in favour of any resolution appointing its members or any of them directors or other officers of such company, or voting or providing for the payment of remuneration to the directors or other officers of such company).

#### SECRETARY

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

#### MINUTES

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

#### THE SEAL

121. (a) The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.
- (b) Every instrument to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.
- (c) The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.
122. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

#### AUTHENTICATION OF DOCUMENTS

123. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be

shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in reliance thereon that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

#### RESERVES

124. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

#### DIVIDENDS

125. The Company may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.
126. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. Provided that the Directors shall act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss which they may suffer in consequence of the payment of a dividend on any shares having non-preferred or deferred rights.
127. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid and shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.
128. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.
129. Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest

may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

130. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
131. (a) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (b) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- (c) The Directors may withhold the payment of dividends on shares held by a member representing at least 0.25 per cent of the issued shares of the same class as such shares, if the member (or any person appearing to be interested in such shares) in the circumstances set out in Article 69 shall be in default for a period of fourteen days from the service of the notice therein referred to in supplying to the Company the information thereby required. Payment may be withheld in respect of dividends which have a record date for payment before the expiry of the period of seven days after the date of compliance in full with the requirements of the said notice Provided always that any dividends so withheld shall be paid upon compliance in full with the requirements of the said notice or upon a transfer of such shares arising from (i) a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or (ii) acceptance of a take-over offer within the meaning of Section 974 of the Act; or (iii) a transfer which is shown to the satisfaction of the Directors to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
132. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
133. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.
134. The Company may upon the recommendation of the Directors by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets

or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

135. The Company may transmit any dividend or any other moneys payable in respect of any share in the form of a cheque, warrant or similar financial instrument by post to the registered address of the holder or person entitled thereto or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to any one of such persons, or to such person and address as the holder or joint holders or person or persons entitled may be writing direct. Alternatively, if the Directors shall so determine, such payment may be made by any other method they consider appropriate (including by any form of electronic media to a bank account of the person otherwise entitled to receive payment by cheque or warrant pursuant to this and the following two Articles). Every such cheque or warrant shall be made payable to or to the order of the person to whom it is sent and any payment by electronic media shall be paid to the bank account details of which shall have been provided to the Company in writing by the person entitled to receive the same. Every such payment shall be sent at the risk of the person entitled to receive the same and shall be a good discharge to the Company. If cheques or warrants in respect of dividends are returned undelivered or are left uncashed on two consecutive occasions the Directors may cause the Company to cease sending such cheques or warrants by post to the member or members or person or persons concerned.
136. In respect of shares in uncertificated form:-
- (a) where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any dividend or any other moneys payable in respect of any share by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system and the provisions of the Uncertificated Securities Regulations);
  - (b) every such payment by means of such relevant system shall be made in such manner as may be consistent with the facilities and requirements of the relevant system concerned and such payment may include the sending by the Company or by any person on its behalf of an instruction to the operator of such relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such other person as the holder or joint holders may in writing direct;
  - (c) the payment by the Company of any sum in accordance with this Article and the immediately preceding and following two Articles (including in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the relevant system concerned) shall be a good discharge to the Company.
137. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

## RECORD DATES

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

## CAPITALISATION OF PROFITS AND RESERVES

139. The Directors may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of ordinary shares on the Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of ordinary shares and applying such sum on their behalf in paying up in full unissued ordinary shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully-paid up to and amongst them as bonus shares in the proportion aforesaid. Provided that the Company shall not apply an unrealised profit in paying up debentures or any amounts unpaid on any of its issued shares and the only purpose to which sums standing to a share premium account or capital redemption reserve shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed as aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
140. The Directors may with the prior sanction of an ordinary resolution of the Company offer the holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of such dividend or dividends (or part thereof) as are specified by any such resolution. The following provisions shall apply:
- (i) the said resolution may specify a particular dividend or may specify all or any dividends declared or resolved in respect of a specified period but such period may not end later than the expiry of two months following the conclusion of the annual general meeting next following the date of the Meeting at which such resolution is passed provided nevertheless that the Directors may in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination;
  - (ii) the entitlement of each ordinary shareholder to new ordinary shares shall be determined by the Directors so that the Relevant Value thereof shall be as nearly as possible equal to (but not in excess of) the cash amount that such shareholders would have received by way of dividend. For this purpose "Relevant

Value" shall be calculated by reference to the average of (where the shares are admitted to the Official List by the UK Listing Authority and to trading on the London Stock Exchange by the London Stock Exchange) the middle market quotations for the Company's ordinary shares on the London Stock Exchange, as derived from the Official List, or (where the shares are admitted to trading by the London Stock Exchange on the Alternative Investment Market) the average of the highest and lowest prices for bargains transacted in such shares, as derived from the Appendix to the Official List, in either case on the day when the ordinary shares are first quoted "ex" the relevant dividend and on the four subsequent dealing days, adjusted (if need be) as the auditors may consider appropriate;

- (iii) in each year when a dividend or dividends become payable on fully-paid ordinary shares the first 0.1p per share of such dividend (or, if less, the amount of such dividend) shall not be subject to the said right of election but shall in any event be payable in cash;
- (iv) the Directors may specify a minimum number of ordinary shares in respect of which the right of election may be exercised. The basis of allotment shall be such that no member may receive a fraction of a share and the Directors may make such provision as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit accrues to the Company;
- (v) the Directors may make exclusions or restrictions as respects the rights of certain shareholders to elect to receive ordinary shares instead of cash as they think necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
- (vi) the Directors, after determining the basis of allotment, shall notify the holders of ordinary shares in writing of the right of election and specify the procedure (including any form of election) determined by the Directors to be followed and place at which, and the latest time by which (being at least 21 days after the despatch of the notice), duly completed forms of election must be lodged in order to be effective;
- (vii) the dividend (or that part of the dividend in respect of which a right of election has been offered and other than the part payable in cash under paragraph (iii) above) shall not be payable on ordinary shares in respect whereof the said election has been duly made ("the Elected Ordinary Shares") and instead thereof additional ordinary shares shall be allotted to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid; for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the holders of the Elected Ordinary Shares on such basis. A resolution of the Directors capitalising any part of the reserves or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been sanctioned by an ordinary resolution of the Company in accordance with Article 139;

- (viii) the additional ordinary shares so allotted shall be allotted as of the record date for the dividend in respect of which the right of election has been offered and shall rank pari passu in all respects with the fully paid ordinary shares then in issue save only that the shares so allotted will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date or any earlier record date;
- (ix) the Directors shall apply to the UK Listing Authority and the London Stock Exchange for the additional ordinary shares so allotted to be admitted to the Official List and to be admitted to trading on the London Stock Exchange or apply to the London Stock Exchange for them to be admitted to trading on the Alternative Investment Market as the case may be; and
- (x) the Directors shall have power to do all acts and things as they consider necessary or expedient to give effect to this Article.

#### ACCOUNTS

- 141. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or ordered by a Court of competent jurisdiction or authorised by the Directors or by ordinary resolution of the Company.
- 142. A copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) or a Summary Financial Statement shall not less than 21 days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of the Articles. Provided that this Article shall not require a copy of these documents to be sent to more than one of Joint Holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has been sent shall be entitled to receive a copy free of charge on application at the Office. If all or any of the shares or debentures of the Company shall for the time being be admitted to the Official List or admitted to trading on the London Stock Exchange or admitted to trading on the Alternative Investment Market, there shall be forwarded to the appropriate officer of the UK Listing Authority or the London Stock Exchange such number of copies of such documents as may for the time being be required under the applicable regulations or practice.

#### AUDITORS

- 143. Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there is some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.
- 144. An auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as auditor.

## COMMUNICATIONS

145. Any documents or information to be sent or supplied by or to the Company may be sent or supplied in hard copy form, in electronic form or by means of a website to the extent permitted by the Companies Acts and the Articles.
146. A document or information may only be sent or supplied by the Company to a person by being made available on a website if the person:-
- (a) has agreed (generally or specifically) that the document or information may be sent or supplied to him or her in that manner; or
  - (b) is taken to have so agreed in accordance with the Companies Acts,
- and has not revoked that agreement.
147. A document or information that is sent or supplied to the Company otherwise than in hard copy form, electronic form or by means of a website is validly sent or supplied if it is sent or supplied in a form or manner that has been agreed by the Company.
148. A document or information that is sent or supplied by the Company or the Board otherwise than in hard copy form, electronic form or by means of a website is validly sent or supplied if it is sent or supplied in as form or manner that has been agreed by the intended recipient.
149. If on three consecutive occasions documents or information (including any dividend payment or a copy of any statutory accounts or summary financial statement) have been sent or supplied to any member in accordance with any provisions of this Article, such member shall not thereafter be entitled to receive any documents or information from the Company until he or she shall have communicated with the Company and supplied in writing (signed by him or her) to the Company a new registered address or an address within the United Kingdom for the service of notices.
150. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
151. If any document or information (including any dividend payment or a copy of any statutory accounts or summary financial statement) have been sent or supplied by electronic means in accordance with this Article to any member at his or her address specified for the purpose or deemed to be so specified and the Company becomes aware of a failure in delivery (and subsequent attempts to send or supply such document or information by electronic means also result in a failure in delivery), the Company shall either:-
- (a) send or supply a hard copy of such document or information to such member; or
  - (b) notify such member of the information set out in Article 154;

in each case in the manner described in Articles 147 and 148.

152. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least one national newspaper with appropriate circulation. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least 7 days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
153. Where a document or information is, under Articles 147 and 148, sent or supplied by post, service or delivery shall be deemed to be effected at the expiration of 24 hours after the time when the cover containing the same is posted (irrespective of the class or type of post used) and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed and posted.
154. Where a document or information is sent or supplied by electronic means to an address specified for the purpose by the intended recipient, service or delivery shall be deemed to be effected on the same day on which it is sent or supplied and in proving such service it will be sufficient to prove that it was properly addressed.
155. Where a document or information is sent or supplied by means of a website, service or delivery shall be deemed to be effected when:-
- (a) the material is first made available on the website; or
  - (b) if later, when the recipient received (or, in accordance with this Article, is deemed to have received) notification of the fact that the material was available on the website.
156. In respect of joint holdings, documents or information shall be validly sent or supplied to all joint holders if sent or supplied to that one of the joint holders whose name first appears in the register.
157. Anything to be agreed or specified in relation to documents or information to be sent or supplied to joint holders, may be agreed or specified by that one of the joint holders whose name appears first in the register.
158. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address in the United Kingdom at which documents or information may be sent or supplied to him or her in hard copy form, or an address to which documents or information may be sent or supplied to him or her by electronic means, is not entitled to have documents or information sent or supplied to him or her by the Company.
159. Nothing in the Articles shall affect any requirement of the Companies Acts that any particular offer, notice or other document be served in any particular manner.

## WINDING UP

160. The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.
161. If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Statutes, divide among the members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets as he deems fair and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

## INDEMNITY

162. (a) Subject to the provisions of and so far as may be consistent with the Statutes, every Director shall be indemnified out of the assets of the Company to the extent that such indemnity is a "qualifying third party indemnity provision" within the meaning of section 234(2) of the Act and the Company may provide a Director with funds in accordance with section 205 of the Act to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in section 205(5) of the Act, but so that any provision of funds will become repayable by the Director or any liability of the Company under any transaction connected with any provision of funds will become repayable by the Director not later than:-
- (i) in the event of the Director being convicted in the proceedings, the date when the conviction becomes final;
  - (ii) in the event of judgement being given against him in the proceedings, the date when the judgement becomes final; or
  - (iii) in the event of the court refusing to grant him relief on the application, the date when the refusal of relief becomes final.
- (b) Subject to the provisions of and so far as may be consistent with the Statutes, every Auditor, Secretary or other officer of the Company (save for a Director) shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

- (c) Subject to the provisions of the Statutes, the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any Director or other officer or auditor of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, Officer or Auditor.
- (d) Each Director shall be entitled to rely on the provisions of these Articles.

#### UNCERTIFICATED SHARES

163. (1) Without prejudice to any powers which the Company or the Directors may have to issue, allot, dispose of, convert or otherwise deal with or make arrangements in relation to, shares and other securities in any form:-
- (a) the holding of shares and other securities in uncertificated form and the transfer of title to such shares by means of a relevant system shall be permitted; and
  - (b) the Company may issue shares or other securities in uncertificated form and may convert shares or such securities from certificated form to uncertificated form and vice versa.
- (2) If and to the extent that any provision of these Articles is inconsistent with such holding, transfer, issue or conversion as is referred to in paragraph (1) of this Article or with any provision of the Uncertificated Securities Regulations, it shall not apply to any share or security in uncertificated form.
- (3) Subject to the Uncertificated Securities Regulations, the directors can lay down regulations which:-
- (a) govern the issue, holding and transfer and, where appropriate, the mechanics of conversion and redemption of uncertificated shares and securities;
  - (b) govern the mechanics for payment involving a relevant system; and
  - (c) make any other provision which the directors consider are necessary to ensure that these Articles are consistent with the Uncertificated Securities Regulations and with any rules or guidance of an operator of a relevant system.

If the directors do make any such regulations, Paragraph (2) of this Article will still apply to the Articles, read with those regulations.

#### LIABILITY OF MEMBERS

164. The liability of each member is limited to the amount (if any) unpaid on the shares held by that member.